



Highlights of the Paycheck Protection Program Flexibility Act of 2020

Signed into law on 6/5/2020

Interim Rule Issued by the SBA/Treasury on 6/10/2020

Covered Period for PPP Loans

- Changed to 2/15/2020 through 12/31/2020

Maturity Date of PPP Loans

- For loans made prior to 6/5/2020, maturity is 2 years
 - Borrowers and lenders may mutually agree to extend to 5 years
- For loans made on or after 6/5/2020, maturity is 5 years

Deferral Period

- If loan forgiveness application is submitted within 10 months after the end of the loan forgiveness period:
 - No payments of interest or principal due before the date the SBA remits the loan forgiveness amount to the lender
- If loan forgiveness not submitted within 10 months of the end of the loan forgiveness period:
 - Principal and interest payments will begin 10 months after the end of the loan forgiveness period
- Lender must notify the borrower of the forgiveness amount and the date the first payment is due (if applicable)

Loan Forgiveness Period

- 24-week period starting on day PPP loan proceeds are received
- Alternate optional date **IF** received PPP loan received prior to 6/4/2020
 - **Optional** 8-week period begins on date PPP loan proceeds were received

Payroll spending requirement

- To be eligible for complete loan forgiveness, the required percent of loan proceeds to be used for payroll costs has decreased from 75% to 60%
- If the amount spent on payroll costs is less than 60%, a proportional part of the loan will not be forgiven