

This is meant to be an overview only.

The House and Senate have now passed H.R. 7010, the Paycheck Protection Program Flexibility Act of 2020. This legislation was signed by the President on June 5, 2020. The bill modifies provisions related to forgiveness made to the Paycheck Protection Program. Specifically, the bill:

- Establishes a minimum maturity of five years for a paycheck protection loan with a remaining balance after forgiveness.
- Extends the covered period during which a loan recipient may use such funds for certain expenses while remaining eligible for forgiveness
- Raises non-payroll portion of a forgivable covered loan amount from the current 25% to 40%.
- Extends the period in which an employer may rehire or eliminate a reduction in employment, salary, or wages that would otherwise reduce the forgivable amount of a paycheck protection loan.
 - the forgivable amount must be determined without regard to a reduction in the number of employees if the recipient is (1) unable to rehire former employees and is unable to hire similarly qualified employees, or (2) unable to return to the same level of business activity due to compliance with federal requirements or guidance related to COVID-19.
- Revises the deferral period for paycheck protection loans, allowing recipients to defer payments until they receive compensation for forgiven amounts.
- Recipients who do not apply for forgiveness shall have 10 months from the programs expiration to begin making payments.
- Eliminates previous provision that makes a paycheck protection loan recipient who has such indebtedness forgiven ineligible to defer payroll tax payments.

Link to bill:

<https://www.congress.gov/bill/116th-congress/house-bill/7010/text?q=%7B%22search%22%3A%5B%22hr+7010%22%5D%7D&r=1&s=1>