

Paycheck Protection Program Deadline Extension Adjustment for Loans

On March 27, 2020, President Trump signed the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* into law. A key component of this bill was the establishment of the Paycheck Protection Program (PPP), a financial assistance loan program, to help small businesses pay their employees during the COVID-19 pandemic. Under this new program, businesses are eligible for forgiveness up to the full amount of the loan for costs incurred and payments made during the 8-week period after the loan was first disbursed. To qualify for forgiveness, businesses must restore their full-time employment and salary levels by June 30, 2020.

While well-intended by Congress, the 8-week period and the June 30th rehire date are simply too short as the public health emergency has continued longer than anticipated when the law was originally written. Many non-essential businesses, which represent the majority off PPP loan recipients, will not be able to open or rehire before the conclusion of the forgiveness period. If the 8-week period and rehire date requirements remain, many borrowers will be unable to exhaust funding to permanently rehire their employees as they begin the arduous process of reopening during a time of uncertainty. The primary purpose of the PPP loan was to maintain payroll costs and keep employees afloat, but those funds should also provide a critical lifeline to businesses as states begin to re-open.

The Solution:

It is critical that every business has the opportunity to utilize the loan to the fullest, from the corner stores in Farmington, WV to the restaurants in Salt Lake City, Utah. This commonsense, bipartisan legislation gives businesses the flexibility they need to utilize their PPP loan as intended.

Specifically, this bill will:

- Amend Section 1106 of the *CARES Act* to allow a borrower under the Paycheck Protection Program to be eligible for loan forgiveness equal to the amount spent on covered expenses by the borrower during a 16-week period after the origination date of the loan.
- Move the rehire date deadline from June 30 to 16 weeks after the origination of the PPP loan.

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Senator Manchin's staff will return
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