

Publication

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Updated PPP Loan FAQ from U.S. Treasury Extends Safe Harbor to Repay PPP Loans to May 18, 2020

The U.S. Department of the Treasury recently updated their "Paycheck Protection Program Loans FAQ" with guidance extending the time frame to take advantage of the safe harbor to repay PPP loans to May 18, 2020.

As discussed in our April 28 client alert, "Increased Funding for Paycheck Protection Program Loans and Updated Guidance," an applicant for a PPP loan is required to certify that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant."

The Interim Final Rule originally posted on April 24, 2020, also provided that "[a]ny borrower that applied for a PPP loan prior to the issuance of this regulation and repays the loan in full by May 7, 2020, will be deemed by SBA to have made the required certification in good faith." This date was previously extended to May 14, 2020, as discussed in our May 7 client alert, "Updated PPP Loan FAQ from U.S. Treasury, Safe Harbor to Repay Loans Extended to May 14, Employee Count Clarified to Include Foreign Employees."

The new guidance extends the repayment date for this safe harbor to **May 18, 2020** to give borrowers an opportunity to review and consider their FAQ #46, which provides guidance on how the SBA will review borrowers' required good-faith certification concerning the necessity

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of their loan request. See our May 13 client alert, "Updated PPP Loan FAQ from the U.S. Treasury Department with Guidance on Its Review of the Certification Regarding the Necessity of the Loan." Borrowers do not need to apply for this extension. This extension will be promptly implemented through a revision to the SBA's interim final rule providing the safe harbor.

If you have questions about this guidance or any other matters related to the PPP program, please contact Chadwick Hoyt, Michael Gray, Robert Gerber, David Milligan, Tom Wolford, Rudy Radasevich or your personal Neal Gerber Eisenberg attorney.

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