



One Mission. Community Banks.®

U.S. House Passes Legislation to Improve the SBA Paycheck Protection Program

CBAI applauds the near unanimous vote (417-1) in the United States House of Representatives to reform the SBA's Paycheck Protection Program (PPP) and we particularly thank Illinois Congressmen Raja Krishnamoorthi (D-08), Mike Quigley (D-05), and Brad Schneider (D-10th) for cosponsoring this important legislation.

The bill addresses several areas of concern with the SBA's program by permitting the extension of the maturity of loans with remaining balances after the application of forgiveness from two to five years; extending the date of the origination covered period for forgivable expenses beyond June 30, 2020 (8 weeks) to December 31, 2020 (24 weeks); providing a rehiring safe harbor based on employee availability; increasing from 25% to 40% the amount of loan proceeds that can be used for non-payroll expenses; and ensuring full access to payroll tax deferment.

Two important issues that were not addressed in this legislation concerned a presumption of compliance based on a borrowers' certification that the funds were used in accordance with the terms of the program, and a PPP loan forgiveness calculator to easily determine the loan forgiveness amount. CBAI will continue to advocate with policymakers for these improvements, and others as they arise, to maximize the benefits of this program for community banks and their small business borrowers.

Published: May 28, 2020

Community Bankers Association of Illinois

901 Community Drive, Springfield, IL 62703
217/529-2265 or 800/736-2224