



SBA releases new PPP Loan Forgiveness Applications

The SBA / US Treasury released a revised PPP loan forgiveness application on Wednesday, 6/17/20. The updated forgiveness forms implement the changes reflected in the Paycheck Protection Program Flexibility Act that was signed into law by President Trump on June 5, 2020. In addition to revising the original loan forgiveness application, a new EZ application was also released.

Listed below are a couple highlights from the newly released forgiveness applications:

1. By default, borrowers will use the new 24-week covered period. Borrowers that received their PPP loan prior to June 5th can elect to use the original 8-week covered period.
2. The new EZ application is much simpler than the full application. It requires fewer calculations and less documentation for eligible borrowers. To be eligible to use the EZ forgiveness application, borrowers must make several certifications. A few notable certifications that are required are listed below:
 - i. the borrower did not reduce salaries or hourly wages by more than 25 percent for any employee during the covered period compared to the period between 1/1/ 20 and 3/31/20, **AND**
 - ii. the borrower did not reduce the number of employees or the average paid hours of employees between 1/1/20 and the end of the covered period, **OR**
the borrower was unable to operate between 2/15/20 and the end of the covered period at the same level of business activity as before 2/15/20 due to compliance with requirements established or guidance issued between 3/1/20 and 12/31/20 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or OSHA, related to the maintenance of standards of sanitation, social distancing, or any other work/customer safety requirement related to COVID-19

[Click here to view the EZ Forgiveness Application](#)

[Click here to view the Full Forgiveness Application](#)

While the calculation on the new EZ form is straight-forward, there is still ambiguity related to the some of the certifications required. The SBA plans to provide additional FAQs and examples soon.

Please continue to reach out to your primary contact at Heinold Banwart to address any specific questions related to PPP matters.

Thanks,

Heinold Banwart