**PAYCHECK PROTECTION PROGRAM (PPP) FLEXIBILITY ACT**

**COVID-19 QUICK TAKES**

- Changes the covered loan period for businesses from 8 weeks to the earlier of:
  - *Borrowers who already have loans can choose to retain their 8-week covered loan period.*

- Changes the 75% payroll requirement to 60%.
  - In order to maximize forgiveness, a business must spend at least 60% of loan on payroll costs.
  - *SBA has stated borrowers who spend less than 60% on payroll costs will be eligible for partial loan forgiveness.*
  - *Eligible and forgivable expenses are not changed by the Act.*

- Loans disbursed after June 5, 2020 will have a 5-10 year maturity date.
  - Act allows lender and borrower to extend the loan’s 2-year terms for loans disbursed before this date.

  - Provides new safe harbor for businesses who are unable to return to their Feb. 15, 2020 level of business activity due to compliance with federal guidance on worker/customer safety related to COVID-19.

- Loan forgiveness application deadline: 10 months after Dec. 31, 2020.
  - Payments on loan deferred until decision on loan forgiveness is made.

- *SBA has stated that deadline for loan applications will remain June 30, 2020.*