To amend the Small Business Act and the CARES Act to modify certain provisions related to the forgiveness of loans under the paycheck protection program, to allow recipients of loan forgiveness under the paycheck protection program to defer payroll taxes, 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 “Paycheck Protection Program Flexibility Act of 2020”.

SEC. 2. MATURITY FOR LOANS WITH REMAINING BALANCE AFTER APPLICATION OF FORGIVENESS.

Section 7(a)(36)(K)(ii) of the Small Business Act (15 U.S.C. 636(a)(36)) is amended by inserting “minimum maturity of 5 years and a” before “maximum maturity”.

SEC. 3. AMENDMENTS TO PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS.

Section 1106 of the CARES Act (Public Law 116–136) is amended—

(1) in subsection (a), by striking paragraph (3) and inserting the following:

“(3) the term ‘covered period’ means the period beginning on the date of the origination of a covered loan and ending on the earlier of—

“(A) the date that is 24 weeks after such date of origination; or

“(B) December 31, 2020;”; and

(2) in subsection (d)—

(A) in paragraph (5)(B), by striking “June 30, 2020” each place it appears and inserting “December 31, 2020”; and

(B) by adding at the end the following new paragraphs:
“(7) EXEMPTION BASED ON EMPLOYEE AVAILABILITY.—During the period beginning on February 15, 2020, and ending on December 31, 2020, the amount of loan forgiveness under this section shall be determined without regard to a reduction in the number of full-time equivalent employees if an eligible recipient—

“(A) is unable to rehire an individual who was an employee of the eligible recipient on or before February 15, 2020; or

“(B) is able to demonstrate an inability to hire similarly qualified employees on or before December 31, 2020.

“(8) NO LIMITATIONS.—In carrying out this section, the Administrator may not limit the non-payroll portion of a forgivable covered loan amount.”.

SEC. 4. DELAY OF PAYMENT OF EMPLOYER PAYROLL TAXES.

Section 2302(a) of the CARES Act (Public Law 116–136) is amended by striking paragraph (3).

SEC. 5. EFFECTIVE DATE; APPLICABILITY.

The amendments made by this Act shall be effective as if included in the CARES Act (Public Law 116–136) and shall apply to any loan made pursuant to section
1 7(a)(36) of the Small Business Act (15 U.S.C.
2 636(a)(36)) or section 1109 of the CARES Act.