

PPP UPDATE:

SBA RELEASES NEW FORGIVENESS APPLICATION

As a result of the Paycheck Protection Program (PPP) Flexibility Act of 2020, on June 17, the US Small Business Administration (SBA) released a revised Loan Forgiveness Application and simplified “EZ Application” for use by certain borrowers.

Full Forgiveness Application

The Full Forgiveness Application has been revised to incorporate the changes made in the PPP Flexibility Act. It is accessible here: <https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>

EZ Forgiveness Application

Per the SBA, the EZ Forgiveness Application “requires fewer calculations and less documentation for eligible borrowers.” Only the following borrowers may use the EZ Forgiveness Application:

- ◆ Borrowers that are self-employed and have no employees
- ◆ Borrowers that did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees by more than 25%
- ◆ Borrowers that experienced reductions in business activity as a result of health directives related to COVID-19, and did not reduce the salaries or wages of their employees by more than 25%

The EZ Forgiveness Application is accessible here:

<https://home.treasury.gov/system/files/136/PPP-Forgiveness-Application-3508EZ.pdf>

Thoughts

Remember, even though these applications are available, there is no rush to submit your Forgiveness Application. The deadline to complete the application is 10 months beyond the end of your Covered Period, and there will be no principle or interest payments due and no loan repayment during that 10 months. We believe it is in your best interest to wait until we know if more guidance will come out. The goal should be on 100% forgiveness and taking a strategic approach may help insure this will occur.

Unlike the initial loan application process, which had a limited amount of resources when it first rolled out and was on a “first come, first serve” basis, loan forgiveness is now a statutory provision available to you as long as you meet all the requirements to your lender’s satisfaction. In other words, your loan forgiveness is not at risk now simply based on the volume of borrowers who may apply before you.

We’re already seeing that some banks are delaying accepting applications until they can hone their processes, develop protocols and become more efficient as they process a quantity of

loans. We've seen the two new PPP Loan Forgiveness Applications, further description about extending beyond the initial 8 Week Covered Period. So far, most new information has been in favor of borrowers.

Plus, more time allows you to make some key decisions such as the Covered Period election, shore up any shortfalls in spending and address any deductions resulting from FTE counts and/or Salary/Hourly Wage comparisons.

For More Information

For more information or assistance from our team, please contact us at **210-495-8474**, toll-free at **1-888-757-2104**, or **Info@BFGonline.com**.



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