SBA Extends PPP Safe Harbor Deadline, Originally Set for Today, to May 18 - Borrowers considering returning PPP funds given more time to analyze yesterday’s new guidance

Late yesterday, the Small Business Administration followed up on its new guidance on PPP borrowers’ good-faith certification (see May 13 CARES Act Update below) by issuing new FAQ #47. This additional guidance extends the safe harbor deadline from today, May 14, to Monday, May 18. This is the date by which a borrower may return its loan funds and be deemed compliant with the PPP good-faith certification.

Yesterday’s guidance provided much-needed clarification regarding the good-faith certification, especially for any faith-based organization whose aggregate PPP loan is less than $2 million. But numerous FBOs—especially those with aggregate PPP loans of $2 million or more that are considering exiting the program early by repaying their loans before the deadline—will need this extra time to analyze yesterday’s guidance before making a final decision.

According to FAQ #47, this extension is automatic and does not require an application.

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