

PPP Loan Update - Urgent Matter

April 2, 2020

There are several areas of the PPP loan application process that are uncertain and that may require additional guidance. Until the Treasury and/or lenders provide additional clarification, business owners must evaluate whether they are able to file accurate applications which maximize benefits.

A recent question is whether federal withholding taxes should be excluded from “payroll costs” in the calculation of the amount of loan eligibility. The language in the CARES Act lacks clarity on this and other matters, and financial institutions do not seem to have a consistent position on how they will handle this item in the loan process.

Business owners must evaluate whether or not they should await further clarity before submitting loan applications as there are concerns that an incorrect application could affect loan amounts and loan forgiveness. We will keep you advised as to any additional guidance that is provided as soon as we become aware.

Disclaimer: Please note this is based on the information that is currently available and is subject to change.