



## *Being Here for Your Business is Our Business*

*The Chehardy Sherman Williams Healthcare Practice Group is constantly monitoring the way the COVID-19 Pandemic is affecting the industry.*



## *Congress Passes the PPP Flexibility Act of 2020*

On June 3, Congress passed the [Paycheck Protection Program \(PPP\) Flexibility Act of 2020](#).

The President is expected to sign this Act into law soon. **Here are the highlights:**

- The maturity term for unforgivable portions of your PPP loan will be a minimum of 5 years (previously 2 years).
- The covered period has been extended to 24 weeks from loan origination or until December 31, 2020 (previously 8 weeks or until June 30, 2020). You may elect to still use the 8 week period if you received your loan funds prior to this new law.
- In congruence with the SBA's previous guidance, an employee who refuses to return to work despite being offered re-employment will not count against you for purposes of workforce reduction forgiveness calculations. Also, you will not be penalized for failure to retain employees if you are able to document an inability to return to the same level of business activity as your business was operating at before February 15, 2020 due to compliance with requirements established or guidance issued by the Secretary of Health and Human Services, the Director of the CDC, or the Occupational Safety and Health Administration during the period beginning on March 1, 2020 and ending December 31, 2020, related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirements related to COVID-19. Also, the deadline to rehire workers has been pushed back from its current date of June 30, 2020 to December 31, 2020.
- You are now required to use at least 60% of the loan funds on payroll costs (previously 75%). And you can now use up to 40% on other allowable uses (payment of interest on any covered mortgage obligation, any payment on any covered rent obligation, or any covered utility payment).
- The eligibility for Employee Retention Tax Credit for borrower's with forgiven PPP loans has been restored.
- Finally, you have 10 months from the last day of the covered period to apply for forgiveness with your lender. If you have not applied for forgiveness within that time limit, you must begin to pay principal, interest, and fees.

The attorneys and staff at Chehardy Sherman Williams are committed to serving you during this time. Though we are actively taking steps to slow the spread of COVID-19 and to ensure the safety of our clients, staff, and attorneys, we remain available to assist you with all legal matters and concerns.

Please do not hesitate to [contact our firm](#) as the COVID-19 pandemic continues and thereafter.

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