

## Feds Set \$2 Million Threshold for PPP Loan Audits

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New information from the federal government reveals businesses that accepted Paycheck Protection Program loan funding of less than \$2 million will not be subject to additional scrutiny by the SBA concerning the necessity of their loan request.

The U.S. Department of the Treasury and the Small Business Administration on Wednesday released guidance that said only PPP loans of more than \$2 million will be subject to review for compliance with the PPP loan program requirements. The SBA made clear that they are putting greater scrutiny on larger loans to determine if these recipients had an adequate basis for the required certification concerning the necessity of the loan request.

The SBA had previously said it would be reviewing all of the loans it granted. However, the agencies on Wednesday set the \$2 million threshold. Any business that received a loan of \$2 million or less "will be deemed to have made the required certification concerning the necessity of the loan request in good faith," [according to the updated guidance](#).

This should not be an invitation for businesses that received loans of less than \$2 million to misuse the government loan. Instead, businesses should continue to use the funds for their intended purposes and simply have the peace of mind that there will be one less bureaucratic hurdle keeping them from getting their business back on track.

The updated guidance also further pushed back the date for when loans of more than \$2 million must be paid back to avoid government scrutiny to May 18. The former date was May 14. If you have questions about your PPP loan, please contact any member of the [Barley Snyder Business Practice Group](#).

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