



## PPP Loan Availability & Forgiveness Information

Government guidance regarding PPP continues to evolve, and we remain committed to providing you with the most up-to-date information. Below is the latest update on PPP availability and PPP Loan Forgiveness:

**PPP Loan Availability:** It is important to know that there are still PPP funds available. If you have not yet applied for PPP and would like to, please refer to the information below for more direction or contact a First Community banker for help in processing your application.

**PPP Loan Forgiveness:** Earlier this month, the SBA provided the application for PPP loan forgiveness, and we are working to integrate the application into our loan platform to make your PPP Loan Forgiveness experience as efficient as possible.

Our PPP loan platform will help each borrower complete the forgiveness application by populating the SBA forgiveness application with data provided when applying for a PPP loan. However, there is still information you will need to include on the forgiveness application; for example, you will need to verify your payroll expenses along with verifying other qualified expenses that you may have paid using PPP funds.

### **Key Points of the SBA's PPP Loan Forgiveness Application:**

- Flexibility has been provided for the Covered Period of the loan. It now allows for an eight-week period that begins on the first day of the borrower's first payroll period following their PPP Loan Disbursement Date.
- Currently, forgiveness applications may be submitted as soon as eight weeks following the receipt of PPP funding.
- The application provides a step by step calculation methodology which will help identify reductions in the forgiveness amount.
- Application instructions maintain the 75%/25% thresholds for payroll versus nonpayroll expenses in the forgiveness calculation.
- The SBA will decide whether the borrower should have refinanced an Economic Impact Disaster Loans (EIDL) and determine how that affects the borrower's forgiveness.
- Borrower certifications, like those in the original application process, are included in the SBA's Loan Forgiveness Application.
- The borrower must provide information on individual employee payroll expenses, rather than averages.

- The application once again affirms that the forgiveness amount will not be affected for instances in which the borrower made a good-faith written offer to rehire an employee during the Covered Period which was rejected by the employee who was fired for cause, voluntarily resigned or voluntarily requested a reduction of their hours.
- The application provides additional safe harbor for any borrower who reduced FTE employee levels between February 15, 2020 and April 26, 2020, but who restored those employee levels no later than June 30, 2020.

Below is a link to the SBA's PPP Loan Forgiveness Application for your review. The Forgiveness application is very detailed and requires more information than the initial application. Even though our PPP Loan platform will populate information from your original application into your forgiveness application, there is still a large amount of information that you will need to provide to complete the SBA's forgiveness application.

Please take a look at the application in the link below so that you can begin gathering and preparing the necessary information to complete our digital application once it becomes available. As always, if you have questions or concerns, we are here to help and support you.

**Link to SBA Forgiveness Application:**

<https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>