



SBA Loans Update and PPP Loan Forgiveness Information and Application Process

SBA Programs and PPP Loan Forgiveness

Today we'll cover:

- EIDL and PPP Loan Update information
- PPP Flexibility Act, forms, unforgiven loan info
- PPP Loan Forgiveness Application process
- Definitions of Payroll Use, Costs and Time Frame
- Qualifying for Form EZ
- Self Employed Individuals/Sole Proprietors
- Definitions of Covered Period & PPP Basics
- Lender Process for Loan Forgiveness & Safe Harbors
- Documents needed to prove loan eligibility and forgiveness
- Deduction of EIDL Advance from Loan Forgiveness
- Representations, Certifications, Audits, Appeals
- Step by Step Examples of the Loan Forgiveness Applications

SBA Programs and PPP Loan Forgiveness

- As of today, the PPP Loan program is no longer accepting new applications. In addition, the ability to get a 2nd PPP loan or renegotiate/increase your existing PPP loan is not available.
- PPP Loan Data as of the end of PPP Loan program for new applicants as of 8-10-20: Loans approved nationwide 5,212,128, Dollars \$525,012,201,124, # of Lenders 5,460. WA – Loans 107,659 Dollars \$12,464,918,993

SBA Programs and PPP Loan Forgiveness

SBA Economic Injury Disaster Loan (EIDL) Update:

- EIDL loan applications reopened on 6-15-20. Nearly \$200 Billion of EIDL Funds are still available.
- Apply here - <https://covid19relief.sba.gov/#/>
- EIDL Advance – The EIDL advances are no longer available. For those who did receive EIDL Advances, remember that they will reduce PPP loan forgiveness if you received both the EIDL and the PPP loans.
- Customer Service Center at **1-800-659-2955**. To get the status of your EIDL loan, Call the 800 number and ask for a Tier 2 person.
- To ask for EIDL reconsideration email to pdcrecons@sba.gov

SBA Programs and PPP Loan Forgiveness

The information provided in this presentation is relevant as of 9-10-20. Neither the presenter nor the Washington Small Business Development Centers are the final authority on this material. The information is subject to change at any time with new legislation and/or additional rules from the Treasury and/or the SBA.

The PPP Flexibility Act effective Friday 6/5:

- Two Application Forms 3508 EZ Form AND 3508 Long Form.
- The Covered Period can be 8 Weeks or 24 weeks for borrowers who were funded prior to June 5th. The Covered Period is 24 weeks for borrowers who were funded after June 5th.
- If the borrower does not have full loan forgiveness, the remaining amount will be a loan at 1% for 2 years for loans funded prior to June 5th. Loan term is 5 years for apps funded after June 5th.

SBA Programs and PPP Loan Forgiveness

The Loan Forgiveness Application Process/Details:

- Payroll costs are: all cash contribution including salary, wages, commission, cash tips, vacation pay, hazard pay, bonuses and parental, family, medical or sick leave & severance pay and employers payroll costs for health insurance, retirement plans and local, state taxes.
- Loan forgiveness to be applied for within 10 months after the last day of the covered period or converts to a loan.
- Payments on any remaining loan portion start 10 months after the end of the Covered Period.
- Expenses that are forgiven may not be allowable business deductions for year end tax reporting.
- Cost not eligible are: salaries in excess of \$100K cash compensation, employees outside the US, sick or family leave under the Families First Act and Independent Contractors.

SBA Programs and PPP Loan Forgiveness

The PPP Loan Forgiveness Application EZ Form:

- Eligibility Criteria to use the EZ Loan Forgiveness Form:
- Are you self-employed and have no employees; OR
- You 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; OR
- You 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%.

SBA Programs and PPP Loan Forgiveness

Borrowers submitting Form EZ must certify **either/or**:

- That you did not reduce the number of employees or the average paid hours between January 1 and the end of the Covered Period – other than documented reductions due to inability to rehire or find qualified employees.
- That you were unable to operate between February 15th and the end of the covered period at the same level of business activity as before February 15th due to COVID-19 related compliance.
- **All records relating to the loan must be maintained for six years after loan forgiveness or the loan is paid in full and you must permit inspection of those documents on request.**

SBA Programs and PPP Loan Forgiveness

Self Employed Individuals/Sole Proprietors:

- Are eligible to use the new EZ Loan Forgiveness Application if you meet certain conditions. Can use the Revised Loan Forgiveness Form.
- Forgiveness is related to payroll costs at 8/52 of line 31 of the individual's 2019 Schedule C if you choose the 8-week Covered Period. 2.5 months of 2019 compensation if you use the 24-week Covered Period.
- Amounts paid to user of Form EZ do not exceed \$15,385 per individual for those choosing the 8-week Covered Period and \$20,833 for those choosing the 24-week Covered Period.
- Amounts paid to these individuals during the 8 or 24-week Covered Period or Alternate Covered Period, are totaled and added to Line #9 of Schedule A if using the longer Revised Loan Forgiveness Form.

SBA Programs and PPP Loan Forgiveness





For all Loan Forgiveness Applications - PPP Covered Periods:

- Covered Period also defines - loan eligibility, use of funds and forgiveness requirements. This is determined and finalized at time of loan forgiveness.
- Some costs incurred before the Covered Period (8 or 24 weeks) and paid during the Covered Period and some costs incurred during the Covered Period and paid afterwards can qualify for forgiveness.
- Alternate Payroll Covered Period – May allow the Covered Period to start on the first day of the normal pay period rather than on disbursement of the funds (for payroll only).
- Do not check the \$2 Million Box unless you received a PPP for that amount or more.

SBA Programs and PPP Loan Forgiveness

PPP Loan Forgiveness Basics

Borrowers are eligible for forgiveness in an amount equal to **the sum of the eligible costs and payments during the 8-week or 24-week Covered Period:**

Eligible Costs	Additional Considerations
 Payroll Costs	<ul style="list-style-type: none">• Payroll costs must account for at least 60% of the total PPP forgiveness amount or the amount of forgiveness will be reduced• Salary / wage reduction can be no more than 25% during the Covered Period or the amount of forgiveness will be reduced (certain exemptions / safe harbors may apply)• Borrower must maintain the average number of full-time equivalent (FTE) employees during the Covered Period or the amount of forgiveness will be reduced (certain exemptions / safe harbors may apply)
 Business Rent Payments <i>(lease effective prior to February 15, 2020)</i>	
 Mortgage Interest Payments <i>(incurred prior to February 15, 2020)</i>	
 Utility Payments <i>(service in place prior to February 15, 2020)</i>	

Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

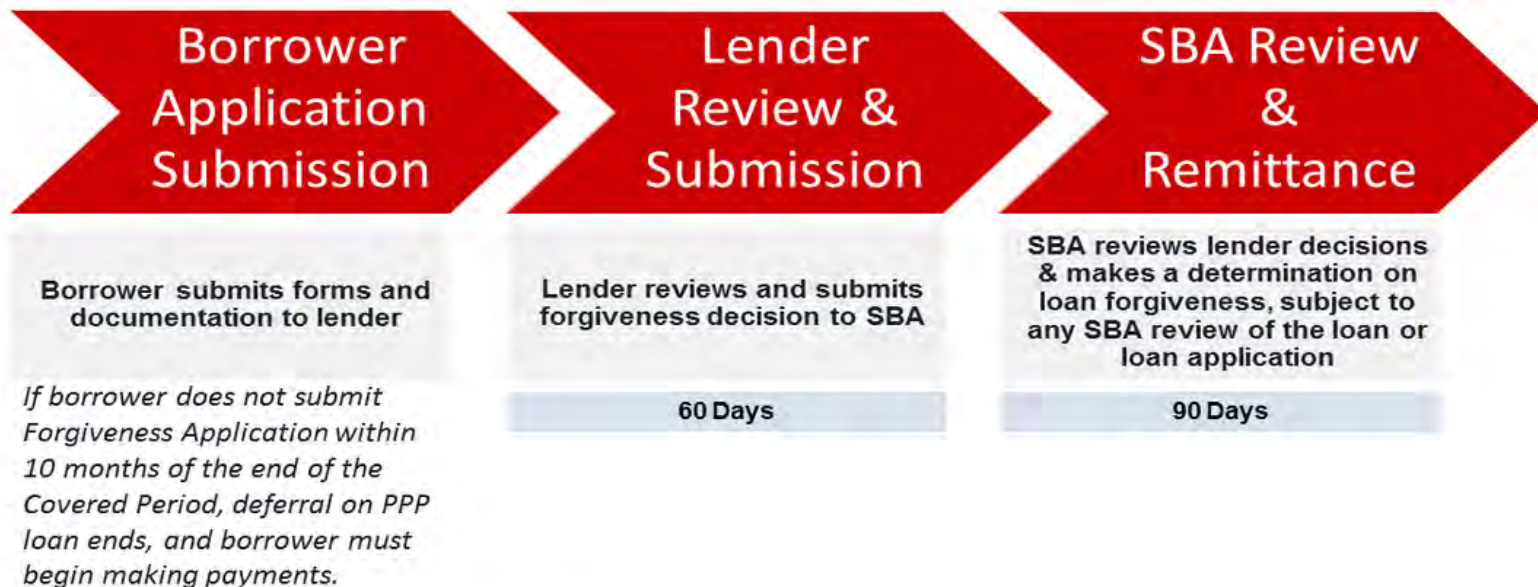
SBA Programs and PPP Loan Forgiveness

Loan Forgiveness (FTE Safe Harbor) Criteria:

- The new PPP Flexibility Act has substantially increased the flexibility in eligibility for loan forgiveness. Three choices/criteria to establish FTE Reduction Calculation – Choose one:
- 1) You had no reduction in employees or average paid hours.
- 2) Safe Harbor #1 – Unable to operate between February 15th and the end of your Covered Period at the same level of business activity as before February 15th due to COVID-19 Compliance.
- 3) Safe Harbor #2 – If you satisfy the FTE requirements as shown on the Worksheet for Schedule A (Tables 1 & 2).

SBA Programs and PPP Loan Forgiveness

Loan Forgiveness Process and Timeline



Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

SBA Programs and PPP Loan Forgiveness

Borrower Documentation Requirements

What documentation does the borrower submit to the lender with its forgiveness application?

In addition to the signed Forgiveness Application Form (SBA Form 3508, 3508EZ, or lender equivalent) borrowers are generally expected to submit the following (see SBA Form 3508 or 3508EZ instructions for specific details):

1. **Payroll: Proof of payment**
2. **Nonpayroll: Proof of obligation and proof of payment**
3. **3508 Only: PPP Schedule A and FTE Documentation**
4. **3508EZ Only: FTE Information (if applicable)**

For each form, there are certain documents that the borrower is required to maintain, but not submit. See Instructions to forms.

Additionally, all loans \$2 million and over will be subject to SBA loan reviews and additional documentation will be required.

Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

SBA Programs and PPP Loan Forgiveness

Borrower Documentation – Non-Payroll

Documents Must Provide Proof of Eligible Costs (e.g., that verify existence of eligible non-payroll obligations/services prior to February 15, 2020 and eligible payment from the Covered Period) with the following if borrower includes nonpayroll expenses in the amount requested for forgiveness:

1. **Business mortgage interest payments** – amortization schedule and receipts.
2. **Business rent or lease payments** – lease agreement and receipts.
3. **Business utility payments** – invoices from February 2020 and invoices paid during Covered Period and receipts.

See Instructions to forms for other acceptable documents.

Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

SBA Programs and PPP Loan Forgiveness

Economic Injury Disaster Loan (EIDL) FAQ

Question: How will a lender know the amount of the EIDL advance that will be automatically deducted by SBA?



Answer: If a borrower received an EIDL advance, SBA is required to reduce the borrower's loan forgiveness amount by the amount of the EIDL advance. SBA will deduct the amount of the EIDL advance from the forgiveness amount remitted by SBA to the lender. The lender will be able to confirm the amount of the EIDL advance that will be automatically deducted by SBA from the forgiveness payment by reviewing the borrower's EIDL advance information in the Forgiveness Platform.

Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

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SBA Programs and PPP Loan Forgiveness

Lender Reviews – Making a Forgiveness Decision

Lenders Have Four Decision Options:

- ☐ **Approved in Full** – Lender approved the full forgiveness amount requested by borrower, and the forgiveness amount requested by lender equals that amount.
- ☐ **Approved in Part** – Lender did not approve the full forgiveness amount requested by borrower and the forgiveness amount decision by lender is less than the forgiveness amount requested by borrower.
- ☐ **Denied** – Lender denied the entire forgiveness amount requested by the borrower.
- ☐ **Denied without Prejudice** – Lender should use this status when SBA notifies the lender that a loan review is pending at the time the borrower submits a loan forgiveness application.

Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

SBA Programs and PPP Loan Forgiveness

Remaining Balance FAQ

Question: How should a lender handle any remaining balance due on a PPP loan after SBA remits the forgiveness amount to the lender?



Answer: If a PPP loan is not forgiven in full (including if there has been a reduction in the forgiveness amount for an EIDL advance), any remaining balance due on the PPP loan must be repaid by the borrower.

- Lenders must notify borrower of the loan forgiveness amount remitted by SBA and the date on which the borrower's first loan payment is due.
- The lender must continue to service the loan.
- The borrower must repay the remaining loan balance by the maturity date of the PPP loan (either two or five years).

If a borrower is determined to have been ineligible for a PPP loan for any reason, SBA may seek repayment of the outstanding PPP loan balance or pursue other available remedies.

Information Current as of 9/3/20 – Visit www.sba.gov/ppp for the most up-to-date information.

SBA Programs and PPP Loan Forgiveness

Representation, Certifications, Audits, Appeals:

- The loan forgiveness application requires a representations and certification page with signature to be submitted – The borrower must certify that they know and understand the rules of the PPP including eligibility, use of proceeds, loan forgiveness amounts.
- The SBA may review PPP loans and Loan Forgiveness Applications as it deems appropriate and at any time.
- Lenders are required to confirm the calculations on the loan forgiveness application.
- The SBA has established rules and timelines for appeals for any PPP borrower who is determined ineligible for the PPP or reduced loan forgiveness.

SBA Programs and PPP Loan Forgiveness

Additional Information and Details:

- Additional detail on “eligible owner compensation” is available in SBA FAQ dated 8/11/20 page 4. We can provide this on request.
- Loan Forgiveness application can be submitted when the borrower has 1) used all of the funds, 2) documented use of the loan proceeds, 3) lender is ready to accept the applications.
- If a borrower applies for PPP loan forgiveness before the end of the Covered Period and annual salary or hourly wages were reduced by more than 25%, the borrower must account for the reduction for the full covered period (either 8 or 24 weeks).
- **All records relating to the loan must be maintained for six years after loan forgiveness or the loan is paid in full and you must permit inspection of those documents on request.**

Find the Nearest Advisor:

<https://wsbdc.org/contact-an-advisor/washington@wsbdc.org> or 833-4WA-SBDC





U.S. Small Business
Administration

Paycheck Protection Program

Loan Forgiveness Application Examples

Updated with Information as of September 10, 2020

Covered vs. Alternative Payroll Covered Period

- **Covered Period:** is either (1) the 24-week (168-day) period beginning on the PPP Loan Disbursement Date, or (2) if the borrower received its loan before June 5, 2020, the borrower may elect to use an eight-week (56 day) covered period.
 - For example: if the borrower is using a 24-week covered period and received its PPP loan proceeds on Monday, April 20, the first day of the covered period is April 20 and the last day is Sunday, October 4.
 - In no event may the covered period extend beyond December 31, 2020.
- **Alternative Payroll Covered Period:** For administrative convenience, Borrowers with a biweekly (or more frequent) payroll schedule may elect to calculate eligible payroll costs using the 24-week (168-day) period (or for loans received before June 5, 2020 at the election of the borrower, the eight-week (56-day) period) that begins on the first day of their first pay period following their PPP Loan Disbursement Date.
 - For example: if the Borrower is using a 24-week Alternative Payroll Covered Period and received its PPP loan proceeds on Monday, April 20, and the first day of its first pay period following its PPP loan disbursement is Sunday, April 26, the first day of the Alternative Payroll Covered Period is April 26 and the last day of the Alternative Payroll Covered Period is Saturday, October 10.
 - Borrowers that elect to use the Alternative Payroll Covered Period must apply the Alternative Payroll Covered Period wherever there is a reference in this application to “the Covered Period or the Alternative Payroll Covered Period.” However, Borrowers must apply the Covered Period (not the Alternative Payroll Covered Period) wherever there is a reference in this application to “the Covered Period” only.
 - In no event may the Alternative Payroll Covered Period extend beyond December 31, 2020.

Using the EZ Form vs. Regular Form

You (the Borrower) can apply for forgiveness of your Paycheck Protection Program (PPP) loan using this SBA Form 3508EZ if you can check at least one of the three boxes below. Do not submit this Checklist with your SBA Form 3508EZ.

- OR**
- ☒ The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483).
-
- ☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
- AND**
- OR**
- The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period. (Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020. Also ignore reductions in an employee’s hours that the Borrower offered to restore and the employee refused. See [85 FR 33004](#), 33007 (June 1, 2020) for more details.
-
- ☐ The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined below) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000);
- AND**
- The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

Example 1 – Sole Proprietorship

Using the PPP Loan Forgiveness Application Form 3508EZ

- Assumptions for Smith's Computer Services
 - Borrower: John Smith dba Smith's Computer Services
 - Number of employees: 1 – John Smith
 - Pays himself a draw: \$7,692.5 (once a month)
 - Rent Expense: \$2,000 per month
 - Utilities Expense: \$307.50 per month
 - Covered period: 56 days or 168 days
- EZ form available at: <https://www.sba.gov/document/sba-form-paycheck-protection-program-ez-loan-forgiveness-application-6-16-2020>
- EZ Instructions available at: <https://www.sba.gov/document/sba-form--paycheck-protection-program-ez-loan-forgiveness-application-instructions-borrowers-6-16-2020>



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0407
Expiration date: 10/31/2020

PPP Loan Forgiveness Application Form 3508EZ

Page 1

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Business Address	Business TIN (EIN, SSN)	Business Phone
	() -	
	Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____ Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other _____

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs: _____

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: _____

Line 4. Business Utility Payments: _____

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: _____

Line 6. PPP Loan Amount: _____

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): _____

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): _____

PPP Loan Forgiveness Application Form 3508EZ - Page 1



Paycheck Protection Program PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0407
Expiration date: 10/31/2020

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
John Smith	Smith's Computer Repair	
Business Address	Business TIN (EIN, SSN)	Business Phone
5050 Primrose Lane	xxx-xx-xxx	(xxx) xxx - xxxx
Redmond, WA 98052	Primary Contact	E-mail Address
	John Smith	jsmith@smithscomputerservice.com

SBA PPP Loan Number: From the SBA Authorization

Lender PPP Loan Number: From your Lender's Note Payable

PPP Loan Amount: 20,000

PPP Loan Disbursement Date: 04/15/2020

Employees at Time of Loan Application: 1

Employees at Time of Forgiveness Application: 1

EIDL Advance Amount: 1,000

EIDL Application Number: 3600350412

(From your EIDL Application)

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☒ Monthly ☐ Other _____

PPP Loan Forgiveness Application Form 3508EZ - Page 1

Covered Period (56 days)

Covered Period: 4/15/2020 to 6/9/2020

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

OR

Covered Period (168 days)

Covered Period: 4/15/2020 to 9/29/2020

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

PPP Loan Forgiveness Application Form 3508EZ - Page 1

Forgiveness Amount Calculation:	56 Days	168 Days
<u>Payroll and Nonpayroll Costs</u>	15,385	20,833
Line 1. Payroll Costs:	0	0
Line 2. Business Mortgage Interest Payments:	4,000	0
Line 3. Business Rent or Lease Payments:	615	0
Line 4. Business Utility Payments:	20,000	20,833
<u>Potential Forgiveness Amounts</u>	20,000	20,000
Line 5. Add the amounts on lines 1, 2, 3, and 4:	25,641	34,721
Line 6. PPP Loan Amount:	20,000	20,000
Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60):	20,000	20,000
<u>Forgiveness Amount</u>		
Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7):		

PPP Loan Forgiveness Application Form 3508EZ

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Paycheck Protection Program PPP Loan Forgiveness Application Form 3508EZ

By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:
The Authorized Representative of the Borrower certifies to all of the below by initialing next to each one.

JS

The dollar amount for which forgiveness is requested:

- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
- includes payroll costs equal to at least 60% of the forgiveness amount;
- if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
- if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.

JS

I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.

JS

The Borrower did not reduce salaries or hourly wages by more than 25 percent for any employee during the Covered Period or Alternative Payroll Covered Period compared to the period between January 1, 2020 and March 31, 2020. For purposes of this certification, the term "employee" includes only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.

JS

The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.

JS

I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.

JS

The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

JS

The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.

JS

I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

In addition, the Authorized Representative of the Borrower must certify by initialing at least ONE of the following two items:

OR

JS

The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period (other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020, and reductions in an employee's hours that a borrower offered to restore and were refused).

The Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

John Smith

Signature of Authorized Representative of Borrower

John Smith

Print Name

SBA Form 3508EZ (06/20)
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As soon as possible after funds are spent

Date

Sole Proprietor

Title

PPP Loan Forgiveness Application Form 3508EZ

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Paycheck Protection Program PPP Loan Forgiveness Application Form 3508EZ

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
John Smith		Sole Proprietor
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	3
Gender	M=Male; F=Female; X=Not Disclosed	M
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	3
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	N

Disclosure is voluntary and will have no bearing on the loan forgiveness decision

Example 2 – Corporation

Using the PPP Loan Forgiveness Application Form 3508EZ

- Assumptions for Doe's Recycling, Inc.:
 - Borrower: Doe's Recycling, Inc. dba The Junk Collector
 - Number of employees: 20
 - Aggregate Payroll: \$64,000 per month (payroll is bi-weekly)
 - Rent Expense: \$10,000 per month
 - Utilities Expense: \$1,000 per month
 - Covered period: 56 days or 168 days

PPP Loan Forgiveness Application Form 3508EZ - Page 1



Paycheck Protection Program PPP Loan Forgiveness Application Form 3508EZ

OMB Control No. 3245-0407
Expiration date: 10/31/2020

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
Doe's Recycling, Inc.	The Junk Collector	
Business Address	Business TIN (EIN, SSN)	Business Phone
2100 185th PI NE	XXX-XX-XXX	(XXX) XXX - XXXX
Redmond, WA 98053	Primary Contact	E-mail Address
	Jane Doe	jane@recycling.com

SBA PPP Loan Number: From the SBA Authorization

Lender PPP Loan Number: From your Lender's Note Payable

PPP Loan Amount: 150,000

PPP Loan Disbursement Date: 05/20/2020

Employees at Time of Loan Application: 20

Employees at Time of Forgiveness Application: 20

EIDL Advance Amount: 10,000

EIDL Application Number: 3600000572

(From your EIDL Application)

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☒ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other _____

PPP Loan Forgiveness Application Form 3508EZ - Page 1

Covered Period or Alternate Covered Period (56 days)

Covered Period: 05/20/2020 to 07/14/2020

OR

Alternative Payroll Covered Period, if applicable: 05/22/2020 to 07/16/2020

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

OR

Covered Period or Alternate Covered Period (168 days)

Covered Period: 05/20/2020 to 11/03/2020

OR

Alternative Payroll Covered Period, if applicable: 05/22/2020 to 11/05/2020

PPP Loan Forgiveness Application Form 3508EZ - Page 1

Forgiveness Amount Calculation:	56 Days	168 Days
<u>Payroll and Nonpayroll Costs</u>	128,000	128,000
Line 1. Payroll Costs:		
	0	0
Line 2. Business Mortgage Interest Payments:		
	20,000	20,000
Line 3. Business Rent or Lease Payments:		
	2,000	2,000
Line 4. Business Utility Payments:		
<u>Potential Forgiveness Amounts</u>	150,000	150,000
Line 5. Add the amounts on lines 1, 2, 3, and 4:		
	150,000	150,000
Line 6. PPP Loan Amount:		
	213,333	213,333
Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60):		
<u>Forgiveness Amount</u>	150,000	150,000
Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7):		

PPP Loan Forgiveness Application Form 3508EZ

Page 2



Paycheck Protection Program PPP Loan Forgiveness Application Form 3508EZ

By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:
The Authorized Representative of the Borrower certifies to all of the below by initialing next to each one.

JD

The dollar amount for which forgiveness is requested:

- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
- includes payroll costs equal to at least 60% of the forgiveness amount;
- if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
- if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.

JD

I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.

JD

The Borrower did not reduce salaries or hourly wages by more than 25 percent for any employee during the Covered Period or Alternative Payroll Covered Period compared to the period between January 1, 2020 and March 31, 2020. For purposes of this certification, the term "employee" includes only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.

JD

The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.

JD

I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.

JD

The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

JD

The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.

JD

I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

In addition, the Authorized Representative of the Borrower must certify by initialing at least ONE of the following two items:

OR

JD

The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period (other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020, and reductions in an employee's hours that a borrower offered to restore and were refused).

The Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

Jane Doe

Signature of Authorized Representative of Borrower

Jane Doe

Print Name
SBA Form 3508EZ (06/20)
Page 2

As soon as possible after funds are spent

Date

President

Title

PPP Loan Forgiveness Application Form 3508EZ

Page 3



Paycheck Protection Program PPP Loan Forgiveness Application Form 3508EZ

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Jane Doe		President
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	2
Gender	M=Male; F=Female; X=Not Disclosed	F
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	1
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	N

Disclosure is voluntary and will have no bearing on the loan forgiveness decision

Example 3 – LLC

Using the PPP Loan Forgiveness Application Revised June 16, 2020

- Assumptions for ABC Painting, LLC.:
 - Borrower: ABC Painting, LLC dba All Weather Painting
 - Number of employees: 100
 - Wage Expense: \$350,000 aggregate
 - Business Mortgage Interest Payments: \$30,000 per month
 - Rent Expense: \$15,000 per month
 - Utilities Expense: \$1,000 per month
 - Covered period: 168 days
- Application available at: <https://www.sba.gov/document/sba-form-paycheck-protection-program-loan-forgiveness-application-revised-6-16-2020>
- Application instructions at: <https://www.sba.gov/document/sba-form--paycheck-protection-program-loan-forgiveness-application-instructions-borrowers-6-16-2020>

PPP Loan Forgiveness Application Form Revised June 16, 2020

Page 1



**Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020**

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Business Address		Business TIN (EIN, SSN)	Business Phone
		Primary Contact	E-mail Address

SBA PPP Loan Number: _____ Lender PPP Loan Number: _____

PPP Loan Amount: _____ PPP Loan Disbursement Date: _____

Employees at Time of Loan Application: _____ Employees at Time of Forgiveness Application: _____

EIDL Advance Amount: _____ EIDL Application Number: _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

☐ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other _____

Covered Period: _____ to _____

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): _____

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: _____

Line 4. Business Utility Payments: _____

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): _____

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: _____

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): _____

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): _____

Line 9. PPP Loan Amount: _____

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60): _____

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10): _____

PPP Loan Forgiveness Application (revised) - Page 1



Paycheck Protection Program Loan Forgiveness Application Revised June 16, 2020

OMB Control Number 3245-0407

Expiration Date: 10/31/2020

PPP Loan Forgiveness Calculation Form

Business Legal Name ("Borrower")	DBA or Tradename, if applicable	
ABC Painting, LLC	All Weather Painting	
Business Address	Business TIN (EIN, SSN)	Business Phone
111 NE 85th St	xx-xxxxxxx	(xxx) xxx - xxxx
Redmond, WA 98053	Primary Contact	E-mail Address
	Al Marley	amarley@gmail.com

SBA PPP Loan Number: SBA Authorization

Lender PPP Loan Number: Lender's Note Payable

PPP Loan Amount: 500,000

PPP Loan Disbursement Date: 06/30/2020

Employees at Time of Loan Application: 100

Employees at Time of Forgiveness Application: 100

EIDL Advance Amount: 10,000

EIDL Application Number: 3610023591

Payroll Schedule: The frequency with which payroll is paid to employees is:

(From your EIDL Application)

☒ Weekly ☐ Biweekly (every other week) ☐ Twice a month ☐ Monthly ☐ Other _____

PPP Loan Forgiveness Application (revised)- Page 1

Covered Period or Alternative Covered Period

Covered Period: 06/30/2020 to 12/14/2020

OR

Alternative Payroll Covered Period, if applicable: 07/06/2020 to 12/20/2020

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here: ☐

PPP Loan Forgiveness Application (revised)- Page 1

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10): 350,000

Line 2. Business Mortgage Interest Payments: **Interest Expense on a Business Asset Loan** 30,000

Line 3. Business Rent or Lease Payments: **Building and Equipment Leases** 90,000

Line 4. Business Utility Payments: 30,000

Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3): 0

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5: 500,000

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13): 1

Potential Forgiveness Amounts

Line 8. Modified Total (multiply line 6 by line 7): 500,000

Line 9. PPP Loan Amount: 500,000

Line 10. Payroll Cost 60% Requirement (divide line 1 by 0.60): 583,000

Forgiveness Amount

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10): 500,000

PPP Loan Forgiveness Application Form (revised)

Page 2



By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:

The authorized representative of the Borrower certifies to all of the below by initialing next to each one.

AM

The dollar amount for which forgiveness is requested:

- was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
- includes all applicable reductions due to decreases in the number of full-time equivalent employees and salary/hourly wage reductions;
- includes payroll costs equal to at least 60% of the forgiveness amount;
- if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
- if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.

AM

I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.

AM

The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.

AM

I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.

AM

The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than three years and/or a fine of not more than \$1,000,000.

AM

The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.

AM

I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

AM

If the Borrower has checked the box for FTE Reduction Safe Harbor 1 on PPP Schedule A, the Borrower was unable to operate between February 15, 2020 and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

Allison Marley

Signature of Authorized Representative of Borrower

Allison Marley
Print Name

As soon as possible after funds are spent

Date

Managing Member
Title

PPP Loan Forgiveness Application Form (revised)

Page 3 (Schedule A)



PPP Schedule A

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: _____

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: _____

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:
If the average annual salary or hourly wage for each employee listed on the PPP
Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll
Covered Period was at least 75% of such employee's average annual salary or hourly
wage between January 1, 2020 and March 31, 2020, check here ☐ and enter 0 on line 3.

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2: _____

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2: _____

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance: _____

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans: _____

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation: _____

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners:
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is
more than one individual included, attach a separate table that lists the names of and
payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9): _____

Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy **any** of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter **1.0** on line 13; otherwise, complete lines 11, 12, and 13:

No reduction in employees or average paid hours: If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here ☐.

FTE Reduction Safe Harbor 1: If you were unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here ☐.

FTE Reduction Safe Harbor 2: If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here ☐.

Line 11. Average FTE during the Borrower's chosen reference period: _____

Line 12. Total Average FTE (add lines 2 and 5): _____

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: _____

PPP Loan Forgiveness Application (revised) - Page 3

(Schedule A, Lines 1 - 10)

PPP Schedule A Worksheet, Table 1 Totals

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1: 259,200

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1: 100

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1:
If the average annual salary or hourly wage for each employee listed on the PPP
Schedule A Worksheet, Table 1 during the Covered Period or the Alternative Payroll
Covered Period was at least 75% of such employee's average annual salary or hourly
wage between January 1, 2020 and March 31, 2020, check here ☐ and enter 0 on line 3. 0

PPP Schedule A Worksheet, Table 2 Totals

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2: 0

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2: 0

Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance: 30,000

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans: 15,000

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation: 25,000

Compensation to Owners

Line 9. Total amount paid to owner-employees/self-employed individual/general partners: 20,800
This amount may not be included in PPP Schedule A Worksheet, Table 1 or 2. If there is
more than one individual included, attach a separate table that lists the names of and
payments to each.

Total Payroll Costs

Line 10. Payroll Costs (add lines 1, 4, 6, 7, 8, and 9): 350,000

PPP Loan Forgiveness Application (revised) - Page 3

(Schedule A, Lines 11- 13)

Full-Time Equivalency (FTE) Reduction Calculation

If you satisfy **any** of the following three criteria, check the appropriate box, skip lines 11 and 12, and enter 1.0 on line 13; otherwise, complete lines 11, 12, and 13:

No reduction in employees or average paid hours: If you have not reduced the number of employees or the average paid hours of your employees between January 1, 2020 and the end of the Covered Period, check here ☒.

FTE Reduction Safe Harbor 1: If you were unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, check here ☐.

FTE Reduction Safe Harbor 2: If you satisfy FTE Reduction Safe Harbor 2 (see PPP Schedule A Worksheet), check here ☐.

Line 11. Average FTE during the Borrower's chosen reference period: _____ 100

Line 12. Total Average FTE (add lines 2 and 5): _____ 100

Line 13. FTE Reduction Quotient (divide line 12 by line 11) or enter 1.0 if any of the above criteria are met: _____ 1



PPP Schedule A Worksheet

Table 1: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
FTE Reduction Exceptions:				
Totals:		Box 1	Box 2	Box 3

Table 2: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
Totals:		Box 4	Box 5

Attach additional tables if additional rows are needed.

FTE Reduction Safe Harbor 2:

- Step 1. Enter the borrower's total average FTE between February 15, 2020 and April 26, 2020. Follow the same method that was used to calculate Average FTE in the PPP Schedule A Worksheet Tables. Sum across all employees and enter: _____
- Step 2. Enter the borrower's total FTE in the Borrower's pay period inclusive of February 15, 2020. Follow the same method that was used in step 1: _____
- Step 3. If the entry for step 2 is greater than step 1, proceed to step 4. Otherwise, FTE Reduction Safe Harbor 2 is not applicable and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.
- Step 4. Enter the borrower's total FTE as of the earlier of December 31, 2020, and the date this application is submitted: _____
- Step 5. If the entry for step 4 is greater than or equal to step 2, enter 1.0 on line 13 of PPP Schedule A; the FTE Reduction Safe Harbor 2 has been satisfied. Otherwise, FTE Reduction Safe Harbor 2 does not apply and the Borrower must complete line 13 of PPP Schedule A by dividing line 12 by line 11 of that schedule.

PPP Loan Forgiveness Application Form (revised)

Page 4 (Schedule A Worksheet)

PPP Loan Forgiveness Application (revised) - Page 4 (Schedule A Worksheet, Table 1 & 2)

Table 1: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of less than or equal to \$100,000 for all pay periods in 2019 or were not employed by the Borrower at any point in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE	Salary / Hourly Wage Reduction
Jacob Marley	xxxx	86,400	1	0
Mable Marley	xxxx	80,000	1	0
Anthony Johnson	xxxx	92,800	1	0
Add additional sheets as needed for all employees				
FTE Reduction Exceptions:				
Totals:		Box 1 259,200	Box 2 100	Box 3 0

Table 2: List employees who:

- Were employed by the Borrower at any point during the Covered Period or the Alternative Payroll Covered Period whose principal place of residence is in the United States; and
- Received compensation from the Borrower at an annualized rate of more than \$100,000 for any pay period in 2019.

Employee's Name	Employee Identifier	Cash Compensation	Average FTE
N/A			
Totals:		Box 4	Box 5

PPP Loan Forgiveness Application Form (revised)

Page 5



Paycheck Protection Program Loan Forgiveness Application Revised June 16, 2020

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

PPP Borrower Demographic Information Form (Optional)

Instructions

- Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
- Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
- Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
- Principal Name.** Insert the full name of the Principal.
- Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Allison Marley		Managing Member
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	1
Gender	M=Male; F=Female; X=Not Disclosed	F
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	5
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	H

Disclosure is voluntary and will have no bearing on the loan forgiveness decision

PPP Loan Forgiveness Application Form Instructions

Page 4



Paycheck Protection Program
Loan Forgiveness Application Revised June 16, 2020

OMB Control Number 3245-0407
Expiration Date: 10/31/2020

Instructions for PPP Schedule A Worksheet

Complete the PPP Schedule A Worksheet or obtain an equivalent report from the Borrower's payroll system or payroll processor.

Table Instructions

Employee's Name: Separately list each employee. Do not include any independent contractors, owner-employees, self-employed individuals, or partners.

Employee Identifier: Enter the last four digits of each employee's Social Security Number.

Cash Compensation: Enter the sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period or the Alternative Payroll Covered Period. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For an 8-week Covered Period, that total is \$15,385. For a 24-week Covered Period, that total is \$46,154.

Average FTE: This calculates the average full-time equivalency (FTE) during the Covered Period or the Alternative Payroll Covered Period. For each employee, enter the average number of hours paid per week, divide by 40, and round the total to the nearest tenth. The maximum for each employee is capped at 1.0. A simplified method that assigns a 1.0 for employees who work 40 hours or more per week and 0.5 for employees who work fewer hours may be used at the election of the Borrower.

This calculation will be used to determine whether the Borrower's loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in full-time equivalent employees. Borrowers are eligible for loan forgiveness for certain expenditures during the Covered Period or the Alternative Payroll Covered Period. However, the actual loan forgiveness amount that the Borrower will receive may be less, depending on whether the Borrower's average weekly number of FTE employees during the Covered Period or the Alternative Payroll Covered Period was less than during the Borrower's chosen reference period (*see* Instructions to PPP Schedule A, Line 11). The Borrower is exempt from such a reduction if either of the FTE Reduction Safe Harbors applies. See the FTE Reduction Safe Harbor instructions below.

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Salary/Hourly Wage Reduction: This calculation will be used to determine whether the Borrower's loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in employee salary and wages. Borrowers are eligible for loan forgiveness for certain expenditures during the Covered Period or the Alternative Payroll Covered Period. However, the actual amount of loan forgiveness the Borrower will receive may be less, depending on whether the salary or hourly wages of certain employees during the Covered Period or the Alternative Payroll Covered Period was less than during the period from January 1, 2020 to March 31, 2020. If the Borrower restored salary/hourly wage levels, the Borrower may be eligible for elimination of the Salary/Hourly Wage Reduction amount. Borrowers must complete this worksheet to determine whether to reduce the amount of loan forgiveness for which they are eligible. Complete the Salary/Hour Wage Reduction column only for employees whose salaries or hourly wages were reduced by more than 25% during the Covered Period or the Alternative Payroll Covered Period as compared to the period of January 1, 2020 through March 31, 2020. For each employee listed in Table 1, complete the following (using salary for salaried employees and hourly wage for hourly employees):

Step 1. Determine if pay was reduced more than 25%.

- a. Enter average annual salary or hourly wage during Covered Period or Alternative Payroll Covered Period: _____
- b. Enter average annual salary or hourly wage between January 1, 2020 and March 31, 2020: _____
- c. Divide the value entered in 1.a. by 1.b.: _____
If 1.c. is 0.75 or more, enter zero in the column above box 3 for that employee; otherwise proceed to Step 2.

Step 2. Determine if the Salary/Hourly Wage Reduction Safe Harbor is met.

- a. Enter the annual salary or hourly wage as of February 15, 2020: _____
- b. Enter the average annual salary or hourly wage between February 15, 2020 and April 26, 2020: _____
If 2.b. is equal to or greater than 2.a., skip to Step 3. Otherwise, proceed to 2.c.
- c. Enter the average annual salary or hourly wage as of the earlier of December 31, 2020 and the date this application is submitted: _____
If 2.c. is equal to or greater than 2.a., the Salary/Hourly Wage Reduction Safe Harbor has been met – enter zero in the column above box 3 for that employee. Otherwise proceed to Step 3.

Step 3. Determine the Salary/Hourly Wage Reduction.

- a. Multiply the amount entered in 1.b. by 0.75: _____
- b. Subtract the amount entered in 1.a. from 3.a.: _____

If the employee is an hourly worker, compute the total dollar amount of the reduction that exceeds 25% as follows:

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- c. Enter the average number of hours worked per week between January 1, 2020 and March 31, 2020:

- d. Multiply the amount entered in 3.b. by the amount entered in 3.c._____. Multiply this amount by 24 (if Borrower is using a 24-week Covered Period) or 8 (if Borrower is using an 8-week Covered Period):_____. Enter this value in the column above box 3 for that employee.
- If the employee is a salaried worker, compute the total dollar amount of the reduction that exceeds 25% as follows:
- e. Multiply the amount entered in 3.b. by 24 (if Borrower is using a 24-week Covered Period) or 8 (if Borrower is using an 8-week Covered Period):_____. Divide this amount by 52:_____. Enter this value in the column above box 3 for that employee.

FTE Reduction Exceptions: Indicate the FTE of (1) any positions for which the Borrower made a good-faith, written offer to rehire an individual who was an employee on February 15, 2020 and the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020; (2) any positions for which the Borrower made a good-faith, written offer to restore any reduction in hours, at the same salary or wages, during the Covered Period or the Alternative Covered Period and the employee rejected the offer, and (3) any employees who during the Covered Period or the Alternative Payroll Covered Period (a) were fired for cause, (b) voluntarily resigned, or (c) voluntarily requested and received a reduction of their hours. In all of these cases, include these FTEs on this line only if the position was not filled by a new employee. Any FTE reductions in these cases do not reduce the Borrower's loan forgiveness.

Boxes 1 through 5: Enter the sums of the amounts in each of the columns.

FTE Reduction Safe Harbors

Two separate safe harbors exempt certain borrowers from any loan forgiveness reduction based on a reduction in FTE employee levels:

1. The Borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described above if the Borrower, in good faith, is able to document that it was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19.
2. The Borrower is exempt from the reduction in loan forgiveness based on a reduction in FTE employees described above if both of the following conditions are met: (a) the Borrower reduced its FTE employee levels in the period beginning February 15, 2020, and ending April 26, 2020; and (b) the Borrower then restored its FTE employee levels by not later than December 31, 2020 to its FTE employee levels in the Borrower's pay period that included February 15, 2020.

Questions

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Q&A



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