

Congressional Intent for [H.R. 7010](#)

We, the undersigned Members of Congress, would like to clarify the congressional intent for [H.R. 7010](#), the Paycheck Protection Program Flexibility Act of 2020. The Paycheck Protection Program (PPP) was authorized by Congress under the CARES Act as a short-term solution to help businesses make ends meet and continue to pay their employees during the initial shocks of the COVID-19 pandemic. Under the CARES Act, authorized funds for the program are set to expire on June 30, 2020, allowing for no new loans to be issued after this date.

[H.R. 7010](#) amends the CARES Act to provide businesses with greater flexibility for their use of PPP loans. Section 3(a) of [H.R. 7010](#) changes the definition of the ``covered period'' defined by section 1102(a) of the CARES Act to be from February 15, 2020 to December 31, 2020 instead of from February 15, 2020 to June 30, 2020, as under current law. We wish to clarify the congressional intent of this extension of the covered period to December 31, 2020, and our expectations about how the amended program will operate.

The CARES Act requires that PPP loans may only be spent on allowable uses during the covered period. In addition to the uses otherwise allowed by section 7(a) of the Small Business Act, the CARES Act authorizes as allowable uses ``payroll costs; costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums; employee salaries, commissions, or similar compensations; payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation); rent (including rent under a lease agreement); utilities; and interest on any other debt obligations that were incurred before the covered period.'' The intention of the extension of the covered period in [H.R. 7010](#) is to allow borrowers who received PPP loans before June 30, 2020 to continue to make expenditures for allowable uses until December 31, 2020. The extension of the covered period does not authorize the Small Business Administration (SBA) to issue any new PPP loans after June 30, 2020, as this date remains fixed by section 1102(b) of the CARES Act.

The extension of the covered period defined in section 1102(a) of the CARES Act should not be construed so as to permit the SBA to continue accepting applications for loans after June 30, 2020. Our intent and understanding of the law is that, consistent with the CARES Act as amended by [H.R. 7010](#), when the authorization of funds to guarantee new PPP loans expires on June 30, 2020, the SBA and participating lenders will stop accepting and approving applications for PPP loans, regardless of whether the commitment level enacted by the Paycheck Protection Program and Health Care Enhancement Act has been reached.

Mike Lee,

United States Senator.

Marco Rubio,

United States Senator.

Dean Phillips,

Member of Congress.
Ron Johnson,
United States Senator.
Benjamin L. Cardin,
United States Senator.
Chip Roy,
Member of Congress.