Proskauer

Where Are We Now? – Paycheck Protection Program Redux

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Summary of Key Changes and Expansion of the Paycheck Protection Program under the Consolidated Appropriations Act, 2021

On December 27, 2020 the Consolidated Appropriations Act, 2021 – containing a new $900 billion COVID-19 relief stimulus package – was signed into law. The Act includes significant modifications and extensions of the Paycheck Protection Program ("PPP") including: (i) extending the original program until March 31, 2021; (ii) increasing the list of eligible borrowers and the permitted uses of PPP loans; (iii) creating a new "second draw" loan program aimed at providing additional assistance of up to $2 million to PPP borrowers that have exhausted their original PPP loan; and (iv) making significant changes to the interaction between the PPP loan programs and various tax incentives provided by the Cares Act. The Proskauer interdisciplinary coronavirus taskforce breaks down the changes to the PPP in this new law.

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Proskauer's cross-disciplinary, cross-jurisdictional Coronavirus Response Team is focused on supporting and addressing client concerns. We will continue to evaluate the CARES Act, the Consolidated Appropriations Act, 2021, related rules and regulations and any subsequent legislation to provide our clients guidance in real time. Please visit our Coronavirus Resource Center for guidance on risk management measures, practical steps businesses can take and resources to help manage ongoing operations.

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