

What We Know

ARTICLES & INSIGHTS

ABOUT THE AUTHOR



[Gene Chianelli](#) is a tax law attorney with more than 20 years of experience assisting private and public entities with state and federal tax policy, planning, and compliance. He is a member of the North Carolina Bar Association Tax Council and currently serves as an adjunct professor at Campbell University's Lundy-Fetterman School of Business, where he teaches advanced income taxation to law students and students enrolled in the school's Master of Trust and Wealth Management program.

PPP Loan Application Deadline Extended Until August 8

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On July 4, 2020, President Trump signed a bill that re-opens the application period for Paycheck Protection Program ("PPP") loans until August 8, 2020. The five-week extension was approved by both houses of Congress last week by unanimous consent. The extension came as somewhat of a surprise, as the Senate passed it just a few hours before the PPP was initially set to expire on June 30.

The PPP loan facility is a critical feature of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Our comprehensive discussion of PPP loans appears [here](#) ["Client Alert: What Businesses Need to Know..."], and our analysis of the PPP Flexibility Act enacted in June appears [here](#) ["Flexibility Act Makes Significant Changes to PPP Loan Terms"]. We have also discussed a key feature of PPP loans – forgiveness – [here](#) [May 15 update] and [here](#) [May 19 update].

Congress has indicated in recent weeks that it plans to pass a second stimulus package targeted to small businesses struggling with the economic effects of the COVID-19 pandemic. The extension of PPP loans preserves a source of funding for these businesses while Congress undertakes its work.

The Small Business Administration ("SBA"), which administers PPP loans, stopped accepting new applications at midnight on June 30, 2020. The PPP launched in early April and provides forgivable loans that small businesses can use to cover payroll and other critical expenses like rent and utilities.

After the first round of PPP loan funding ran dry, a second round was approved. As of today, \$129 billion approximately remains. According to the SBA, as of the close of business June 30, nearly 4.9 million loans for a total of more than \$520 billion had been approved.

Smith Debnam's business law attorneys have assisted clients with numerous PPP issues and helped facilitate successful loan applications. We are closely monitoring these developments to the PPP as part of our comprehensive response to the COVID-19 pandemic. If you have any questions, please call business law and tax law attorney [Gene](#)

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