

SBA and Treasury Announce New and Revised Guidance Regarding the Paycheck Protection Program

June 12, 2020

Washington—The U.S. Small Business Administration (SBA), in consultation with the U.S. Department of the Treasury, issued new and revised guidance for the Paycheck Protection Program (PPP). This guidance implements the Paycheck Protection Program Flexibility Act (PPPFA), signed into law by President Trump on June 5, 2020, and expands eligibility for businesses with owners who have past felony convictions.

To implement the PPPFA, SBA revised its first PPP interim final rule, which was posted on April 2, 2020. As described in detail in [our announcement on June 8, 2020](#), the new rule updates provisions relating to loan maturity, deferral of loan payments, and forgiveness provisions.

In addition, as an exercise of SBA's policy discretion in furtherance of President Trump's leadership and bipartisan support on criminal justice reform, the eligibility threshold for those with felony criminal histories has been changed. The look-back period has been reduced from 5 years to 1 year to determine eligibility for applicants, or owners of applicants, who, for non-financial felonies, have (1) been convicted, (2) pleaded guilty, (3) pleaded nolo contendere, or (4) been placed on any form of parole or probation (including probation before judgment). The period remains 5 years for felonies involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance. The application also eliminates pretrial diversion status as a criterion affecting eligibility.

SBA issued revised PPP application forms to conform to these changes. The guidance and revised application forms are available on SBA's and Treasury's websites. SBA will issue additional guidance regarding loan forgiveness and a revised forgiveness application to implement the PPPFA in the near future.

[Click here to view the new Interim Final Rules.](#) 

[Click here to view the new Borrower Application.](#) 

[Click here to view the new Lender Application.](#) 

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