



PAYCHECK PROTECTION PROGRAM (PPP) LOANS - JUNE 10, 2020 UPDATE

Date: June 10, 2020

To: Priests, Principals, Business Managers, and Bookkeepers

From: Steve Poehler, CPA & Senior Financial Analyst
Anne McCoy, Parish Support Accountant
Michelle Braulick, CPA & Director of Finance

Re: "PPP Flexibility Act" Passed By Congress, Signed Into Law

The deadline for PPP Loan applications continues to be June 30, 2020 – and there are still more than \$100 billion of PPP funds available, so we continue to highly recommend applying for a PPP Loan if your location has not done so already.

For those locations that have received a Payroll Protection Program (PPP) loan, last week Congress passed the "Paycheck Protection Program Flexibility Act of 2020" ("PPP Flexibility Act"), which President Trump signed into law on Friday, June 5. The Archdiocese will plan to send out additional details and guidance related to this bill in the coming weeks.

Here are the most important provisions to note in the "PPP Flexibility Act":

- Current borrowers have the option to extend their 8-week "covered period" for Loan Forgiveness to 24 weeks. New borrowers, meanwhile will have a "covered period" of 24 weeks after the loan proceeds are received, or December 31, 2020, whichever is earlier.
- The 75% payroll expenditure requirement is reduced to 60%.
- The repayment period for any portion of the PPP Loan not forgiven is extended to five years for new loans. Existing PPP loans can have their maturity date extended, if the lender and borrower agree. (The interest rate on PPP Loans remains at 1%.)

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