

## CLIENT ALERT: Received a PPP Loan before June 5? Contact Your Banker Now!

### FEATURED ATTORNEY



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Partner

Dear Clients and Friends:

We wanted to follow up with you and provide more information on the Paycheck Protection Program Flexibility Act.

One of the provisions of the PPP Flexibility Act was to extend the repayment period of any PPP Loan NOT forgiven from 2 years to 5 years. **This provision is automatic for PPP Loans funded on/after June 5, 2020.**

For PPP Loans funded before June 5, 2020 banks are “encouraged” to change the repayment schedule from 2 years to 5 years.

Therefore, if you received your PPP Loan before June 5, 2020 contact your banker **immediately** and ask that they amend your PPP Loan documents to change the repayment period to 5 years for any amount not ultimately forgiven.

Having a 5 year repayment term will reduce the monthly payment, thereby freeing up more funds for operations. Of course, interest is a factor. However, at 1% (the interest charged on all PPP loans), the interest cost will be minimal.

We will continue to forward guidance/developments as we become aware of them. Feel free to contact us if you have any questions regarding the above or anything else.

If you have any questions, please contact [Melanie I. Wiener, Esq.](mailto:MWiener@abramslaw.com) at [MWiener@abramslaw.com](mailto:MWiener@abramslaw.com) or Melody Schor, Esq. [MSchor@abramslaw.com](mailto:MSchor@abramslaw.com) to schedule a consultation with one of our attorneys who is ready to assist you through this difficult time.