

CLINE WILLIAMS

WRIGHT JOHNSON & OLDFATHER

U.S. TREASURY ISSUES LOAN FORGIVENESS APPLICATION FOR BORROWERS UNDER THE PAYCHECK PROTECTION PROGRAM

Many employers have received Paycheck Protection Program (PPP) loans from the U.S. Small Business Administration (SBA) since the CARES Act was enacted on March 27, 2020.

The SBA has issued a variety of guidance in order to implement the PPP Loan Program on the U.S. Treasury's [website](#). Late last Friday, the SBA issued a Loan Forgiveness Application, which is available [here](#). The SBA indicated in a press release that it will "soon" issue regulations and guidance to further assist borrowers as they complete their applications, as well as provide lenders with guidance on their responsibilities.

The Application and Instructions provide additional guidance of interest to borrowers, including the following:

- Options for borrowers to calculate payroll costs using an "alternative payroll covered period" that aligns with borrowers' regular payroll cycles;
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the 8-week period after receiving their PPP loan;
- Instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness;
- Implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30; and
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined.

If you have any questions regarding the PPP Loan Program or the Loan Forgiveness Application, please reach out to a member of Cline Williams at www.clinewilliams.com.

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