



## PPP Loan Certification – May 7 Deadline

Taylor A. Gast

*Foster Swift Legal Update E-blast*

May 5, 2020

Each Paycheck Protection Plan (PPP) loan applicant certifies that **“current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”** Recent guidance from the Small Business Administration (SBA) and U.S. Department of Treasury casts doubt on whether some applicants could make this certification in good faith. This guidance indicates that both public and private companies should consider their ability to make the required certification in good faith, taking into account their current business activity and ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business. Any borrower that applied for a PPP loan prior to the issuance of this guidance and repays the loan in full by **May 7, 2020** will be deemed by SBA to have made the required certification in good faith. Failing to comply with these rules could result in reduced loan forgiveness and other applicable penalties levied on the applicant. Knowingly making a false statement on a PPP loan application could result in significant fines or imprisonment.

Many clients are choosing to document their certification decision in case it is challenged in the future. If you have any questions or concerns about PPP eligibility or the certification discussed above, please contact your Foster Swift attorney, or the author of this publication:

- Taylor A. Gast | 517.371.8238 | tgast@fosterswift.com

Taylor will be among the presenters conducting a free webinar on Thursday, May 7. The purpose of this webinar is to assist PPP borrowers in developing a loan forgiveness plan. For more information and registration, [click here](#).

Foster Swift's lawyers are ready to help with these urgent and novel questions related to the coronavirus pandemic. If you have questions, we encourage you to contact your Foster Swift attorney or one of our Coronavirus Task Force coordinators as listed below:

- Mid-Michigan - John Mashni | 517.371.8257 | jmashni@fosterswift.com

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### **AUTHORS/ CONTRIBUTORS**

Taylor A. Gast

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### **PRACTICE AREAS**

Business & Tax

Business Law

Finance, Real Estate & Bankruptcy  
Law



- 
- Southeast Michigan - Matthew Fedor | 248.785.4734 | mfedor@fosterswift.com
  - West & Northern Michigan - Laura Genovich | 616.726.2238 | lgenovich@fosterswift.com

***While the information in this article is accurate at time of publication, the laws and regulations surrounding COVID-19 are constantly evolving. Please consult your attorney or advisor to make sure you have the most up to date information before taking action.***