

SBA Issues New Guidance on PPP Loan Forgiveness

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PRACTICES Corporate, Finance, Asset-Based Lending

On May 22, 2020, the Small Business Administration (“**SBA**”) provided additional guidance on the Paycheck Protection Program (“**PPP**”) through the issuance of two new Interim Final Rules on (i) [loan forgiveness](#) and (ii) [SBA loan review procedures](#) and related borrower and lender responsibilities (collectively, the “**Loan Forgiveness Rules**”), each of which supplements the first PPP Interim Final Rule, published on April 2, 2020, the subsequent interim final rules issued since that date (and linked below), and the [PPP loan forgiveness application](#).

The PPP is a small business loan program established pursuant to Title I of the Coronavirus Aid, Relief, and Economic Security (“**CARES**”) Act signed by President Trump on March 27, 2020, and supplemented by the Paycheck Protection Program and Health Care Enhancement Act (the “**PPP/HCE Act**”), which provided additional funding for the program.

Below is a high-level summary of guidance set forth in the Loan Forgiveness Rules. The U.S. Department of Treasury and the SBA may provide further guidance and regulations in the coming days. Such guidance and regulations could provide further detail with respect to PPP loan forgiveness applications and may materially change the summary below. Businesses are encouraged to seek advice from qualified legal counsel before applying for PPP loan forgiveness.

Read the full alert [here](#).