U.S. Small Business Administration

Paycheck Protection Program Loan Forgiveness

For Borrowers

Paycheck Protection Program (PPP) borrowers may be eligible for loan forgiveness if the funds were used for eligible payroll costs, payments on business mortgage interest payments, rent, or utilities during either the 8- or 24-week period after disbursement. A borrower can apply for forgiveness once it has used all loan proceeds for which the borrower is requesting forgiveness. Borrowers can apply for forgiveness any time up to the maturity date of the loan. If borrowers do not apply for forgiveness within 10 months after the last day of the covered period, then PPP loan payments are no longer deferred and borrowers will begin making loan payments to their PPP lender.

How to Apply for Loan Forgiveness



1. Contact your PPP Lender and complete the correct form

Your Lender can provide you with either the SBA Form 3508, SBA Form 3508EZ, SBA Form 3508S, or a Lender equivalent.

The 3508EZ and the 3508S are shortened versions of the application for borrowers who meet specific requirements. Your Lender can provide further guidance on how to submit the application.

2. Compile your documentation



Payroll *(provide documentation for all payroll periods that overlapped with the Covered Period or the Alternative Payroll Covered Period):*

- Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.
- Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period or the Alternative Payroll Covered Period:
  - Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
  - State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.
- Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee health insurance and retirement plans that the borrower included in the forgiveness amount.

Non-payroll *(for expenses that were incurred or paid during the covered period and showing that obligations or services existed prior to February 15, 2020):*

- Business mortgage interest payments: Copy of lender amortization schedule and receipts verifying payments, or lender account statements.
- Business rent or lease payments: Copy of current lease agreement and receipts or cancelled checks verifying eligible payments.
- Business utility payments: Copies of invoices and receipts, cancelled checks or account statements.

This list of documents required to be submitted to the Lender is not all-inclusive. Please refer to **www.sba.gov/ppp** for a complete list of requirements, instructions and forms.

3. Submit the forgiveness form and documentation to your PPP Lender



Complete your loan forgiveness application and submit it to your Lender with the required supporting documents and follow up with your Lender to submit additional documentation as requested. Consult your Lender for additional guidance and provide requested documentation in a timely manner.

4. Continue to communicate with your Lender throughout the process



If SBA undertakes a loan review of your loan, your Lender will notify you of the review and the SBA loan review decision. You have the right to appeal certain SBA loan review decisions. Your Lender is responsible for notifying you of the forgiveness amount paid by SBA and the date on which your first payment will be due, if applicable.

Please Note:

If applicable, SBA will deduct any EIDL advance amount you have received from the forgiveness amount remitted to the Lender, as required by section 1110(e)(6) of the CARES Act. Borrowers are required to retain certain documents for six years after the date the loan is forgiven or repaid in full.

Questions? Contact your PPP Lender or find more information at www.sba.gov/ppp

SBA U.S. Small Business Administration

All SBA programs and services are extended to the public on a non-discriminatory basis. (10/2020)