

SBA & Treasury Issue Guidance on PPP Flexibility Act

June 15, 2020



The Small Business Administration and Treasury Department late Wednesday released an interim final rule to reflect changes made by H.R. 7010, the Paycheck Protection Program Flexibility Act.

The interim final rule codifies several changes to the program. Specifically, it:

- Confirms that borrowers that use less than 60% of their PPP loan amount for payroll costs during the forgiveness covered period will still be eligible for partial loan forgiveness.
- Extends the end date of the “covered period” for a PPP loan from June 30, 2020 to Dec. 31, 2020.
- Extends the loan forgiveness period from eight weeks to 24 weeks. (For loans made prior to June 5, 2020, borrowers may opt to keep the forgiveness period at eight weeks.)
- Clarifies that if a borrower submits its forgiveness application within 10 months of the end of the loan forgiveness period, the borrower will not have to make any payments on the loan before the date SBA remits the forgiven amount to the lender.


SBA signaled that it will issue additional revisions to its interim final rules on loan forgiveness and loan review procedures to address changes H.R. 7010 made to the PPP loan forgiveness requirements, as well as guidance on advance purchases of PPP loans.

[Read the interim final rule.](#)

UPDATE: With these new changes, First Northern Bank’s automated PPP Loan Forgiveness solution should be available by month end or sooner. Should you wish to apply for Forgiveness prior to the availability of the automated portal, please contact your lender.



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