



COVID-19 UPDATE | OCTOBER 19, 2020

PAYCHECK PROTECTION PROGRAM: NEW SIMPLIFIED FORGIVENESS APPLICATION FOR SMALL LOANS

On October 8th, the SBA released a streamlined application designed for Paycheck Protection Program (PPP) borrowers whose loans are less than \$50,000.

Although forgiveness will still not be automatic, the process of applying for forgiveness with this simplified Form 3508S is now less time consuming and confusing, with the most notable change being that these small borrowers are no longer required to reduce their forgiveness eligibility amount if they:

1. Reduce the salary or hourly wage of an employee who earned less than \$100,000 in 2019 during the "covered period" relative to the first quarter of 2020, or
2. Reduce their full-time equivalent employees (FTEEs) during the covered period relative to a base period.

Additionally, small borrowers are no longer required to show their math when calculating their forgiveness eligibility, however, the SBA has stated that they may request this information at any time.

Please don't hesitate to contact us at ppp@crrcpa.com with any questions you may have, or visit our COVID-19 Resource Center at www.crrcpa.com/covid19 for the latest updates, alerts and impacts.

We're in this together.