

Publication

05/18/2020

SBA Releases PPP Loan Forgiveness Application

The SBA has released its Loan Forgiveness Application and Instructions for Borrowers, which provides the application and instructions for borrowers to calculate and submit their request to have all or a portion of their PPP loan forgiven.

A few particular items of note in the application and instructions:

1. Borrowers are required to indicate whether the borrower, along with its affiliates (to the extent required under the SBA's interim final rule on affiliates and not waived), received PPP loans with an original principal amount in excess of \$2 million.
2. Borrowers may, for most purposes, elect to use an eight-week period beginning on the date their PPP loan was disbursed OR an eight week-period beginning on the first day of the first pay period following the date their PPP loan was disbursed.
3. Payroll costs incurred but not paid during the last pay period of the eight-week period are eligible for forgiveness if paid on or before the next regular payroll date.
4. The loan forgiveness application contains a number of certifications, including that the information in the

CLIENT SERVICES

Financial Restructuring
Employee Benefits & Executive Compensation
Secured Lenders
Mergers & Acquisitions
Finance
Private Equity & Venture Capital
Corporate & Securities

RELATED PEOPLE

Robert G. "Bobby" Gerber
Patricia S. Cain
Bruce A. Fox
Michael B. Gray
David P. Milligan
Robert Radasevich
Chadwick A. Hoyt



application and all supporting documents and forms is true and correct in all material respects and that the tax documents submitted to the lender are consistent with those that are or will be submitted to the IRS and/or state tax or workforce agency.

The SBA also notes that forgiveness may be disapproved if the SBA determines that the borrower was ineligible for a PPP loan.

The loan forgiveness application also provides information with respect to the documentation that needs to be submitted to the borrower's lender in connection with the loan forgiveness application and the documentation to be retained by the borrower.

We will be updating or supplementing our prior client release, "So You Were Approved for a Paycheck Protection Program Loan—Now What?" to reflect the Loan Forgiveness Application and instructions.

Borrowers should also note that the loan forgiveness application and instructions is not a regulation, and may be subject to change.

If you have questions about this guidance or any other matters related to the PPP program, please contact Chadwick Hoyt, Michael Gray, Robert Gerber, David Milligan, Bruce Fox, Tom Wolford, Rudy Radasevich, Patty Cain or your personal Neal Gerber Eisenberg attorney.

The content above is based on information current at the time of its publication and may not reflect the most recent developments or guidance. Neal Gerber Eisenberg LLP provides this content for general informational purposes only. It does not constitute legal advice, and does not create an attorney-client relationship. You should seek



advice from professional advisers with respect to your particular circumstances.