



Paycheck Protection Program Extension Act

On March 27, 2020, President Trump signed the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* into law. A key component of this bill was the establishment of the Paycheck Protection Program (PPP), a financial assistance loan program, to help small businesses pay their employees during the COVID-19 pandemic. Under this new program, businesses are eligible for forgiveness up to the full amount of the loan for costs incurred and payments made during the 8-week period after the loan was first disbursed.

While well intended by Congress, the 8-week period is simply not long enough. Now, we know that many non-essential businesses, which represent the majority of PPP loan recipients, will not be open before the conclusion of the forgiveness period. If the eight week period requirement remains, many borrowers will be unable to exhaust funding in an appropriate and effective way as they begin the arduous process of reopening during a time of uncertainty. The primary purpose of the PPP loan was to maintain payroll costs and keep employees afloat, but those funds will also provide a critical life line to businesses as states begin to re-open.

The Solution:

It is critical that every business has the opportunity to utilize the loan to the fullest, from the corner stores in Farmington to restaurants in Charleston. That is why I have introduced legislation that gives businesses the opportunity to utilize their PPP loan in a more useful and efficient way for their businesses.

Specifically, my bill will:

- Amend Section 1106 of the *CARES Act* to allow a borrower under the Paycheck Protection Program to be eligible for loan forgiveness equal to the amount spent by the borrower during a 16-week period after the origination date of the loan.
- Limit the extension of the qualifying loan forgiveness period to those businesses who have received loans totaling \$500,000 or less.