



May 15, 2020

Re: SBA PPP New Interim Final Rule (May 13, 2020)

Dear Client:

The SBA issued a new interim final rule on May 13, 2020, that supplements the guidance for the Paycheck Protection Program (PPP).

Allowable PPP Loan Increases to Certain Partnerships

The SBA released an Interim Final Rule (“IFR”) which will enable certain partnerships that applied for PPP loans but did not include partner compensation (Self-employed income) in their loan amount to go back to their lender and get an additional disbursement.

Once a partnership submits a request for a loan upsizes to its lender, the lender must submit the request to the SBA electronically through the SBA’s E-Tran Servicing site.

But if the lender already submitted its initial SBA Form 1502 on the PPP loan to the SBA, or the date for which such form was required to be submitted has passed, then the loan size cannot be increased.

But if the lender has not already submitted such form, and the date by which the lender was required to submit such form has not already passed, then the request will be granted. (Page 6 & 7 of New interim final rule)

Only your bank can tell you if this is a timely request or if the Form 1502 has already been submitted.

SBA Form 1502

This form is to be completed monthly by Lenders participating in SBA’s 7(a) loan program to collect payment and loan information.

Good-Faith Certifications for the Loan less than \$2M

The SBA has determined that any borrower that, together with its affiliates, received PPP loans with an original principal amount of **less than \$2 million will be deemed to have made the required certification** concerning the necessity of the loan request in good faith. (FAQ#46)

Extended Safe Harbor Date to Return PPP Loan to May 18, 2020

The SBA extended the safe harbor date for borrowers to return funds they don’t feel they qualify for to May 18th. (FAQ#47)

Link:

[Frequently Asked Questions for Lenders and Borrowers \(5/13/2020\)](#)
[The new interim final rule](#)

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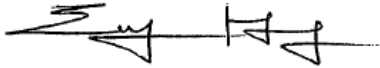
Our office will be open for in-person appointments starting Monday, May 18th with the following restrictions:

- a. All clients must wear face masks,
- b. Limit of one client in the office per tax preparer, except for Steven Kang, CPA, where up to two (2) clients will be allowed, and
- c. Clean hands with sanitizer upon entrance,

We still prefer that we conduct tax appointments in a contactless environment. Please wait in the car until the appointed time, no waiting in the lobby.

Please stay safe and healthy, maintain social distancing, and regularly wash hands.

Sincerely,



Enya Hong, CPA

cc: Steven Kang, CPA