

SUMMARY OF PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT OF 2020 (H.R. 7010)

(Passed By The House On 5/28/20 & Senate on 6/3/20)

Key Provisions: Effective As If Included In The CARES Act Except For Minimum Maturity Of 5 Years –

- 1) Extend 8-Week Period To 24-Weeks Or Until 12/31/20, Whichever Is Earlier.**
- 2) Increase 25% Limitation On Nonpayroll Expenses Qualifying For PPP Loan Forgiveness To 40%.**
- 3) Expand Safe-Harbors – Have Until December 31 Rather Than June 30 to Rehire Employees And/Or Increase Salary Or Wages To Avoid Reduction Of Costs Because Of A Reduction In Employee's Pay Or Reduction In FTEs.**
- 4) Require Minimum Loan Maturity Of 5-Years, Effective For Loans Made On Or After Date Of Enactment. However, Lenders And Borrowers Can Agree To Extend Maturity For Earlier Loans To 5 years (Only Provision Not Retroactive).**
- 5) Allow Employers To Defer 6.2% OASDI Taxes Even If Receive PPP Loan Forgiveness.**
- 6) Allow PPP Loans To Be Made Through December 31, 2020 Rather Than June 30, 2020.**
- 7) Payments Of Interest And Principal Delayed Generally Until Payment Of Forgiveness Amount To Lender By SBA, Or If Borrower Fails To File Form 3508 Within 10 Months From The End Of The 24-Week Period, Payments Must Begin Within 10 Months From The End Of The 24-Week Period.**
- 8) Forgiveness Determined Without Regard To Proportional Reduction In FTEs Where Borrower Documents – 1) Unable To Rehire Individuals Who Were Employees On 2/15/20 or Similarly Qualified Employees On Or Before 12/31/20; Or 2) Unable To Return To Same Level Of Business Activity As Before 2/15/20 Because Of Requirements Of HHS, CDC, OSHA, From 3/1/20 Thru 12/31/20 Because Of Sanitation Standards, Social Distancing, Or Other COVID-19 Related Worker Or Customer Safety Requirement.**