The state of the PPP

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On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act established a program, the Paycheck Protection Program (PPP), to provide for funding of loans to assist small businesses adversely impacted by the COVID-19 pandemic. The PPP permits the U.S. Small Business Administration (SBA) to temporarily guarantee 100% of loans made under Section 7(a) of the Small Business Act and provides for loan forgiveness up to the full amount of qualifying loans.

As a result of the initial overwhelming demand, the PPP was amended on April 24, 2020 by the Paycheck Protection Program and Health Care Enhancement Act, which provided additional funding for the PPP. The PPP was further amended on June 5, 2020 by the Paycheck Protection Program Flexibility Act (PPP Flexibility Act). The PPP Flexibility Act made changes to key provisions of the PPP, including provisions relating to the maturity of PPP loans, the deferral of PPP loan payments, the use of PPP loan proceeds, and the forgiveness of PPP loans. Additionally, SBA, in consultation with the U.S. Department of the Treasury (U.S. Treasury), has issued guidance on the PPP in the form of 49 FAQs and 22 interim final rules. The Loan Forgiveness Application released by SBA also includes guidance on the interpretation of the PPP.

The PPP as of today

As of June 27, 2020, 4,798,187 PPP loans in an aggregate amount of almost $519 billion have been approved. Over 65% of these loans are under $50,000 and the overall average loan size is $108,000. With approximately $134 billion still available for funding under the PPP, the last day a business could be approved for a PPP loan was June 30, 2020. The U.S. Senate and House of Representatives both unanimously passed legislation extending the deadline to Aug. 8, 2020, it is now awaiting President Trump's signature. This extension will give businesses additional time to receive a PPP loan and use the proceeds to cover payroll costs and other expenses until the end of the year. This extension, however, does not allow borrowers to receive a second PPP loan.

What are the current terms of a PPP loan?

- 1% interest rate
- Maturity
    - for loans made before June 5, 2020, the maturity is 2 years, however, borrowers and lenders may mutually agree to extend the maturity to 5 years
    - for loans made on or after June 5, 2020, the maturity is 5 years
    - a loan is considered "made" on the date the SBA assigns a loan number

- Payment Deferral
  - payments of principal and interest will be deferred until the date on which the lender receives the loan forgiveness amount from SBA or the date SBA notifies the lender that no loan forgiveness is allowed
  - if the borrower does not apply for loan forgiveness within 10 months following the end of the covered period (as described below), payments of principal and interest will begin upon the expiration of such 10 month period
  - the lender must notify the borrower of the date the first payment will be due
- Personal guaranties are not required
- Collateral is not required

  Note: PPP loans may be secured if the PPP lender has made other loans to the borrower. A security agreement executed by a borrower in connection with an existing loan may provide that it secures any and all obligations of the borrower to the lender at any time outstanding, which may include the PPP loan.

How is loan forgiveness determined?

- A borrower will be eligible for loan forgiveness up to the original principal amount of the PPP loan based on <u>eligible payroll costs</u> and <u>eligible nonpayroll costs paid or incurred</u> during the applicable <u>covered period</u>.
- <u>Eligible Payroll Costs</u>: Payroll costs that are eligible for loan forgiveness consist of:
  - Cash compensation, including gross salary, wages, tips, commissions, and similar compensation
    - cash compensation is capped for each individual employee at $15,385 for an 8-week covered period, or $46,154 for a 24-week covered period[1]
    - for borrowers that received their PPP loan prior to June 5, 2020 and elect to use the 8-week covered period, this amount is capped for owner-employees and self-employed individuals at the lesser of 8 weeks' worth (8/52) of 2019 compensation or $15,385 per individual; for all other borrowers, this amount is capped for owner-employees and self-employed individuals at the lesser of 2.5 months' worth (2.5/12) of 2019 compensation or $20,833 per individual

      Note: Schedule C or F filers are capped by the amount of their owner compensation replacement, calculated based on 2019 net profit

      Note: General partners are capped by the amount of their 2019 net earnings from self-employment (reduced by claimed section 179 expense deduction, unreimbursed partnership expenses, and depletion from oil and gas properties) multiplied by 0.923560%
  - Payments for vacation, parental, family, medical or sick leave (not including leave covered by the Families First Coronavirus Response Act)
  - Allowance for dismissal or separation
  - Employer contributions for employee health care benefits, including insurance premiums
    - for S-corporation owner-employees, employer health insurance contributions cannot be separately added because those payments are already included in their employee cash compensation
    - for self-employed individuals, including Schedule C or F filers, and general partners, health insurance contributions cannot be separately added because those payments are included in their net self-employment income

[1] SBA has not clarified the rules regarding maximum cash compensation if a borrower applies for loan forgiveness prior to the end of the 24-week period.

   - Employer contributions for retirement benefits
      - for self-employed individuals, including Schedule C or F filers, and general partners, retirement contributions cannot be separately added because those payments are included in their net self-employment income
   - Employer portion of state and local taxes assessed on employee compensation (e.g., state unemployment insurance tax)

- Eligible Nonpayroll Costs: Nonpayroll costs[2] that are eligible for loan forgiveness consist of:
   - Payments of mortgage interest (not including any payment or prepayment of principal) on any business mortgage obligation on real or personal property (the obligation must have been incurred before Feb. 15, 2020)
   - Business rent or lease payments pursuant to lease agreements for real or personal property (the lease agreement must have been in force before Feb. 15, 2020)
   - Business payments for a service for the distribution of electricity, gas, water, telephone, transportation, or internet access (the service must have begun before Feb. 15, 2020)

- Paid or Incurred[3]:
   - Payroll costs are considered paid on the day that paychecks are distributed to employees or the borrower originates an ACH credit transaction
   - Payroll costs are incurred on the day the employee's pay is earned (i.e., the day the employee worked). For employees that are not performing work but are still on the borrower's payroll, payroll costs are incurred based on the schedule determined by the borrower (typically, each day the employee would have performed work)
   - Payroll costs incurred during the borrower's last pay period of the covered period are eligible for forgiveness if paid on or before the next regular payroll date; otherwise, payroll costs must be paid during the covered period to be eligible for forgiveness
   - Nonpayroll costs are eligible for loan forgiveness if they are (i) paid during the covered period, or (ii) incurred during the covered period and paid on or before the next regular billing date, even if the billing date is after the covered period

- Covered Period: The CARES Act originally defined the covered period for determining loan forgiveness as the 8-week period beginning on the date the lender disburses the PPP loan. The PPP Flexibility Act extended this period to 24 weeks (but in any event, no later than Dec. 31, 2020). However, borrowers that received PPP loans prior to June 5, 2020 may elect to use the original 8-week covered period.
   - For purposes of calculating payroll costs only, borrowers with a biweekly or more frequent payroll schedule may elect to use an "alternative payroll covered period", which is the 8 or 24 week period beginning on the first day of the their first pay period following the date the lender disburses the PPP loan
   - Borrowers that received their loan prior to June 5, 2020 and wish to use an 8-week covered period do not need to make any advance election. They will simply designate the 8-week covered period in their loan forgiveness application.

[2] Many borrowers had questions regarding certain nonpayroll costs eligible for forgiveness, including – What constitutes a mortgage obligation on personal property (e.g., a line of credit secured by all business assets)? What constitutes eligible transportation costs? SBA has not issued guidance addressing these questions, however, with the extension of the covered period to 24 weeks, it is expected that many borrowers will be eligible for full loan forgiveness based on the other categories of eligible costs.

[3] There are still open questions regarding the interpretation of "paid or incurred", including – How far in arrears may payroll costs be incurred prior to the covered period but paid during the covered period? How are retirement contributions treated that are typically calculated and paid at or following the end of the year? Are any prepayments of payroll or nonpayroll costs eligible for forgiveness?

How will the loan forgiveness amount be reduced?

Use of Proceeds for Payroll Costs

- 60% of the PPP loan proceeds must be used for payroll costs for the full amount of the PPP loan to be eligible for forgiveness. If less than 60% of the PPP loan proceeds are used for payroll costs, the borrower will be entitled to partial loan forgiveness based on a requirement that 60% of the forgiveness amount must be attributable to payroll costs.

  Example 1: Borrower received a PPP loan for $100,000 and, during the covered period, used $70,000 for payroll costs and $30,000 for nonpayroll costs. The full amount of the loan will be eligible for forgiveness.

  Example 2: Borrower received a PPP loan for $100,000 and, during the covered period, used $54,000 for payroll costs and $46,000 for nonpayroll costs. The forgiveness amount will be limited to $90,000 ($54,000 *divided* by 0.60).

Salary/Hourly Wage Reduction

- The loan forgiveness amount will be subject to reduction if the average annual salary or hourly wage of any employee listed in Table 1 of the PPP Schedule A Worksheet[4] (Table 1 employee) was reduced by more than 25% during the covered period as compared to the period of Jan. 1, 2020 through March 31, 2020
- The salary or hourly wage reduction must be calculated on a per employee basis and the aggregate amount of the wage reduction in excess of 25% for all Table 1 employees will be subtracted from the loan forgiveness amount.
- **Safe Harbor:** There will be no reduction to the loan forgiveness amount based on a salary or hourly wage reduction for any Table 1 employee if such salary or hourly wage reduction occurred during the period from Feb. 15, 2020 to April 26, 2020 and, as of the earlier of Dec. 31, 2020 or the date of the Loan Forgiveness Application, the average annual salary or hourly wage of such employee was restored (i.e., it is equal to or greater than the annual salary or hourly wage as of Feb. 15, 2020)
- To determine the salary/hourly wage reduction and if the safe harbor is applicable, the borrower will need to calculate for each employee:
  - the average annual salary or hourly wage during the covered period
  - the average annual salary or hourly wage during the period of Jan. 1, 2020 through March 31, 2020
  - the average annual salary or hourly wage during the period of Feb. 15, 2020 through April 26, 2020
  - the annual salary or hourly wage as of Feb. 15, 2020
  - the annual salary or hourly wage as of the date of the Loan Forgiveness Application or Dec. 31, 2020, whichever is earlier
- For hourly employees, the total dollar amount of the reduction will be calculated based on the average number of hours the employee worked per week during the period of Jan. 1, 2020 through March 31, 2020

  Example: During the covered period, an employee's hourly wage was reduced from $25/hour to $17/hour, resulting in a wage reduction of more than 25%. The amount by which the reduction exceeds 25% is $1.75/hour ($25 *multiplied* by .75 minus $17). Assuming the employee worked an average of 40 hours per week during the period between Jan. 1, 2020 and March 31, 2020 and the borrower's covered period is 24 weeks, the total wage reduction for this employee is equal to $1,680 ($1.75 multiplied by 40 hours multiplied by 24 weeks)

[4] The PPP Schedule A Worksheet to the Loan Forgiveness Application requires the borrower to list in Table 1 all employees who were employed by the borrower at any point during the covered period whose principal residence is in the U.S. and who received compensation at an annualized rate of $100,000 or less for all pay periods in 2019 or who were not employed by the borrower at any point in 2019.

- The total dollar amount of the reduction will be calculated based on the full covered period (either 8 weeks or 24 weeks), regardless of whether the borrower applies for loan forgiveness prior to the expiration of the covered period
- A borrower that has reduced salary or hourly wages during the period from Feb. 15, 2020 to April 26, 2020 by more than 25% should consider waiting until the end of the covered period or Dec. 31, 2020 to apply for loan forgiveness if they think they will be able to restore salaries and hourly wages to their Feb. 15, 2020 levels
- Congress has not made any changes to the reference period under the safe harbor, which means that the safe harbor is not available to borrowers who implemented salary or hourly wage reductions after April 26, 2020

Average FTE Reduction

- The loan forgiveness amount will be subject to reduction if the average weekly number of full-time equivalent (FTE) employees during the covered period was less than the average weekly number of FTE employees during a reference period chosen by the borrower, either (1) Feb. 15, 2019 through June 30, 2019 or (2) Jan. 1, 2020 through Feb. 29, 2020[5]
- Average FTEs are calculated based on a 40 hour work week. Each employee is assigned a FTE value based on the average number of hours paid per week *divided by* 40, rounded to the nearest tenth. The maximum FTE value that may be assigned to an employee is 1.0. Alternatively, the borrower may use a simplified method and assign a FTE value of 1.0 for employees who work 40 hours or more per week and a FTE value of 0.5 for employees that work fewer than 40 hours per week.
- The reduction is calculated by multiplying the total eligible loan forgiveness amount by a fraction, the numerator of which is the total average FTEs during the covered period and the denominator of which is the total average FTEs during the reference period chosen by the borrower (FTE Reduction Quotient)
- **Safe Harbors:** There will be no reduction to the loan forgiveness amount based on a FTE reduction if either of the following safe harbors apply:
  - **FTE Safe Harbor 1:** The loan forgiveness amount will not be reduced as a result of a reduction in FTE employees during the covered period if the borrower is able to document, in good faith, its inability to return to the same level of business activity the business was operating at before Feb. 15, 2020, due to compliance with requirements or guidance issued between March 1, 2020 and Dec. 31, 2020 by the Secretary of Health and Human Services (HHS), the Director for the Centers for Disease Control (CDC) or the Occupational Safety and Health Administration (OSHA) related to worker or customer safety requirements related to COVID-19 (COVID Requirements and Guidance).
    - This may include local government orders that are based in part on the COVID Requirements and Guidance.
    - Borrowers that are able to document, in good faith, that their reduction in business activity during the covered period stems <u>directly or indirectly</u> from compliance with the COVID Requirements and Guidance are exempt from a reduction in the loan forgiveness amount due to a reduction in FTE employees.
    - The documentation should include copies of the applicable COVID Requirements and Guidance, including the local government orders that reference the applicable COVID Requirements and Guidance, for each business location, and the relevant financial records comparing the borrower's business activity during the covered period to its business activity before Feb. 15, 2020.[6]

[5] Seasonal employers also have the option of selecting a reference period of any consecutive 12-week period between May 1, 2019 and Sept. 15, 2019.

[6] SBA has not defined "business activity" for purposes of FTE Safe Harbor 1.

- **FTE Safe Harbor 2:** The loan forgiveness amount will not be reduced as a result of a reduction in FTE employees during the covered period if during the period from Feb. 15, 2020 to April 26, 2020, there was a reduction in FTE employees as compared to Feb. 15, 2020 levels and (b) not later than the earlier of Dec. 31, 2020 or the date of the Loan Forgiveness Application, the borrower has eliminated the reduction (i.e., it has restored FTEs to Feb. 15, 2020 levels by no later than Dec. 31, 2020).
  - To determine if Safe Harbor 2 applies, the borrower will need to determine:
    1. the total average FTE employees between Feb. 15, 2020 and April 26, 2020
    2. the total FTE employees in its pay period inclusive of Feb. 15, 2020
    3. the total FTE employees as of the earlier of Dec. 31, 2020 or the date of the Loan Forgiveness Application
  - Similar to the safe harbor for salary or wage reductions, there have been no changes to the reference period under Safe Harbor 2, which means that the safe harbor is not available to borrowers who implemented FTE reductions after April 26, 2020
- **FTE Reduction Exceptions:** In addition to the safe harbors, the following exceptions to an FTE reduction apply:
  - the borrower made a good faith, written offer to rehire an individual who was an employee on Feb. 15, 2020 and the borrower is unable to hire similarly qualified employees for unfilled positions on or before Dec. 31, 2020
  - the borrower made a good faith written offer to restore any reduction in hours, at the same salary or wages, during the covered period and the employee rejected the offer
  - any employees who during the covered period were (1) fired for cause, (2) voluntarily resigned, or (3) voluntarily requested and received a reduction of their hours

  The borrower must maintain records showing compliance with the exceptions, including employee requests for reductions in hours, offers to rehire or restore hours, the employee's rejection, and efforts to hire similarly qualified individuals. In addition, the borrower must inform the state unemployment office of the employee's rejection in the case of an offer for reemployment within 30 days of the rejection.
- If any of the FTE Reduction Exceptions apply and the position was not filled by another employee, the borrower should assign an FTE value for that employee based on the same FTE level of such employee before the event described in the FTE Reductions Exception. These exceptions will result in an adjustment to the numerator in the FTE Reduction Quotient formula.

  Example: An employee working 40 hours per week requests a reduction in hours during the covered period to 20 hours per week. The borrower offers to restore the employee's hours back to 40 hours per week and the employee declines. The borrower would assign an FTE value for that employee of 1.0.
- If any of the FTE Safe Harbors apply, the FTE Reduction Quotient is automatically deemed to be 1.0.

How do I apply for loan forgiveness?

Loan Forgiveness Application

- On June 16, 2020, SBA released an updated version of the Loan Forgiveness Application (SBA Form 3508) (https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf) and related Instructions (https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Instructions_1_0.pdf) to incorporate the changes under the PPP Flexibility Act. SBA also released a short-form

"EZ" Loan Forgiveness Application (SBA Form 3508EZ) (https://home.treasury.gov/system/files/136/PPP-Forgiveness-Application-3508EZ.pdf) and related Instructions (https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Form-EZ-Instructions.pdf).

Note: A lender may prescribe its own form of loan forgiveness application. Borrowers should check with their lenders for the application form that should be used.

- The EZ Loan Forgiveness Application may be used if the borrower satisfies one of three qualifications:
  - the borrower is a self-employed individual, independent contractor or sole proprietor who did not have any employees at the time of the PPP loan application and did not include any employee salaries in calculating the PPP loan amount
  - the borrower did not reduce annual salary or wages of any Table 1 employee by more than 25% during the covered period compared to the period between Jan. 1, 2020 and March 31, 2020 and the borrower did not reduce its number of employees or the average paid hours of employees between Jan. 1, 2020 and the end of the covered period (ignoring reductions arising from one of the circumstances described in the FTE Reduction Exceptions above)
  - the borrower did not reduce annual salary or wages of any Table 1 employee by more than 25% during the covered period compared to the period between Jan. 1, 2020 and March 31, 2020 and the FTE Safe Harbor 1 applies
- The SBA Loan Forgiveness Application consists of (1) the PPP Loan Forgiveness Calculation Form, (2) PPP Schedule A, (3) the PPP Schedule A Worksheet, and (4) the (optional) Borrower Demographic Information Form. The EZ Loan Forgiveness Application does not include (2) and (3).
- It will likely be necessary for most borrowers to complete PPP Schedule A and the PPP Schedule A Worksheet in order to determine if they are able to use the EZ Loan Forgiveness Application.
- Both Applications require the borrower to make a number of representations and certifications, including regarding the use of proceeds and amount of payroll costs, the borrower has accurately verified the payments for eligible costs, and all information submitted with the application is true and correct
- Both Applications include a description of the documentation the borrower is required to submit with its Application and the documents that the borrower must maintain but is not required to submit.
- All records relating to the borrower's PPP loan must be retained for 6 years after the loan is forgiven or repaid in full.

Application Process

- A borrower may submit a loan forgiveness application at any time, including before the end of the covered period.
- The borrower must complete and submit to its lender (or the lender servicing the loan) the Loan Forgiveness Application (SBA Form 3508, SBA Form 3508EZ or the lender equivalent), including the PPP Loan Forgiveness Calculation Form, PPP Schedule A (if applicable), and, at the option of the borrower, the PPP Borrower Demographic Form.
- It is the responsibility of the borrower to provide an accurate calculation of the loan forgiveness amount and the borrower is required to attest to the accuracy of its reported information and calculations. A lender must perform a good-faith review of the calculations and supporting documentation and, if the lender identifies errors in the calculations, it should work with the borrower to remedy the issue. However, the lender is not responsible for independently verifying the information submitted by the borrower.

- The lender has 60 days from receipt of a complete application to issue its decision to SBA and request payment from SBA of the loan forgiveness amount.
- Subject to any SBA review of the loan or loan application, SBA will remit the loan forgiveness amount, plus accrued interest through the date of remittance, to the lender not later than 90 days after the lender issues its decision. If applicable, the amount of any EIDL advance (see "What if I received an EIDL loan?" below) will be deducted from the forgiveness amount remitted to the lender and the remaining balance of the PPP loan will be subject to repayment in accordance with the PPP loan terms described above.
- The lender is responsible for notifying the borrower of the loan forgiveness amount (or that the lender has denied loan forgiveness), the remittance by SBA of the loan forgiveness amount to the lender or that SBA has determined that no amount of the loan is eligible for forgiveness, and, if applicable, the date on which the first loan payment is due.
- The time periods described above do not apply if SBA has initiated a review of the loan or loan application prior to the lender issuing its decision on the forgiveness amount.

Is my PPP loan subject to SBA review?

SBA Loan Review

- SBA may initiate a review of a loan or loan application at any time, which may include a review of the borrower's eligibility (e.g., the application of affiliation rules or the borrower's certification of necessity), the calculation of the loan amount, the borrower's use of the loan proceeds, and/or the calculation of the loan forgiveness amount. Prior guidance clarified SBA's review of the certification of necessity for loans under $2 million (See G&K client alert, SBA issues additional guidance on good faith certification requirement for PPP loans). However, all loans may still be subject to review for compliance with the other PPP requirements.
- If SBA commences a review of a loan, it will notify the lender and the lender is required to notify the borrower within 5 days of receipt. The lender may not approve any application for loan forgiveness until SBA notifies the lender in writing that it has completed its review.

Borrowers' Appeal Rights

- The lender's decision on a borrower's loan forgiveness application may take the form of an approval (in whole or in part), a denial, or (if directed by SBA) a denial without prejudice due to a pending SBA review of the loan.
- If loan forgiveness has been denied without prejudice due to a pending SBA review, the borrower may subsequently request that the lender reconsider the application, unless SBA has determined that the borrower is ineligible for the loan.
- If the lender otherwise issues a decision denying loan forgiveness, SBA reserves the right to review that decision in its sole discretion. Additionally, the borrower may, within 30 days following notice of denial from the lender, notify the lender that it is requesting that SBA review the lender's decision, and, within 5 days of receipt of such notice, the lender must notify SBA of the borrower's request for review.
- If SBA declines the borrower's request for review, it will notify the lender and the lender is responsible for notifying the borrower of such decision and the date the first loan payment is due.
- It is possible that a borrower may appeal an SBA decision by filing an appeal with SBA's Office of Hearings and Appeals, however, no formal guidance has been issued regarding the appeal process for PPP loans.

What if I received an EIDL loan?

Many small businesses also applied for and received an Economic Injury Disaster Loan (EIDL). Businesses that applied for an EIDL were eligible to receive an "advance" (also referred to as the EIDL "grant") of up to $10,000. The advance does not need to be repaid by the borrower regardless of whether the borrower accepted the full amount of the EIDL. However, as described above, the amount of the EIDL advance will be deducted from the PPP loan forgiveness amount.

In certain circumstances borrowers are required to use their PPP loan to refinance an EIDL. SBA issued a Procedural Notice on June 19, 2020 to clarify when a PPP loan must be used to refinance an EIDL.

- A borrower may not refinance an EIDL with the proceeds of its PPP loan if the borrower received the EIDL before Jan. 31, 2020 or after April 3, 2020
- A borrower is not required to refinance an EIDL with the proceeds of its PPP loan if the borrower received the EIDL during the period beginning Jan. 31, 2020 through April 3, 2020 and the EIDL was used for purposes other than payroll costs
- A borrower must refinance an EIDL with the proceeds of its PPP loan if the borrower received the EIDL during the period beginning Jan. 31, 2020 through April 3, 2020 and the EIDL was used to pay payroll costs
- The amount of the EIDL to be refinanced does not include the amount of any EIDL advance received by the borrower

The lender is responsible for holding back from the PPP loan proceeds the amount necessary to refinance an EIDL and remitting it directly to SBA. For PPP loans that have already been disbursed, the lender must notify the borrower of the amount of PPP loan proceeds that must be remitted by the borrower to SBA. EIDL refinance payments must be remitted to SBA electronically using the U.S. Treasury website Pay.gov (https://pay.gov/public/form/start/3723407) and completing SBA Form 1201 (Borrower Payments Form). The EIDL Loan Number should be entered in the SBA Loan Number field (not the PPP loan number). Borrowers can also obtain their EIDL payoff information by contacting the SBA Disaster Loan Servicing Center at (800) 736-6048.

What's next for the PPP?

We expect SBA to continue to issue additional guidance which will hopefully address many of the questions borrowers still have regarding eligible expenses, calculating loan forgiveness, and how the SBA will audit loans. As the pandemic continues to impact businesses, industry groups and members of Congress continue to push for further changes to the PPP. These changes include: extending the deadline to apply for a PPP loan to Dec. 31, 2020, automatic loan forgiveness for PPP loan amounts less than $150,000, allowing small businesses with less than 100 employees to obtain a second PPP loan if they have used all of the proceeds of their first PPP loan and have experienced a 50% loss in revenue, and the deductibility of expenses paid with PPP loan proceeds.