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PPP FLEXIBILITY ACT

- Borrowers can choose to extend the 8 to 24 weeks or can keep the original 8 weeks.

- The payroll expenditure requirement drops to 60% from 75% but is now a cliff, meaning that borrowers must spend at least 60% on payroll or none of the loan will be forgiven. Currently, a borrower is required to reduce the amount eligible for forgiveness if less than 75% of eligible funds are used for payroll costs, but forgiveness isn't eliminated if the 75% threshold isn't met.

- Borrowers can use the 24-week period to restore their workforce levels and wages to the pre-pandemic levels required for full forgiveness. This must be done by Dec. 31, a change from the previous deadline of June 30.

- The legislation includes two new exceptions allowing borrowers to achieve full PPP loan forgiveness even if they don't fully restore their workforce.

- The new bill allows borrowers to adjust because they could not find qualified employees or were unable to restore business operations to Feb. 15, 2020, levels due to COVID-19 related operating restrictions.

- Borrowers now have 5 years to repay the loan instead of 2. The interest rate remains at 1%.

- The bill allows #businesses that took a #PPP loan to also delay payment of their payroll taxes, which was prohibited under the CARES Act.