Paycheck Protection Program (PPP) Loan Update

October 26, 2020

Porzio COVID-19 Resources

Update #1
October 8, 2020 (Press Release Number 20-81): The U.S. Small Business Administration (SBA) in consultation with the Treasury Department, released a simpler loan forgiveness application (SBA Form 3508S) for Paycheck Protection Program (PPP) loans of $50,000 or less. PPP borrowers of $50,000 or less are now exempt from any reductions in the borrower's forgiveness based on (i) reductions in full-time-equivalent (FTE) employees, or (ii) reductions in employee salary or wages. Note: This form does not apply to borrowers that together with their affiliates received loans totaling $2 million or greater.

Update #2
October 13, 2020 (PPP Frequently Asked Questions (FAQs) on PPP Loan Forgiveness (Q&A)): The SBA, in consultation with the Treasury Department, released guidance, confirming the PPP loan forgiveness applications for forms 3508, 3508EZ, and 3508S, are not due on October 31, 2020. In Q&A No. 4 of the General Loan Forgiveness FAQs section, the SBA explains that borrowers may submit a loan forgiveness application any time before the maturity date of the loan, which is either two or five years from the loan's origination, depending on the borrower's agreement.