PPP Forgiveness Tool

Loan Terms

IF….	THEN….
Loan was approved **before June 5, 2020**	Term: • 2 years; or • Lender/Borrower may agree to extend to 5 years Covered period: • 8 weeks (56 days) beginning on the date the Lender disburses the PPP loan. • Borrower may elect to use 24 weeks beginning on the date the Lender disburses the loan. Alterative Covered period: • Borrowers with a biweekly (or more frequent) payroll schedule may us this alternative with the 8 week (56 days) that begins on the 1st of their pay period following disbursement of the loan. Forgiveness Application Deadline: • No later than 10 months after the last day of the covered period.
Loan was approved **June 5, 2020 or after**	Term: 5 years Covered period: • 24 weeks beginning on the date the Lender disburses the PPP loan. Alternative Covered Period • Borrowers with a biweekly (or more frequent) payroll schedule may us this alternative with the 8 week (56 days) that begins on the 1st of their pay period following disbursement of the loan. Forgiveness Application Deadline: • No later than 10 months after the last day of the covered period.

Forgiveness Process

Step 1: Review Application Date

IF….	THEN….

Application is not submitted within 10 months of last day of covered period.	Lender Must:
	• Notify Borrower loan is no longer deferred.
	• Notification should include:
	    ◦ Date first principal & interest payment is due.
	    ◦ Restate amount of payment & maturity date.
	• No further notification needed.
	
	NOTE: Borrower can still submit for forgiveness, but deferment period has ended.

Application is submitted within 10 months of last day of covered period.	➢ Go to Step 2

Step 2: Review Application for Documentation Completeness

IF….	THEN….
Application is Incomplete	Notify Borrower of documentation deficiencies in writing. • Notify the borrower of the deadline to receive a complete application
Application is Complete	➢ Go to Step 3

Step 3: Review & Decision Forgiveness Application (must be submitted **within 60 days** of receipt of completed application)

IF….	THEN….

Form 3508 or Lender Equivalent is accurate
• Confirm receipt of the Borrower's Certifications
• Confirm receipt of documentation to support payroll & nonpayroll costs
• Confirm borrower calculations: including
   - Lines 1, 4, 6, 7, 8, & 9 on Schedule A
   - Line 2, 3, & 4 on Forgiveness Calculation Form
• Confirm Borrower made the calculation on Line 10 of Form 3508 by dividing Line 1 by 0.60
	Full approval of forgiveness
	➢ Go to step 5 – Full Approval
	
	Partial approval of forgiveness
	➢ Go to step 4 - Partial Approval
	
	Full denial of Forgiveness:
	➢ Go to step 4 - Full Denial

Form 3508EZ or Lender Equivalent is accurate • Confirm receipt of the Borrower's Certifications • Confirm receipt of documentation to support payroll & nonpayroll costs • Confirm borrower calculations: including - Lines 1, 2, 3, & 4 • Confirm Borrower made the calculation on Line 7 of Form 3508EZ by dividing Line 1 by 0.60	Full approval of forgiveness ➢ Go to step 5 – Full Approval Partial approval of forgiveness ➢ Go to step 4 - Partial Approval Full denial of Forgiveness: ➢ Go to step 4 - Full Denial

Step 4: Entry into PPP Forgiveness Platform

IF….	THEN….

Partial Approval	Notification to borrower:
	• Lender must notify borrower of partial denial in writing.
	• Notification should include:
	  - Date first principal & interest payment is due.
	  - Restate amount of payment & maturity date.
	  - Inform borrower of right to request SBA review withing 30 days of denial.
	
	Submit:
	• Lender data for each line item different from Borrower forgiveness application.
	• Form 3508 or 3508EZ
	• PPP Loan Forgiveness Calculation Form (if 3508 used)
	• PPP Schedule A (if 3508 used)
	• PPP Borrower Demographic info Form (if provided by Borrower) and for 3508 and 3508EZ

Full Denial	Lender must:
	• Lender must notify borrower of denial in writing.
	• Notification should include:
	  - Date first principal & interest payment is due.
	  - Restate amount of payment & maturity date.
	  - Inform borrower of write to request SBA review withing 30 days of denial.
	
	Submit:
	• Form 3508 or 3508EZ
	• PPP Loan Forgiveness Calculation Form (if 3508 used)
	• PPP Schedule A (if 3508 used)
	• PPP Borrower Demographic info Form (if provided by Borrower) and for 3508 and 3508EZ
	• Provide SBA with reason for denial

Denied without Prejudice (use this status ONLY when SBA loan review is pending at the time borrower submits forgiveness application)	Submit: • Form 3508 or 3508EZ • PPP Loan Forgiveness Calculation Form (if 3508 used) • PPP Schedule A (if 3508 used) • PPP Borrower Demographic info Form (if provided by Borrower) and for 3508 and 3508EZ

Step 5: SBA Submission for Full Approval of Forgiveness

IF….	THEN….
Full Approval	Submit: • Form 3508 or 3508EZ • PPP Loan Forgiveness Calculation Form (if 3508 used) • PPP Schedule A (if 3508 used) • PPP Borrower Demographic info Form (if provided by Borrower) and for 3508 and 3508EZ ➢ Go to step 6

Step 6: SBA Response (SBA had 90 days from entry into Platform to review)

IF….	THEN….
SBA does not pull loan for review	**Go to Step 7**
SBA pulls loan for review	• Notify Borrower in writing within 5 business days. • Submit to SBA within 5 business days - Borrower Application Form 2483 or equivalent and all supporting documents. - Loan Forgiveness Application 3508 or 3508EZ and all supporting documentation. - Signed & certified transcript of account - Copy of executed PPP Note - Any other documents related to the loan requested by SBA. ➢ Go to Step 7
Loan entry is rejected	SBA will notify lender of rejection and Lender corrections. This will reset the 90 days to date application with corrections are submitted.

Step 7: SBA payment remittance (SBA has 90 days to remit payment)

IF….	THEN….
Remittance in full	Notify Borrower, in writing, of remittance by SBA and amount of the loan forgiveness. NOTE: Loan should now be paid in full

Remittance in part or denial	Notify Borrower, in writing, of remittance amount or denial for forgiveness and date first payment is due.
	• Notification should include:
	    ○ Date first principal & interest payment is due.
	    ○ Restate amount of payment & maturity date.
	• No further notification needed.
	
	NOTE: Loan will not be paid in full.