



COMPREHENSIVE EMPLOYMENT SOLUTION

CES PPP Loan to Grant – Update June 5, 2020

PPPFA – The new and improved PPP Effective June 5, 2020

As you all have heard there is a new bill afoot called the Paycheck Protection Program Flexibility Act (PPPFA). And this morning the President signed the bill.

At this time, here is an outline of the major points of change to the original Cares Act PPP Loan Program. This bill will make huge changes (mostly positive) on how to plan and get your PPP loan to a 100% Grant. Until the SBA issues guidance, anything else is conjecture and speculation on the writer, myself included! Here is the link for the bill –

<https://www.congress.gov/bill/116th-congress/house-bill/7010/text>

1. The term “covered period” for forgiveness is now 24 weeks from funding no later than December 31, 2020.
*****Was 8 weeks and June 30th, 2020
2. EXEMPTION BASED ON EMPLOYEE AVAILABILITY..... shall be determined without regard to a proportional reduction in the number of full-time equivalent employees if an eligible recipient, in good faith –
 - a. Able to document - An inability to rehire individuals who were employees of Feb 15, 2020
An inability to hire similar employees for unfilled positions Dec 31, 2020
3. LIMITATION ON FORGIVENESS – This has been changed to 60% payroll costs – 40% non payroll costs. This now reads that if you don’t use at least 60% of the loan on payroll the loan will not qualify for forgiveness.
4. If you fail to apply for forgiveness by 10 months after your loan’s forgiveness period you will have to repay the loan, fees and interest etc.
5. The term of the PPP loan will now be a minimum of 5 years. Up from a 2 year term.
6. Payments on a PPP loan are deferred until the SBA funds your allowable forgiveness to your lender
7. If you have a loan funded before this bill was signed you may also stay with the current 8 week funding and 75%/25% forgiveness guidance.

That’s what has changed. Now the Treasury Department and the SBA will have to get in to give us all guidance on what to do next. I’m positive we’ll see the guidance start next week. The PPP forgiveness application will also have to be modified, and hopefully a little easier to fill out...

WE GOT THIS!! More changes, more option, more questions!

**Check our COVID-19 webpage for the newest guidance and
FAQ’s from the SBA and the Treasury Department.**

CES HELPS YOU NAVIGATE AND OPTIMIZE THE 8/24 WEEK PPP CALCULATION TIME FRAME!

WHEN IT IS TIME TO ACT – THE TIME TO PREPARE IS PAST

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