

Paycheck Protection Program Extension Act Signed into Law July 6, 2020

Overview

On July 4, 2020, a Congressional bill was signed into law that would continue to provide relief to small business owners in light of the COVID-19 pandemic. The law extends application period for the Protection Program (PPP) through August 8, 2020. The PPP eligibility period was originally set to close on June 30, 2020.

Highlights

- Those eligible for the Small Business Administration's PPP loan program now have until August 8, 2020 to apply for funds.
- PPP recipients are eligible for loan forgiveness if they spend 60 percent of funds on payroll and other approved business expenses.
- PPP recipients who spend less than 60 percent on expenses approved for forgiveness will be required to repay the loan in full. PPP forgiveness will no longer be scaled.

Paycheck Protection Program Background

In late March 2020, Congress responded to the COVID-19 emergency with a stimulus bill, the CARES (Coronavirus Aid, Relief, and Economic Security) Act, to provide a series of economic-relief measures for American workers. The CARES Act created a new loan program, the PPP, to assist small-business owners and encourage payroll maintenance.

In June 2020, the Paycheck Protection Flexibility Act was signed into law, which modified the PPP utilization and repayment rules. As the COVID-19 emergency continues, Congress will continue to consider measures to extend CARES Act business-relief measures and create other relief measures to help those affected by the pandemic.

Administered through the SBA, the PPP is a first-come, first-serve loan program for employers with fewer than 500 employees. These loans are eligible for forgiveness if the recipient uses the funds for payroll costs and other approved expenses. Employers apply through an SBA bank/credit union/lender. Read more about the [Small Business Administration Paycheck Protection Program](#).

Questions about the CARES Act, the PPP, or other COVID-19 relief options available to acupuncturists? Email advocacy@thenccaom.org