

Congressional Action on Fixing the Paycheck Protection Program (PPP)

The House was back in Washington this week and working to modify the PPP program to add both clarity and flexibility for this critical program aimed at assisting small businesses through this crisis. On Thursday, the House passed [H.R. 7010](#), the Paycheck Protection Program Flexibility Act, by a vote of 417-1. More information on the package is available [here](#). Key PPP changes in H.R. 7010 include:

- allowing forgiveness for expenses for up to 24 weeks, and extending the rehiring deadline;
- increasing the current limitation on nonpayroll expenses (such as rent, utility payments and mortgage interest) for loan forgiveness from 25 to 40 percent;
- extending the program from June 30 to December 31;
- extending loan terms from two to five years; and
- ensuring full access to payroll tax deferment for businesses that take PPP loans.

The bill now moves to the Senate, which has been working on a more narrow approach to addressing concerns with the PPP. The Senate bill - [S. 3833](#), the Paycheck Protection Program Extension Act - would extend the loan use period from 8 weeks to 16 weeks, and extend the program expiration date from June 30, 2020 to December 31, 2020; it does not address the 75/25 requirement or 2-year loan term.

Before any PPP changes go into effect, the differences will need to be reconciled and the legislation will have to pass both the House and Senate, and be signed into law by the President. At this point, it's unclear how the Senate will proceed, but pressure is building for quick action, so we expect more developments in the coming days.