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May 01, 2020

INSIGHT: Navigating 'Necessity' Under the Paycheck Protection Program

Companies seeking PPP loans must certify they have an "economic necessity" to obtain these loans. Perkins Coie attorneys say an adequate compliance program is a must to avoid ramped-up enforcement efforts and propose practical tips for companies to minimize legal and reputational risks.

"Trust, but verify." This has gained new currency in the context of the Department of Treasury and the Small Business Administration's (SBA) April 23 and April 28 guidance concerning "necessity" certification of Paycheck Protection Program (PPP) loans and a new interim final rule issued April 30 limiting loans to corporate groups.

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