



SBA Paycheck Protection Program

Documents Required for Loan Forgiveness

For businesses that receive loans from the SBA under the Paycheck Protection Program (PPP) and are interested in applying for loan forgiveness, we've created the below checklist to help you keep track of the required documentation.

Documentation needed for forgiveness application:

All documentation should reflect the eight-week period following the loan origination date.

- Documentation of payroll expenses
- Documentation of all retirement plan funding by the employer
- Copies of cancelled checks, statements, or other evidence of paid utilities
- If leasing, a copy of lease agreement along with evidence of payment
- Documentation of health insurance premiums paid by the company under a group health insurance plan (including for owners of the company)
- Copies of statements of interest paid on all debt obligations, including mortgages.
Note: Debt must have been incurred prior to February 15, 2020 to be an eligible expense.

What you need to know:

- At the time of loan origination, payments will be fully deferred for six (6) months; however, interest will continue to accrue during this period. If any amount is not forgiven, the remaining outstanding balance will convert to a term loan, payable over the remaining 18-month term of the loan at a fixed interest rate of 1.00%. Under program terms, no collateral or personal guarantees are required.
- Forgiveness is based on employers maintaining employee headcount and maintaining salary levels. Per program regulations, at least 75% of loan amount must be spent on payroll costs during the eight-week period. No more than 25% may be spent on non-payroll costs.
- To make expense and loan proceed tracking easier, it is recommended that borrowers open a separate checking account for the PPP loan proceeds and use that account to disburse the proceeds over the eight-week period.
- First Community Bank will not pay fees to or otherwise compensate anyone acting as an agent of the business for advising on or assisting in the preparation of the Paycheck Protection Program application or otherwise.

We're here to help.

We realize that these are unprecedented times and you may have questions relating to the PPP, your loan or your application. Wherever you are in the process, we're here and ready to help with whatever you need. For specific information about your business, please reach out to your First Community banker.