



June 9, 2020

To: Bradford White Contractors
From: Ryan Kiscaden, Senior Strategic Marketing Manager
Subject: Updates to the Paycheck Protection Program (PPP) Through the Paycheck Protection Program Flexibility Act

On Friday, June 5, 2020, President Trump signed into law the **Paycheck Protection Program Flexibility Act**. The new law modifies the Paycheck Protection Program, which originally provided \$660 billion to help companies with fewer than 500 employees. The bill gives companies more time and flexibility to spend funds from the Paycheck Protection Program federal aid package.

The fixes deployed in this legislation allow:

- Businesses 24 weeks to spend the loans (up from eight weeks under the original rule).
- A loosening of the requirement to spend 75% of funds and moves the threshold to 60%.
- Borrowers to have until the end of the year to restore their payrolls to pre-crisis levels for full loan forgiveness. Also gives more time to repay the portions of funds that aren't forgiven. It is important to note that the June 30 deadline for new loan applications remains unchanged.

Friday's changes are unlikely to be the last for the program, which has gone through many rounds of fixes by the Small Business Administration and Treasury Department. You are encouraged to check regularly regarding any changes to the Program.

For additional background on the PPP (and the existing EIDL loan program) please visit:

1. https://bradfordwhitecorp.s3.amazonaws.com/wp-content/uploads/COVID-19_PPP-and-EIDL-Programs.pdf

- OR -

2. <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/joint-statement-sba-administrator-jovita-carranza-and-us-treasury-secretary-steven-t-mnuchin>

SOURCES USED: Wall Street Journal – “*Major Fixes Made to Small-Business Loan Program*”
<https://www.wsj.com/articles/major-fixes-made-to-small-business-loan-program-11591390344>

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