

In submitting an application for a Paycheck Protection Program (a “PPP Loan”), applicants were required to certify in good-faith that receipt of the PPP Loan was “necessary to support” their “ongoing operations.” The manner in which the Small Business Administration (the “SBA”) will review whether or not such certifications were made in good faith is a topic of ongoing concern among PPP Loan recipients. Yesterday, May 13th, the SBA, in consultation with the U.S. Department of Treasury (“DOT”), indicated that “any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification” ... “in good faith.” The SBA also indicated that, in the event it determines a borrower which received PPP Loans in an amount greater than \$2 million did not make the required certification in good faith, it will provide such borrower the opportunity to repay the PPP loan and “will not pursue administrative enforcement or referrals to other agencies based on” such determination if the borrower does repay the PPP Loan.

The attorneys at RJG are regularly monitoring the PPP Loan guidance issued by the SBA and the DOT in order to assist clients in administering their PPP Loans and obtaining available loan forgiveness. Please contact Jim Valentine (jvalentine@rjglaw.com) or Kieran Casey (kcasey@rjglaw.com) if you have questions or require any assistance related to PPP Loan related issues.