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PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT

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Key Provisions of the PPP Flexibility Act

1. Maturity of loan is extended from 2 years to 5 years.
2. The deferral period for loan repayments of principal and interest is extended from not less than 6 months to not more than 1 year.
3. Covered period for the loan program is extended from June 30, 2020 to December 31, 2020.
4. The Senate is adding a letter to the Act closing new PPP loan applications as of June 30, 2020.
5. Forgiveness covered period is extended from 8 weeks to 24 weeks, beginning on the date of loan origination and ending the earlier of 24 weeks or December 31, 2020.
6. A borrower can elect to end the forgiveness covered period at 8 weeks.
7. Safe Harbor provisions for rehiring and restoration of FTEs and Salary/Wage reductions are extended from June 30, 2020 to December 31, 2020.
8. To receive loan forgiveness, 60% of the covered loan amount needs to be used for payroll cost a decreases from the 75% previously required. This provision allows an increase of non-payroll cost (rent, utilities etc.).

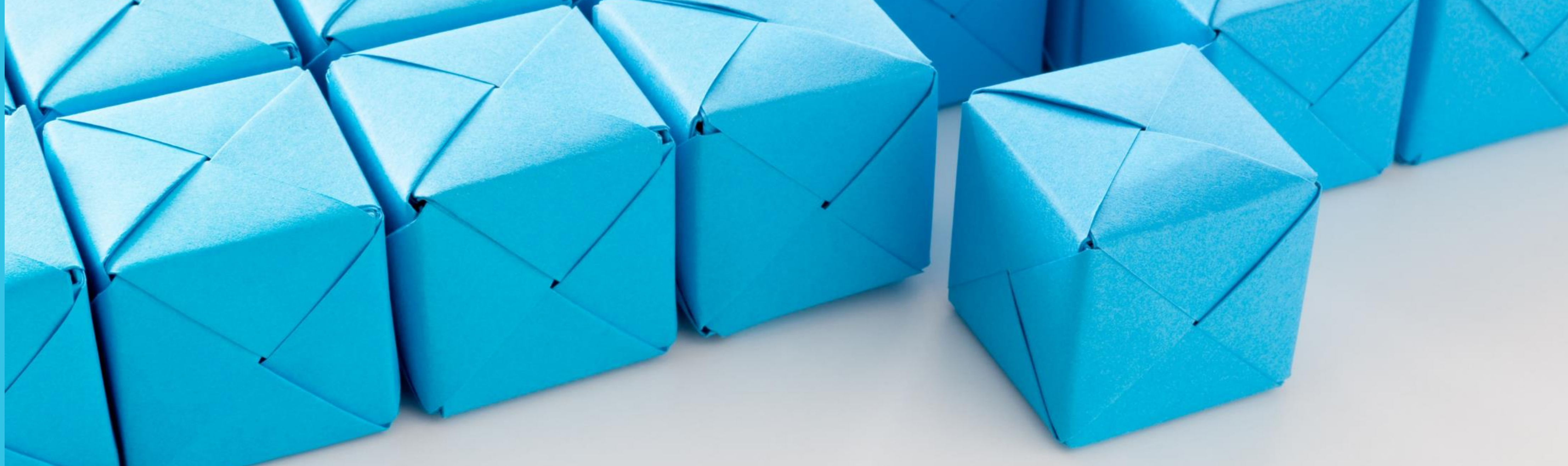


Key Provisions of the PPP Flexibility Act (cont.)

9. Loan forgiveness will be determined without regard to the proportional reduction in FTEs, if in good faith the borrower is able to document.
 - i. an inability to rehire individuals who were employees of the eligible recipient on February 15, 2020; and
 - ii. an inability to hire similarly qualified employees for unfilled positions on or before December 31, 2020; or
 - iii. is able to document an inability to return to the same level of business activity as such business was operating at before February 15, 2020, due to compliance with requirements established or guidance issued by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration during the period beginning on March 1, 2020, and ending December 31, 2020, related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.
10. Business that received a PPP loan can now defer federal employer payroll taxes as defined in the CARES Act. Previously, the deferral was only allowed up to the date that forgiveness was granted, for recipient of PPP loans that were granted forgiveness.



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Q&A

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