

Eli's Hospice Insider

Hospice News: Beware This Important Deadline For PPP Loans

If you miss the due date for a crucial Paycheck Protection Program requirement, you could have to pay back all of your PPP relief funds.

If a CARES Act PPP borrower "doesn't apply for forgiveness within 10 months after the last day of the 'covered period' - the eight-to-24 weeks following disbursement during which the funds must be used - its PPP loan payments will no longer be deferred and it must begin making payments to its lender," warns **Emir Hodzic** with VonLehman & Co. in online analysis. "That 10-month period is coming to an end for many so-called 'first-draw' borrowers," Hodzic warns.

For example: "A business that applied early in the program might have a covered period that ended on October 30, 2020," Hodzic offers. "It would need to apply for forgiveness by August 30, 2021, to avoid loan repayment responsibilities."



Businesses that delayed filing forgiveness applications to maximize employee retention tax credits "should pay careful attention to when their 10-month period expires to avoid triggering loan repayment," Hodzic cautions. "Businesses nearly always have a lot on their plates, so it's not surprising that some might not have been laser-focused on the various dates relevant to their PPP loans. Now is the time to ensure that you file your forgiveness application in a timely manner and have the necessary documentation gathered to survive the [Small Business Administration] audit that may follow," he advises.

Details about PPP loan forgiveness are at www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-loan-forgiveness.