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Employment Update: PPP Loan Forgiveness Guidance  
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The Paycheck Protection Plan (“PPP”) Loan Forgiveness Application is here. <https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>.

SBA released its much awaited guidance on loan forgiveness for the PPP through the Loan Forgiveness Application, which provides detailed instructions for calculating PPP loan forgiveness, including opportunities to explain reasons for relevant payroll differences. The Application provides detailed instructions for calculating your loan forgiveness and can be a helpful tool in determining whether your loan forgiveness will be reduced and if so by how much. The form must be completed and submitted to your lender in order to apply for loan forgiveness.

Additionally, last week the Treasury Department issued revised FAQs, which included a major revision to its interpretation of the PPP’s requirement that loans under the program be “necessary.” The Treasury Department now says that all PPP loan recipients of amounts of less than \$2 million “will be deemed to have made the required certification concerning the necessity of the loan request in good faith.” The potential risk for those with loans above the \$2 million threshold has also been substantially pared back. The updated guidance tempers the potential consequences to repaying the funds: “If SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request, SBA will seek repayment of the outstanding PPP loan balance and will inform the lender that the borrower is not eligible for loan forgiveness. If the borrower repays the loan after receiving notification from SBA, SBA will not pursue administrative enforcement or referrals to other agencies based on its determination with respect to the certification concerning necessity of the loan request.”

The complete, updated FAQs on the PPP loans can be found here: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>.