

July 1, 2020

## Paycheck Protection Program Extended

Atlanta – With over \$100 billion uncommitted for Paycheck Protection Program (PPP) loans, Congress voted today to extend the loan application process through August 8. President Trump is expected to sign the extension shortly.

So far, lenders across Georgia helped over 152,000 small businesses receive loans totaling more than \$14.3 billion through the Paycheck Protection Program (PPP), according to the U.S. Small Business Administration.

“Georgia bankers dropped everything to get that money into the hands of small business owners to save jobs and help keep their businesses afloat. That was an enormous task to get done in less than 90 days, but the bankers made it work during a public health emergency and with little guidance on the program. We hope most of those loans will qualify for forgiveness so these hardworking neighbors and friends can focus on their businesses. They are the backbones of our communities,” said GBA president and CEO Joe Brannen.

Lenders and existing borrowers have already turned their attention to the forgiveness process and are awaiting further guidance from Treasury and SBA. Although an EZ forgiveness form was recently released that many borrowers may qualify to use, the process remains cumbersome and overly complex.

Bankers have asked Congress to authorize an affidavit form of forgiveness to simplify the process, and legislation was introduced this week to apply such a process to loans of \$150,000 and less. We have no assurance these efforts will succeed; so, for now, borrowers and lenders have the EZ and regular forms to use in applying for forgiveness.

Congress recently passed other legislation that extended the time to spend loan proceeds from eight to 24 weeks. The new law also allowed small businesses to spend up to 40 percent of the proceeds on eligible non-payroll expenses to qualify for forgiveness.

While that legislation will be helpful to some, it was enacted after most borrowers had already used their loan proceeds based on the law in effect at the time. Most will likely choose to use the 8-week period in applying for forgiveness to put this program behind them.

**About the Georgia Bankers Association:** Founded in September 1892, the Georgia Bankers Association promotes the general welfare and usefulness of banking and the preservation of a sound banking system. For nearly 128 years, GBA has been the resource that empowers Georgia’s banks, providing effective government relations and public advocacy, a community of professional peers, top-quality education and professional development, and revenue-enhancing products and services.