

PPP Application Deadline Extended in New Law

On March 30, 2021, President Biden signed legislation to extend the application period of the popular Paycheck Protection Program (PPP) through May 31, 2021. This followed a bipartisan 92-7 vote in the U.S. Senate to pass the Paycheck Protection Program Extension Act of 2021.

PPP History

The CARES Act established the Paycheck Protection Program (PPP) last year. It permits the Small Business Administration to provide loans to qualified businesses affected by the COVID-19 pandemic. The 100% federally guaranteed loans must be used for payroll and certain non-payroll costs.

Then late in 2020, the Consolidated Appropriations Act (CAA) authorized additional funding to the program and extended it until March 31, 2021. This law also expanded access to "First Draw" PPP Loans to other entities, expanded additional eligible expenses, clarified terms, and authorized "Second Draw" PPP Loans for smaller borrowers.

The American Rescue Plan Act (ARPA), which was enacted on March 11, 2021, provided an additional \$7.25 billion in funding, but didn't extend the expiration date of the program. It also made some modifications to the PPP.

The New Law

Under the new law, new loan applications submitted through May 31, 2021, will be eligible for consideration. Between June 1, 2021 and June 30, 2021, the SBA won't accept new lender applications, and will only process those applications received before June 1, 2021.

Please contact me with questions about the PPP.

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