

INSIGHT: New SBA Safe Harbor Leaves ‘Necessity’ Ambiguity in PPP Loans

A new \$2 million SBA safe harbor for PPP loans appears to create a wide umbrella that substantially reduces the risk that adverse consequences will rain down and soak companies with loans in this category. Perkins Coie attorneys examine the May 13 guidance and say companies will continue to benefit from conducting a PPP "necessity" analysis.

Mixed messages about the meaning of "necessity" and saber rattling about enforcement against companies applying for loans under the Paycheck Protection Program (PPP) have led to considerable uncertainty and corporate stress.

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