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**Contact:** Bruce Krasnow  
[Bruce.Krasnow@state.nm.us](mailto:Bruce.Krasnow@state.nm.us)  
505- 795-0119

Gov. Michelle Lujan Grisham  
Cabinet Secretary Alicia J. Keyes  
Deputy Secretary Jon Clark

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## **PPP Loan Program Changes Will Help New Mexico** *Loan Deadline is June 30*

**SANTA FE, N.M.** – Economic Development Cabinet Secretary Alicia J. Keyes announced that new forgiveness and flexibility rules for the federal government’s Paycheck Protection Program (PPP) will benefit more New Mexico businesses and she is urging those who have not yet applied to take another look at the program.

With the PPP deadline for loan funding on June 30, there are just a few days left for businesses still interested to receive funding from private lenders who are partnering with the U.S. Small Business Administration (SBA).

As of this week, there is \$129 billion left for PPP lending. The new forgiveness guidelines were presented by SBA leaders in New Mexico as part of an [EDD webinar on June 17](#).

With the new PPP Flexibility Act, signed into law by President Trump on June 5, many more businesses in New Mexico who apply for forgiveness should be able to receive it. That means more of the money going to New Mexico businesses will stay in the state and not have to be repaid.

“The new guidelines mean that New Mexico businesses can reopen at their own pace and work toward a safer, stronger recovery,” Cabinet Secretary Keyes said. “The businesses can take more time to prepare and have until the end of the year hire back employees. The changes are a good thing for many small businesses in the state that are still under some health restrictions. I urge businesses who have not yet applied for PPP to take another look at this program before it closes for good on June 30.”

The biggest change allows PPP loan recipients until Dec. 31, 2020 to restore the employee headcount to pre-pandemic levels. The provision does not require hiring back a specific worker, just reaching the same headcount pre-pandemic in order to qualify for some loan forgiveness.

The new rules also reduce the percentage of PPP dollars required to be spent on payroll -- to 60 percent from 75 percent. That change is particularly beneficial to galleries and specialty retailers with few employees but higher overhead in other areas such as rent, utilities, and mortgage interest.

The term for new loans is also extended from two to five years for any repayment amounts that would be due back to the lender, and the time period to use PPP money has been extended from 8 to 24 weeks.

“Small businesses are breathing a sigh of relief that they now have more time to bring back employees,” John Garcia, New Mexico SBA District Director, said on the EDD webinar.

“The changes are really important for hospitality businesses, gyms, and restaurants -- many of the businesses that are still under COVID-19 restrictions,” Russell Wyrick, Executive State Director of the Small Business Development Center (SBDC) Network, said.

The SBDC centers provide guidance and technical assistance for all SBA loan services and applications in New Mexico. For more information, go to [nmsbdc.org](http://nmsbdc.org).

The SBA also reopened its application portal for the Economic Injury Disaster Loan Program (EIDL), a low-interest loan up to \$2 million with payback periods of 20 to 30 years.

Wyrick emphasized on the webinar there are several other SBA loan options that might work for specific circumstances and his experts are available to advise business owners and nonprofit managers at no charge.

“The new guidance for PPP loan forgiveness is a welcomed action by the SBA. Many borrowers and lenders in New Mexico have been seeking clarification and a simplified process for asking for the intended forgiveness,” Jerry C. Walker, President & CEO Independent Community Bankers Association of New Mexico, said. “This is a positive action which moves us in that direction. Taken together, these actions benefit New Mexico’s small businesses who have been recipients of PPP loans.”

Some 650 New Mexico banks, credit unions, and community lenders have been active in SBA lending over the past several months with \$2.2 billion in PPP money going to 20,431 New Mexico businesses and non-profits. Nationwide, \$511 billion has been distributed under PPP.

The June 30 deadline for the program is fast approaching. “People often like to wait until the last minute,” Wyrick said on the EDD webinar. “Well, this is the last minute.”

For information on PPP and all the SBA loan programs go to [SBA.GOV](http://SBA.GOV)

For information on the state assistance, including the COVID-19 Loan Guarantee Program and the No-interest LEDA loan program, go to the EDD website, [GONM.BIZ](http://GONM.BIZ)

For technical help and advice on SBA programs and loan applications go to [NMSBDC.org](http://NMSBDC.org).

For a list of SBA lending partners go [here](#).

For comprehensive information from the State of New Mexico on the COVID-19 health emergency, including data, testing, economic, and food assistance, go to [NEWMEXICO.GOV](http://NEWMEXICO.GOV).

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