

117TH CONGRESS  
1ST SESSION

# H. R. 1589

To amend the Small Business Act to modify the exemption for re-hires for loan forgiveness under the paycheck protection program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2021

Mr. ROSENDALE (for himself and Mr. DONALDS) introduced the following bill;  
which was referred to the Committee on Small Business

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## A BILL

To amend the Small Business Act to modify the exemption for re-hires for loan forgiveness under the paycheck protection program, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Paycheck Protection  
5 Program Loan Forgiveness Flexibility Act of 2021”.

1 **SEC. 2. EXEMPTION FOR RE-HIRES FOR LOAN FORGIVE-**  
2 **NESS UNDER THE PAYCHECK PROTECTION**  
3 **PROGRAM.**

4 (a) IN GENERAL.—Section 7A(d)(5) of the Small  
5 Business Act (as redesignated, transferred, and amended  
6 by section 304(b) of the Economic Aid to Hard-Hit Small  
7 Businesses, Nonprofits, and Venues Act (Public Law 116–  
8 260)) is amended—

9 (1) in subparagraph (B)(i)(II), by striking “not  
10 later than” and all that follows through “covered  
11 loan)” and inserting “not later than 90 days after  
12 the termination date of all State or local COVID–  
13 19 emergencies applicable to the location of the eligi-  
14 ble entity, if such date occurs after disbursement of  
15 the covered loan”;

16 (2) in subparagraph (B)(ii)(II), by striking  
17 “not later than” and all that follows through “cov-  
18 ered loan)” and inserting “not later than 90 days  
19 after the termination date of all State or local  
20 COVID–19 emergencies applicable to the location of  
21 the eligible entity, if such date occurs after disburse-  
22 ment of the covered loan”; and

23 (3) by adding at the end the following new sub-  
24 paragraph:

25 “(C) STATE OR LOCAL COVID–19 EMER-  
26 GENCY.—The term ‘State or local COVID–19

1 emergency’ means a public health emergency  
2 declared by a State or local government because  
3 of the COVID–19 pandemic.”.

4 (b) APPLICABILITY.—

5 (1) IN GENERAL.—Except as provided in para-  
6 graph (2), the amendments made by subsection (a)  
7 shall apply to any covered loan made pursuant to  
8 section 7(a)(36) of the Small Business Act (15  
9 U.S.C. 636(a)(36)) before, on, or after the date of  
10 enactment of this Act, including forgiveness of such  
11 a loan.

12 (2) EXCLUSION OF LOANS ALREADY FOR-  
13 GIVEN.—The amendments made by subsection (a)  
14 shall not apply to a loan made pursuant to section  
15 7(a)(36) of the Small Business Act (15 U.S.C.  
16 636(a)(36)) for which the borrower received forgive-  
17 ness before the date of enactment of this Act.

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