

# PPP FORGIVENESS



## PPP BORROWERS MAY BE ELIGIBLE TO HAVE THEIR LOANS FULLY FORGIVEN IF THE REQUIREMENTS ARE MET:

- ▶ All funds are used within the covered period (8- or 24-weeks);
- ▶ At least 60% of the loan proceeds go toward payroll costs;
- ▶ “Full-time equivalent” employee numbers are maintained, OR rehired, OR the business can show that they were unable to rehire similarly qualified employees/could not return to normal operating levels due to safety requirements;
- ▶ Salary levels are maintained at 75% (capped at \$100,000/year);
- ▶ Remaining funds go toward eligible expenses: payroll, mortgage interest, rent, utilities, PPE expenses, property damage from riots/social unrest in 2020.



## FORGIVENESS AMOUNTS MAY BE REDUCED BASED ON SALARY REDUCTIONS GREATER THAN 25% OR REDUCTIONS IN THE NUMBER OF FTE EMPLOYEES.



## MULTIPLE PPP FORGIVENESS APPLICATIONS ARE AVAILABLE, FOR USE BY DIFFERENT TYPES OF BORROWERS:

### FORM 3508S:

For borrowers of \$150,000 or less. All independent contractors and self-employed individuals with no employees qualify for this.

- ▶ A 1-page forgiveness application that requires borrowers to self-certify they've met the program requirements.

### FORM 3508EZ:

Borrowers of more than \$150,000 who did not reduce employee salaries by more than 25% and did not reduce FTE employees OR did not reduce employee salaries by more than 25% and were unable to operate at the same level as on February 15, 2020 due to health and safety restrictions.

- ▶ A 3-page form requiring fewer calculations than the full application form and less documentation for eligible borrowers.
- ▶ Must include accounting of how their loan proceeds were used, and certify that they met the payroll and employee retention requirements for forgiveness.
- ▶ Must submit documentation verifying payroll and non-payroll costs during the covered period.

### FORM 3508:

Anyone who does not qualify for the 3508S or 3508EZ must use this form; any borrower may opt to. The “full forgiveness” application, this is the most complicated form at 5 pages long.

- ▶ Includes a required PPP Loan Forgiveness Calculation Form, the PPP Schedule A and the Schedule A worksheet.
- ▶ Must provide documentation verifying payroll and non-payroll costs during the covered period, as well as documentation showing they maintained salary levels of at least 75% and the number of FTE employees.



More resources:

[SBA Second-Draw Loan Information](#)

[NAR Coronavirus: SmallBusiness Relief FAQs](#)

