



COLORADO

Office of Economic Development
& International Trade

Changes to Paycheck Protection Program

Significant changes have been made to PPP forgiveness loans under a new law signed by the federal government on June 5th. Here are the most important [changes outlined by the Journal of Accountancy](#):

- Extend the covered period for loan forgiveness from eight weeks after the date of loan disbursement to 24 weeks after the date of loan disbursement, providing substantially greater flexibility for borrowers to qualify for loan forgiveness. Borrowers that have already received PPP loans retain the option to use an eight-week covered period.
- Provide a safe harbor from reductions in loan forgiveness based on reductions in full-time-equivalent (FTE) employees for borrowers that are unable to return to the same level of business activity the business was operating at before Feb. 15, 2020, due to compliance with new requirements.
- Remove the limits on loan forgiveness for small businesses that were unable to rehire employees, hire new employees or return to the same level of business activity as before the virus.
- Expand the 25% cap to use PPP funds on non-payroll expenses, such as rent, mortgage interest and utilities, to 40% of the total loan. That lowers the 75% requirement for payroll expenses to 60% to get maximum forgiveness.
- Borrowers can qualify for partial loan forgiveness if less than 60% of the PPP loan is used for payroll.
- Extend the loan terms for any unforgiven portions that need to be repaid from two years to five years.
- Extend the period for when a business can apply for loan forgiveness, from within 6 months to within 10 months of the last day of the covered period, before it must start making interest and principal payments.

Applications are still being accepted for PPP

SBA approval has to be complete by June 30, 2020. Businesses should give their lenders enough time to process and enter the applications, so we encourage businesses to get their applications in as soon as possible.

To apply, follow these steps:

1. [Verify your business's eligibility](#).
2. Review the [application](#) and gather the necessary materials such as payroll tax filings, proof of lease payments, proof of mortgage payments, and proof of utility payments.
3. Get in contact with your accountant and/or bank that pays out your business's payroll. Ask your lender if it is authorized to process your Paycheck Protection Program loan. If you are not connected to an authorized lender, [find an](#)

[eligible lender here](#). We have also compiled a list of [Colorado SBA approved lenders](#). If you are struggling to find a lender, please contact our hotline at (303) 860-5881.

For more resources, please visit the [Colorado Small Business Development Center's \(SBDC\) COVID-19 page](#). You can schedule an appointment with a consultant to talk through your options at the [local SBDC center closest to you](#).

Thank you for signing up for COVID-19 email updates from the Colorado Office of Economic Development and International Trade. We expect to email you whenever we have news to share, which could be daily or weekly depending on the situation.

Please be sure to visit OEDIT's [COVID-19 Business Resource Center](#), as that webpage has the most recent news and resources.



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