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COVID-19 that result in restructurings that are not troubled debt restructurings and include periods of reduced payments, including ...

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The [American Institute of CPAs](#) (AICPA) and its [Depository Institutions Expert Panel](#) (DIEP) have released a [Technical Questions and Answers](#) (TQA) to help depository institutions, credit unions, credit card companies, broker-dealers, insurance companies and other lenders appropriately account for the loans they distribute under the Paycheck Protection Program (PPP).

The TQA also addresses how creditors may restructure loans made in response to COVID-19 that result in restructurings that are not troubled debt restructurings and

include periods of reduced payments, including payment deferrals, fee waivers,

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The new TQA contains detailed answers on pressing questions including:

- What is the accounting for the fee received or receivable from the SBA for originating the loan and the potential clawback of the fee?
- Should the lending institution account for an advance under this program as a loan or as a facilitation of a government grant?
- Is the guarantee from the SBA considered “embedded” as opposed to a “freestanding contract” and, thus, can it be considered in estimating credit losses on the loan?

For more AICPA PPP tools and information, including its PPP loan forgiveness calculator, view its [resources page](#).

Accounting

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