

Statement by SBA Regional Administrator Dan Nordberg on changes to the Paycheck Protection Program June 9, 2020



It is clear that the Paycheck Protection Program (PPP) has allowed millions of small businesses across the country to rehire their employees and retain integral jobs during this unprecedented time,” said Dan Nordberg, SBA’s Director of Rural Affairs and Region 8 Administrator. “The bill just signed into law allows additional flexibility in the program to build on its already successful foundation. These changes will enable more businesses to take advantage of this lifeline through June 30th and I am hopeful small businesses will take note and apply.

On Friday, June 5th the President signed the *Paycheck Protection Program Flexibility Act of 2020* (H.R. 7010), which made several changes to the very successful Paycheck Protection Program. Here are a few of the enhancements made to the PPP in H.R. 7010.

- Extends the maturity for loans made on or after June 5, 2020 from two years to five years.
- Extends the covered period from June 30, 2020 to December 31, 2020 for forgiveness of PPP loans.
- Extends the covered period for the use of loan proceeds from eight weeks to 24 weeks.

Provides a safe harbor for small businesses from the rehire requirements if the business owner can document their inability to hire employees for unfilled positions by December 31, 2020 or their inability to return to the same level of business activity because of federal COVID requirements pertaining to social distancing, sanitation, and worker safety.

- Allows borrowers to use 60 percent of the loan amount for payroll costs and up to 40 percent for debt obligations, including interest on a mortgage, rent payment, or utility payment.
- Extends the deferment period for loans retroactively until the amount of forgiveness is remitted to the borrower by the lender (the deferment period ends for all borrowers 10 months after the end of the covered period).
- Delays the payment of employer payroll taxes until January 1, 2021 for PPP borrowers.

For additional resources and a list of lenders participating in the Paycheck Protection Program, visit www.sba.gov/PPP.

(Dan Nordberg serves as both the SBA’s Director of Rural Affairs and Region 8 Administrator, based in Denver. As regional administrator he oversees the agency’s programs and services in Colorado, Montana, Utah, North Dakota, South Dakota, and Wyoming)