News Brief

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Congress Passes Extension of Paycheck Protection Program

Congress has passed the PPP Extension Act of 2021, a 60-day extension of the U.S. Small Business Administration's (SBA) Payment Protection Program (PPP), which was set to expire on March 31. President Joe Biden signed the bill on March 30, extending the expiration of the program.

The bill pushes back the application deadline for borrowers until May 31. The bill also allows 30 additional days for the SBA to finish processing applications received by the May 31 deadline.

The extension passed by Congress does not provide any additional funding for the current round of the program.

During the current round of PPP loans, the SBA has approved more than 3.1 million loans, totaling over $195 billion in funding.

The PPP was established to provide a direct incentive for small businesses to keep their workers on payroll. According to the Treasury, the program is "providing small businesses with the resources they need to maintain their payroll, hire back employees who may have been laid off, and cover applicable overhead."

Employer Takeaway

Borrowers should continue to monitor PPP developments, and can review the PPP's website for more information about loans. Borrowers considering applying should prepare and have on hand all relevant documentation. Lastly, borrowers should direct any questions regarding PPP loans to their lender.

We will continue to monitor any additional developments regarding the PPP and deliver updates as necessary. For more information about the PPP, contact Tilson HR.

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