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PPP Loan Forgiveness – What Changed?

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8 Week Period Extended to 24 Weeks

- Borrowers can choose to extend the 8-week period to 24-weeks or they can keep the original 8-week period.
- New loans will have a 24-week covered period.
- The covered period cannot extend beyond December 31, 2020

24 Week Period To Restore Workforce Levels And Wages

- This must be done by December 31, 2020. Previous deadline was June 30, 2020

Payroll Expenditure Requirement Drops From 75% to 60%

- At least 60% of the loan must be used for payroll related expenses which is down from the original 75% requirement.
- The remaining 40% can still be used for eligible rent, utilities, and mortgage interest expenses.
- If you fall below 60% utilization for payroll expenses, none of the loan will be eligible for forgiveness.

2 New Expectations Allowing Borrowers To Achieve Full PPP Loan Forgiveness

- Allows borrowers to adjust because they could not find qualified employees
- Borrowers unable to restore business operations to February 15, 2020 level
- Both are due to COVID-19 related operating restrictions

New Borrowers Now Have 5 Years to Repay The Loan Instead of 2 Years

- Existing PPP loans can be extended up to 5 years if the lender and borrowers agree.
- Interest rate remains at 1%.

Questions???

THANK YOU!!!

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