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# 15 U.S. Code § 636m

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## Loan forgiveness

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### **(a) Definitions**

In this section—

- (1) the term “covered loan” means a loan guaranteed under section 636(a)(36) of this title;
- (2) the term “covered mortgage obligation” means any indebtedness or debt instrument incurred in the ordinary course of business that—
  - (A) is a liability of the borrower;
  - (B) is a mortgage on real or personal property; and
  - (C) was incurred before February 15, 2020;
- (3) the term “covered operations expenditure” means a payment for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses;
- (4) the term “covered period” means the period—
  - (A) beginning on the date of the origination of a covered loan; and
  - (B) ending on a date selected by the eligible recipient of the covered loan that occurs during the period—
    - (i) beginning on the date that is 8 weeks after such date of origination; and
    - (ii) ending on the date that is 24 weeks after such date of origination;
- (5) the term “covered property damage cost” means a cost related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation;
- (6) the term “covered rent obligation” means rent obligated under a leasing agreement in force before February 15, 2020;
- (7) the term “covered supplier cost” means an expenditure made by an entity to a supplier of goods for the supply of goods that—
  - (A) are essential to the operations of the entity at the time at which the expenditure is made; and
  - (B) is made pursuant to a contract, order, or purchase order—
    - (i) in effect at any time before the covered period with respect to the applicable covered loan; or
    - (ii) with respect to perishable goods, in effect before or at any time during the covered period with respect to the applicable covered loan;
- (8) the term “covered utility payment” means payment for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020;
- (9) the term “covered worker protection expenditure”—

(A) means an operating or a capital expenditure to facilitate the adaptation of the business activities of an entity to comply with requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period beginning on March 1, 2020 and ending the date on which the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID-19) expires related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19;

(B) may include—

(i) the purchase, maintenance, or renovation of assets that create or expand—

(I) a drive-through window facility;

(II) an indoor, outdoor, or combined air or air pressure ventilation or filtration system;

(III) a physical barrier such as a sneeze guard;

(IV) an expansion of additional indoor, outdoor, or combined business space;

(V) an onsite or offsite health screening capability; or

(VI) other assets relating to the compliance with the requirements or guidance described in subparagraph (A), as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and

(ii) the purchase of—

(I) covered materials described in section 328.103(a) of title 44, Code of Federal Regulations, or any successor regulation;

(II) particulate filtering facepiece respirators approved by the National Institute for Occupational Safety and Health, including those approved only for emergency use authorization; or

(III) other kinds of personal protective equipment, as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and

(C) does not include residential real property or intangible property;

(10) the term “eligible recipient” means the recipient of a covered loan;

(11) the term “expected forgiveness amount” means the amount of principal that a lender reasonably expects a borrower to expend during the covered period on the sum of any—

(A) payroll costs;

(B) payments of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation);

(C) payments on any covered rent obligation;

(D) covered utility payments;

(E) covered operations expenditures;

(F) covered property damage costs;

(G) covered supplier costs; and

(H) covered worker protection expenditures; and

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