
Paycheck Protection Program: Small Business Administration Issues Interim Rules for Loan Forgiveness

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Since the implementation of the Paycheck Protection Program with the passage of the Coronavirus Aid, Relief, and Economic Security Act (H.R. 748) (the "CARES Act"), eligible businesses that have received loans under the program, as well as the lenders who make the loans, have eagerly awaited guidance on forgiveness of up to 100% of the principal amount of these loans. On May 15, 2020, the Treasury Department and the Small Business Administration (the "SBA") released the form of application for loan forgiveness under the Paycheck Protection Program (the "Loan Forgiveness Application"). On May 22, 2020, the SBA issued two interim rules (13 C.F.R. Part 120) (the "Interim Rules") codifying and clarifying the instructions in the Loan Forgiveness Application. This memorandum discusses the additional guidance provided in the Interim Rules not discussed in the Loan Forgiveness Application and instructions.

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