

Rubio-Cardin-Collins-Shaheen Paycheck Protection Program Extension Act

The Paycheck Protection Program (PPP) is a critical lifeline for America's small employers and their employees, who are struggling with the consequences of economic shutdowns aimed at fighting the spread of COVID-19. Since its launch in early April, the program has provided loans totaling more than \$510 billion to approximately 4.3 million small employers across the country. The overwhelming majority of borrowers are very small – according to the latest data, nearly two-thirds of all PPP loans are for \$50,000 or less, and the average size of a PPP loan is just \$118,000, suggesting an average employer size of about 10 employees.

The PPP provides small employers with eight weeks of funds to pay their workers, protect their jobs, and help cover certain overhead expenses until the economy can reopen. The Paycheck Protection Program Extension Act would extend the PPP to reflect the fact that economic shutdowns have lasted longer than originally anticipated, and to provide small employers with more flexibility in the use of loan funds. Specifically, the bill would do the following:

- **Extend the deadline to apply for a PPP from June 30, 2020, to December 31, 2020.**
- **Allow borrowers 16 weeks to use their loan funds, instead of 8 weeks.** The maximum loan amount a borrower could receive would not change.
- **Allow borrowers to use loan funds to purchase personal protective equipment for employees and to pay for adaptive investments needed to reopen safely.** Adaptive investments include modifications to a commercial property to comply with public health guidelines from CDC and other relevant federal agencies. These investments could include creating or expanding a drive-through window, physical barriers such as sneeze guards, ventilation system upgrades, etc.
- **Clarify that borrowers who have maintained payroll for 8 weeks will not lose loan forgiveness due to the extension of the program to 16 weeks.**
- **Clarify the lender hold harmless provision.** Ensures that lenders are not held liable for the borrower certification and documentation they provide when applying for a PPP and subsequent forgiveness. Additionally, lenders who followed PPP guidance released by SBA/Treasury are not held liable for doing so if that guidance changed.