

## TREASURY AND SBA ISSUE NEW SIMPLIFIED PPP LOAN FORGIVENESS APPLICATION FOR LOANS OF \$50,000 OR LESS –

The Treasury and the SBA issued a new simplified Form 3508S for borrowers to request forgiveness for PPP Loan amounts of \$50,000 or less. However, Form 3508S may only be used if the total PPP loans of the borrower and any affiliates are less than \$2 million. ***Borrowers that use SBA Form 3508S are exempt from reductions in loan forgiveness amounts based on reductions in full-time equivalent (FTE) employees or in salaries or wages.*** SBA Form 3508S also does not require borrowers to show the calculations used to determine their loan forgiveness amount. However, the form does require documentation for payroll costs, mortgage interest, rents, and utilities used to obtain forgiveness to be submitted to the lender along with the form.

Below, is a copy the news release:

*“WASHINGTON – The U.S. Small Business Administration, in consultation with the Treasury Department, today released a simpler loan forgiveness application for Paycheck Protection Program (PPP) loans of \$50,000 or less. This action streamlines the PPP forgiveness process to provide financial and administrative relief to America’s smallest businesses while also ensuring sound stewardship of taxpayer dollars.*

*“The PPP has provided 5.2 million loans worth \$525 billion to American small businesses, providing critical economic relief and supporting more than 51 million jobs,” said Secretary Steven T. Mnuchin. “Today’s action streamlines the forgiveness process for PPP borrowers with loans of \$50,000 or less and thousands of PPP lenders who worked around the clock to process loans quickly,” he continued. “We are committed to making the PPP forgiveness process as simple as possible while also protecting against fraud and misuse of funds. We continue to favor additional legislation to further simplify the forgiveness process.”*

*“Nothing will stop the Trump Administration from supporting great American businesses and our great American workers. The Paycheck Protection Program has been an overwhelming success and served as a historic lifeline to America’s hurting small businesses and tens of millions of workers. The new form introduced today demonstrates our relentless commitment to using every tool in our toolbelt to help small businesses and the banks that have participated in this program,” said Administrator Jovita Carranza. “We are continuing to ensure that small businesses are supported as they recover.”*

*SBA and Treasury have also eased the burden on PPP lenders, allowing lenders to process forgiveness applications more swiftly.*

*SBA began approving PPP forgiveness applications and remitting forgiveness payments to PPP lenders for PPP borrowers on October 2, 2020. SBA will continue to process all PPP forgiveness applications in an expeditious manner.”*

If you have any questions regarding this information, please contact our office.

Thank you