

## INSIGHTS + NEWS

## David Mawhinney writes “PPP forgiveness is problematic and should be fixed” for the Boston Business Journal

BY DAVID A. MAWHINNEY • JULY 31, 2020

The *Boston Business Journal* has published “PPP forgiveness is problematic and should be fixed” by David Mawhinney. PPP offers a working-capital loan to small businesses, delivered by private banks, which can be forgiven if the business spends the money on the right things. In this article, David discusses how the current version of the forgiveness application could leave many businesses saddled with debt that they took on believing they would never have to repay it. Here is an excerpt:

In June, Congress passed the Paycheck Protection Program Flexibility Act, or Flex Act, which enlarges the covered period to 24 weeks, giving businesses extra time to spend their PPP money. The Flex Act is not very flexible, however. Businesses are still limited to borrowing 2.5 times their monthly payroll, but their spending decisions will be assessed over a 24-week period. The Flex Act is essentially telling businesses that they can have eight weeks of payroll funding provided they agree not to reduce salaries or terminate employees for an additional 16 weeks. Congress could not have intended such a result when it conceived of PPP.

Continue reading “[PPP forgiveness is problematic and should be fixed](#)” on the *Boston Business Journal* website.