II

117TH CONGRESS
2D SESSION

S. 5026

To permit certain businesses to select an alternative covered period for loan forgiveness under the Paycheck Protection Program and provide certain businesses additional loan forgiveness, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2022

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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A BILL

To permit certain businesses to select an alternative covered period for loan forgiveness under the Paycheck Protection Program and provide certain businesses additional loan forgiveness, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Low-Revenue Recipient Paycheck Protection Program Relief Act of 2022".

SEC. 2. LOW-REVENUE RECIPIENT LOAN FORGIVENESS.

(a) IN GENERAL.—Section 7A of the Small Business Act (15 U.S.C. 636m) is amended—

(1) in subsection (i)—

(A) in paragraph (1), by inserting "or (m)(2)" after "subsection (b)"; and

(B) in paragraph (3)(B), by inserting "or (m)(2)" after "subsection (b)"; and

(2) by adding at the end the following:

"(m) LOW-REVENUE RECIPIENTS LOAN FORGIVENESS.—

"(1) IN GENERAL.—With respect to a covered loan received by a low-revenue recipient not later than December 1, 2020, and for which the low-revenue recipient has received no loan forgiveness under this section, at the election of the low-revenue recipient, the term 'covered period' shall, for the purposes of this section, mean the period—

"(A) beginning on the earlier of—

"(i) the date selected by the low-revenue recipient; or

"(ii) September 1, 2021; and

"(B) ending on a date selected by the eligible recipient of the covered loan that occurs during the period—

"(i) beginning on the date that is 8 weeks after the start date of the covered period specified in subparagraph (A); and "(ii) ending on the date that is 24 weeks after the start date of the covered period specified in subparagraph (A).

"(2) ADDITIONAL LOAN FORGIVENESS.—

"(A) IN GENERAL.—A low-revenue recipient that received loan forgiveness under this section for a covered loan received not later than December 1, 2020, shall be eligible for additional forgiveness of indebtedness on the covered loan in accordance with this paragraph.

"(B) ADDITIONAL FORGIVENESS CALCULATION.—The amount of forgiveness of indebtedness on a covered loan for which a low-revenue recipient is eligible under this paragraph is the amount equal to the difference between—

"(i) the amount of forgiveness of indebtedness on the covered loan that the low-revenue recipient would be eligible for under this section, as in effect on the date on which the low-revenue recipient applies for loan forgiveness under this paragraph, if—

"(I) the low-revenue recipient had not received any loan forgiveness for the covered loan under this section;

“(II) for the purposes of this section, the term ‘covered period’ meant the period described in paragraph (1); and

“(III) for the purposes of paragraphs (5) and (7) of subsection (d), the covered loan was made on or after the date of enactment of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Public Law 116–260; 134 Stat. 1993); and

“(ii) the amount of loan forgiveness for the covered loan that the low-revenue recipient received under this section.

“(C) EXCESS PAYMENT REFUND.—If the Administrator, pursuant to loan forgiveness under this paragraph and in accordance with subsection (c)(3), makes a remittance to a lender in an amount exceeding the total outstanding balance of the applicable covered loan, including any accrued interest, the lender shall pay to the low-revenue recipient an amount equal to that excess.

"(D) ADDITIONAL FORGIVENESS LIMIT.—No low-revenue recipient may receive loan forgiveness under this paragraph more than once.

"(3) LOW-REVENUE RECIPIENT DEFINED.—In this subsection, the term 'low-revenue recipient' means an eligible recipient that received a covered loan not later than December 1, 2020, and—

"(A) was not in operation during the period beginning on April 1, 2020, and ending on December 31, 2020; or

"(B) during the period described in subparagraph (A), had gross receipts of not more than 20 percent of the gross receipts of the eligible recipient during the corresponding period in 2019.".

(b) REGULATIONS.—Not later than 14 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue regulations carrying out subsection (m) of section 7A of the Small Business Act (15 U.S.C. 636m), as added by subsection (a).

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