

LEGAL UPDATES

PUBLISHED: MAY 14, 2020

Service

Banking & Finance

Professionals

LAUREN M. HAWKINS
SPRINGFIELD:
417.268.4034
LAUREN.HAWKINS@
HUSCHBLACKWELL.COM

CHRISTOPHER W.
PETERSON
SPRINGFIELD:
417.268.4057
CHRIS.PETERSON@
HUSCHBLACKWELL.COM

Safe Harbor Further Extended for PPP Loan Repayment

SBA ISSUES GUIDANCE FOR PARTNERSHIPS AND SEASONAL EMPLOYERS

Safe Harbor Extension

On May 13, 2020, the Small Business Administration (SBA) extended the safe harbor repayment date provided to certain recipients of Paycheck Protection Program (PPP) loans. This repayment date, which was previously extended from May 7, 2020 to May 14, 2020, has again been extended to May 18, 2020. Pursuant to the SBA's FAQ 47 issued late in the day on May 13, any borrower that applied for a PPP loan and repays the loan in full by May 18, 2020, will be deemed by the SBA to have made the required certification concerning the necessity of the loan request in good faith. Borrowers do not need to apply for this extension. You can view our previous client alert regarding necessity certification, available safe harbors and related guidance [here](#).

Partnership and Seasonal Employer Loan Increases

The SBA also issued an Interim Final Rule on May 13, 2020, providing for an increase of PPP loan funds previously disbursed to certain partnerships and seasonal employers. If a partnership received a PPP loan that only included amounts necessary for payroll costs of the partnership's employees and other operating expenses, but did not include any amount for partner compensation, the partnership's lender may submit a request to the SBA for an increase in the PPP loan amount for appropriate partner compensation, provided the lender's first SBA Form 1502 report to the SBA on the PPP loan has not been submitted. Additionally, if a seasonal employer received a PPP loan before the SBA's guidance to such borrowers was posted on April 28, 2020, and if such borrower would be eligible for a higher maximum loan amount under the

alternative criterion provided in such guidance, the borrower's lender may submit a request to the SBA for an increase in the PPP loan amount, provided the lender's first SBA Form 1502 report to the SBA on the PPP loan has not been submitted.

Contact Us

If you have further questions or require more information regarding this update, please contact Lauren M. Hawkins, Christopher W. Peterson or your Husch Blackwell attorney.

Comprehensive CARES Act and COVID-19 Guidance

Husch Blackwell's CARES Act resource team helps clients identify available assistance using industry-specific updates on changing agency rulemakings. Our COVID-19 response team provides clients with an online legal Toolkit to address challenges presented by the coronavirus outbreak, including rapidly changing orders on a state-by-state basis. Contact these legal teams or your Husch Blackwell attorney to plan a way through and beyond the pandemic.