



President Trump Signs Changes to the SBA's Paycheck Protection Program

President Trump signed the Paycheck Protection Program Flexibility Act of 2020 ([H.R. 7010](#)), which is a bill to amend the Small Business Act and the CARES Act to modify certain provisions related to the forgiveness of loans under the Paycheck Protection Program (PPP). The bill passed the U.S. House last week and passed the U.S. Senate Wednesday evening without amendment and by a voice vote

This legislation addresses several areas of concern with the SBA's program by: extending the date of the origination covered period for forgivable expenses beyond June 30th (8 weeks) to December 31, 2020 (by 24 weeks); reducing from 75% to 60% the amount of loan proceeds that must be used for payroll expenses; increasing the minimum loan maturity to 5 years unless otherwise agreed upon by borrower and lender; and extending the June 30, 2020, rehiring deadline.

Important issues that were not addressed in this legislation include a simplified forgiveness calculator for all borrowers and a presumption of compliance for loans of a certain size based on a borrowers' certification that the funds were used in accordance with the terms of the program.

CBAI thanks Illinois community bankers for responding to our Action Alerts. CBAI will continue to advocate with policymakers for improvements to maximize the benefits of this program for small business borrowers and minimize the compliance and other burdens for community banks.

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