

NEWS ALERT**TAX AND BUSINESS GROUPS****Treasury/SBA Extend “Safe Harbor” Period to May 18, 2020**

By Marc T. Finer, Mark J. Tarallo and Sergio E. Marin | May 14, 2020

On May 13, 2020, the US Treasury and Small Business Administration released additional guidance regarding the Paycheck Protection Program loans, extending the “Safe Harbor” period for borrowers to return loans for which they could not make the “economic necessity” certification in good faith, to Monday, May 18, 2020. The Safe Harbor period had been set to expire on May 14, 2020. The new guidance was set forth in [FAQ #47](#). The extension is automatic, and borrowers do not need to apply for it.

Borrowers who (together with their affiliates) have borrowed an amount greater than \$2 million should take this additional time to carefully review the guidance set forth in FAQ #31 and FAQ #46, in order to make a determination as to whether or not to return any PPP loan proceeds. Borrowers who have borrowed less than \$2 million are deemed to have made the “economic necessity” certification in good faith, pursuant to FAQ #46.

If you have any questions regarding the Paycheck Protection Program or how a PPP loan might affect your business, please contact:

Connecticut: Marc T. Finer, Tax & Corporate Partner, at 860-240-6096 or mfiner@murthalaw.com

Massachusetts: Mark J. Tarallo, Corporate Partner, at 617-457-4059 or mtarallo@murthalaw.com

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