

## Potential changes to PPP loan forgiveness 5/28/2020

Category: Demo contents

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As part of their 10,000 Small Businesses Program, Goldman Sachs provided the following information to their alumni from Capitol Hill about potential changes in PPP legislation. While there is no guarantee that these will be adopted, these are big potential changes that all borrowers need to be aware of.

No specific action can be taken yet, but borrowers should review their plans to see whether there is anything specific they should be thinking about at this stage.

*Today, the House is expected to pass legislation that will make a series of important modifications to PPP, including:*

- Allowing borrowers 24 weeks to use their loan funds, instead of the current 8-week allocation*
- Expanding the allowable uses for loans to be forgiven by lowering the existing requirement to spend 75% of loan funds on payroll*
- Lengthening the loan term from 2 years to 5 years*
- Allowing borrowers to use loan funds to purchase PPE for employees and to pay for adaptive investments needed to reopen safely*
- Allowing loan recipients to defer payroll taxes*

*We expect the Senate to either pass the House legislation as is or pass similar legislation next week, meaning the modifications are on a path to be signed into law over the next 2-3 weeks.*

*The modifications are an important first step, but there are additional policy priorities that need to be addressed in the next legislative package, which we anticipate Congress voting on in late June or July.*