

Senate

ON May 21, 2020, Senators Marco Rubio (R-FL), Ben Cardin (D-MD), Susan Collins (R-ME) and Jeanne Shaheen (D-NH) agreed on legislation that would make changes to the PPP. Their bill would:

- Extend the deadline to apply for a PPP loan from June 30, 2020, to December 31, 2020;
- ***Allow borrowers 16 weeks to use their loan funds, instead of 8 weeks;***
- Allow borrowers to use loan funds to purchase personal protective equipment for employees and to pay for adaptive investments needed to reopen safely. Adaptive investments include modifications to a commercial property to comply with public health guidelines from CDC and other relevant federal agencies;
- Clarify that borrowers who have maintained payroll for 8 weeks will not lose loan forgiveness due to the extension of the program to 16 weeks; and,
- Ensure that lenders are not held liable for the borrower certification and documentation they provide when applying for a PPP and subsequent forgiveness. In addition, lenders who followed PPP guidance released by SBA/Treasury are not held liable for doing so if that guidance changed.

The bill sponsors are attempting to “hotline” this proposal through the Senate, a procedure that allows for quick consideration of legislation. This could happen as soon as tonight (May 21). If they are not successful, the Senate is likely to take this bill up when senators get back from their Memorial Day recess on June 1.

House of Representatives

Next week, the House of Representatives is expected to vote on H.R. 6886, The Paycheck Protection Act that will make several changes to the PPP. Sponsored by Representatives Chip Roy (R-TX) and Dean Phillips (D-MN), the bill will:

- ***Allow forgiveness for expenses beyond the 8-week covered period.***
- Eliminate restrictions limiting non-payroll expenses to 25% of loan proceeds.
- Eliminate restrictions that limit loan terms to 2 years.
- Ensure full access to payroll tax deferral for businesses that take PPP loans.
- Extend the rehiring deadline to offset the effect of enhanced Unemployment Insurance.

If the bills the House and Senate pass are different, they will have to be reconciled. We will continue to keep you informed on the progress of each of these proposals.