

**SBA Issues Guidance for Simpler Loan Forgiveness for PPP Loans
Under \$50,000**

The Small Business Administration (SBA) in consultation with Treasury issued new guidance for the Paycheck Protection Program (PPP) addressing a simpler loan forgiveness application for PPP loans of \$50,000.00 or less.

In the new interim final rule, PPP borrowers with PPP loans of \$50,000 or less are exempted from any reductions in forgiveness based on: (i) reductions in full-time equivalent employees; and (ii) reductions in employee salary or wages. The new application form that can be used by borrowers with loan amounts of \$50,000 or less is SBA Form 3508S.

This interim final rule is helpful for very small PPP borrowers. Such borrowers will not be required to perform somewhat involved calculations. However, certain certifications will still need to be made by the borrower.

On the Lender side, when SBA Form 3508S is submitted, the Lender will be required to: (i) confirm receipt of the borrower certifications contained therein; and (ii) confirm receipt of the required to documentation in terms of verifying payroll and non-payroll costs. The interim final rule also confirms that the maximum amount of loan forgiveness cannot exceed the principal amount of the PPP loan.

The interim final rule can be found [here](#).

SBA Form 3508S can be found [here](#).

The Instructions to SBA Form 3508S can be found [here](#).

Contact Us

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