To provide automatic forgiveness for paycheck protection program loans under $150,000, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 30, 2020

Mr. CRAMER (for himself, Mr. MENENDEZ, Mr. TILLIS, and Ms. SINEMA) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To provide automatic forgiveness for paycheck protection program loans under $150,000, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Paycheck Protection Small Business Forgiveness Act”.

SEC. 2. LOAN FORGIVENESS FOR PPP LOANS UNDER $150,000.

Section 1106 of the CARES Act (Public Law 116–136) is amended—
(1) in subsection (e), in the matter preceding paragraph (1), by striking “An eligible” and inserting “Except as provided in subsection (m), an eligible”;

(2) in subsection (f), by inserting “or the information required under subsection (m), as applicable” after “subsection (e)”;

(3) by striking subsection (h) and inserting the following:

“(h) HOLD HARMLESS.—

“(1) IN GENERAL.—A lender may rely on all certifications and documentation submitted by an applicant or eligible recipient pursuant to any requirement in statute regarding covered loans, or rules or guidance promulgated to carry out any action relating to covered loans, from an applicant or eligible recipient attesting that the applicant or eligible recipient has accurately verified all documentation provided to the lender.

“(2) NO ENFORCEMENT ACTION.—With respect to a lender that relies on the certifications and documentation described in paragraph (1)—

“(A) no enforcement or other action may be taken against the lender relating to loan
origination, forgiveness, or guarantee based on such reliance, including claims under—

“(i) the Small Business Act (15 U.S.C. 631 et seq.);

“(ii) sections 3729 through 3733 of title 31, United States Code (commonly known as the ‘False Claims Act’);

“(iii) the Financial Institutions Reform, Recovery, and Enforcement Act (Public Law 101–73);


“(v) any other Federal, State, or other criminal or civil law or regulation; and

“(B) the lender shall not be subject to any penalties relating to loan origination, forgiveness, or guarantee based on such reliance.”;

and

(4) by adding at the end the following:
“(m) FORGIVENESS FOR COVERED LOANS UNDER $150,000.—

“(1) IN GENERAL.—Notwithstanding subsection (e), with respect to a covered loan made to an eligible recipient that is not more than $150,000, the covered loan amount shall be forgiven under this section if the eligible recipient submits to the lender a one-page online or paper form, to be established by the Administrator not later than 7 days after the date of enactment of this subsection, that attests that the eligible recipient complied with the requirements under section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)).

“(2) HOLD HARMLESS.—With respect to a lender that relies on an attestation submitted by an eligible recipient under paragraph (1), no enforcement action may be taken against the lender for any falsehoods contained in the attestation.

“(3) DEMOGRAPHIC INFORMATION.—The online or paper form established by the Administrator under paragraph (1) shall include a means by which an eligible recipient may, at the discretion of the eligible recipient, submit demographic information of the owner of the eligible recipient, including the sex, race, ethnicity, and veteran status of the owner.
“(n) Enforcement Action Against Borrowers.—An eligible recipient of a covered loan may only be subject to an enforcement action or penalty relating to loan origination, forgiveness, or guarantee of the covered loan if the eligible recipient commits fraud or expends covered loan proceeds on expenses that are not allowable under section 7(a)(36)(F) of the Small Business Act (15 U.S.C. 636(a)(36)(F)).”.