



# U.S.H.C.C.

UNITED STATES HISPANIC CHAMBER OF COMMERCE

## Paycheck Protection Program Flexibility Act

# Changes to Paycheck Protection Program



On June 3rd of 2020, the Senate passed the **Paycheck Protection Program Flexibility Act (PPPFA) of 2020**. This bill modifies provisions related to the forgiveness of loans made to small businesses under the Paycheck Protection Program implemented in response to COVID-19.



Two weeks later, on June 17th, the SBA posted a revised, borrower-friendly Paycheck Protection Program (PPP) loan forgiveness application implementing the PPP Flexibility Act of 2020. In addition to revising the full forgiveness application, SBA also announced the new **EZ and Revised Full Forgiveness Applications for the Paycheck Protection Program**.

# Overview of the PPP Flexibility Act of 2020

- **More time to spend PPP funds:** Time frame has been expanded from 8 to 24 weeks.
- **Less restrictive loan forgiveness requirements:** Requirement to use 75% on payroll changed to 60% so that businesses have the ability to spend on other operational needs.
- **More flexibility around rehiring employees:** Small businesses had to rehire “full-time equivalent” employees they had laid off by June 30, 2020, in order to qualify for full loan forgiveness, according to the original law. Now they can do so until December 31, 2020.
- **More time to repay the loans:** For business owners who do not have their full loans forgiven, the law extends the amount of time they have to repay these loans from 2 years to 5 years.
- **An additional option for tax deferrals:** The bill ensures that business owners who have benefited from PPP loans can defer payroll tax obligations this year.
- The SBA's new rules also make the program more accessible to people who have in the past been convicted of a crime.

## EZ & Revised Full Forgiveness Applications for the PPP

The EZ version of the forgiveness application applies to borrowers that:

- Are self-employed and have no employees;
- Did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees;
- Experienced reductions in business activity as a result of health directives related to COVID-19, and did not reduce the salaries or wages of their employees by more than 25%.

Click [here](#) to view the EZ Forgiveness Application.

Click [here](#) to view the Full Forgiveness Application.