



YOUR PRACTICE

Congress Extends Paycheck Protection Program

Editorial Staff | DIGITAL EXCLUSIVE

With an estimated 130 *billion* in Paycheck Protection Program (PPP) dollars still available as of the end of June, when the program expired, you may think you've missed your opportunity to protect your practice and staff (if you have any) with a federal loan to cover payroll, rent and other practice expenses.

Think again. It looks as if you'll still have time because Congress just passed legislation that extends the application window until Aug. 8, 2020, from the original deadline of June 30. (*Note:* President Trump is expected to sign the bill shortly.)

If you haven't applied for a loan yet, even though you could use it, note that 1) large portions of the loan are *forgivable* (don't need to be paid back) if used for certain purposes; and 2) the interest rate on non-forgivable amounts is a mere 1 percent.



Additionally, earlier legislation (the Paycheck Protection Program Flexibility Act), signed by the president in early June, also makes taking out a loan more appealing:

- Extension of the "forgiveness" period - the time frame during which a borrower can use loan funds for authorized expenses and not have to repay that amount - from the original eight weeks after the date of loan disbursement to 24 weeks.
- Reduction in the minimum loan percentage that must be used for payroll expenses (to qualify for loan forgiveness) from the original 75 percent to 60 percent.
- Extension of the payment deferral period (the time frame in which the borrower must repay any amount not forgiven) from the original six months after the loan funding date to "date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted by the lender."

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