

Source: U.S. Small Business Administration AZ District Office
and Treasury.gov update

Funds from Round 2 are still available for PPP loans to help small businesses.

On 6/3/2020 the US Senate by unanimous consent cleared the House-passed bill to extend the Paycheck Protection Program.

The President signed it Friday, June 5.

Changes to the PPP program:

- Extends the PPP loan forgiveness period to include costs incurred **over 24 weeks** after a loan is issued **or through Dec. 31**, whichever comes first. Businesses that received a loan before the measure is enacted could keep the current eight-week period.
- **Extends to Dec. 31 from June 30** a period in which loans can be forgiven if businesses restore staffing or salary levels that were previously reduced. The provision would apply to worker and wage reductions made from Feb. 15 through 30 days after enactment of the CARES Act, which was signed into law on March 27.
- Maintains forgiveness amounts for companies that document their inability to rehire workers employed as of Feb. 15, and their inability to find similarly qualified workers by the end of the year. Under the modified measure, companies can still qualify for forgiveness if they show that they couldn't resume business levels from before Feb. 15 because they were following federal requirements for sanitization or social distancing.
- **Extends the deadline to apply for a PPP loan to Dec. 31 from June 30.**
- **Requires at least 60% of forgiven loan amounts to come from payroll expenses.**
- Repeals a provision from the CARES Act that barred companies with forgiven PPP loans from deferring their payroll tax payments.
- **Allows borrowers to defer principal and interest payments on PPP loans until the SBA compensates lenders for any forgiven amounts**, instead of the current six-month deferral period. **Borrowers that don't apply for forgiveness would be given at least 10 months after the program expires to start making payments.**
- **Establishes a minimum loan maturity period of five years following an application for loan forgiveness**, instead of the current two-year deadline set by the SBA. That provision would apply to PPP loans issued after the measure is enacted, though borrowers and lenders could agree to extend current loans.

The PPP forgiveness application must be done through the lender that extended the PPP loan

There is no hurry to apply for forgiveness. Borrowers now have until Dec. 31, 2020 to apply. Those who do not wish to apply for forgiveness have **10 months instead of 6 months** before they must start to repay the PPP loan. We recommend taking time to prepare the required documentation before applying for loan forgiveness.

Assisting applicants with PPP loan inquiries:

If applicants submitted to multiple lenders/fintech companies and can't remember who they submitted their applications to or which one approved their PPP, contact the YC SBDC (sbdc@yc.edu) to provide the following information. We will forward to the SBA to look up the application:

- Applicant full name – first, last, middle initial if used
- Applicant business name as entered in PPP application
- EIN number of the business or owner's social security number
- 10-digit SBA number received upon successful submission of application

If an applicant has applied at multiple locations and has several applications in process, they must contact the lender to cancel all except the one they want to work with. See below.

- If the applicant has an approval and doesn't wish to close and fund with that bank **they must contact that bank** and have them cancel their approval in order for another lender to obtain approval.
- If there are **duplicate approvals**, the borrower must notify the bank(s) they do not wish to work and that bank must cancel their application.
- If they **received ghost funding** or funding from a bank without notification and do not wish to proceed with that bank **they have to work out a refund with that bank.**

If a borrower wants to return the funds they received for either EIDL or PPP, they should write in the memo area of the check "**Repay EIDL Advance or EIDL or PPP funds**" and include the **SBA loan number received for each loan**. Mailing Address to send the check:

SBA, 721 19th St., Denver, CO 80202