

Payroll Protection Program (PPP) Forgiveness Period Extended to 24 weeks By Scott Kaup

On May 27th the House passed the Paycheck Protection Program Flexibility Act by 417-1. The bill attempts to ease restrictions on small businesses as they seek loan forgiveness under the PPP. The House bill comes on the heels of the "Interim Final Rules" on PPP loan forgiveness issued by the Treasury Department on May 22nd. The Treasury regulations provided more complicated and harsher requirements for PPP loan forgiveness.

The Senate just approved the House-passed Paycheck Protection Program reform bill yesterday, clearing it for President Trump's signature which includes these major changes:

1. Extends the window businesses have to use the funds from 8 weeks to 24 weeks
2. Reduces the amount of the loan needed to be spent on payroll from 75% to 60%

This gives business owners more flexibility and time to use loan money and still get it forgiven. For most of the businesses we have worked with on the PPP loan, this would allow full forgiveness based solely on wages.

Let us know if you have any questions.

Thanks,

Scott Kaup
CERTIFIED FINANCIAL PLANNER™

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PO Box 265
113 N Main Street
Stuart NE 68780
402-924-3607*

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