



SBA SETTLES CONFUSION OVER PPP FORGIVENESS APPLICATION DUE DATE

From the *Journal of Accountancy* by Jeff Drew

The U.S. Small Business Administration (SBA) released guidance Tuesday, October 13 confirming that Paycheck Protection Program (PPP) loan forgiveness applications are not due on Oct. 31.

Fears of a late-October PPP surprise came to the SBA's attention because the program's loan forgiveness application forms (3508, 3508EZ, and 3508S) display an expiration date of "10/31/2020" in the upper-right corner. This prompted the SBA to release a new entry in its loan [forgiveness frequently asked questions document](#) answering the query, "Is October 31, 2020, the deadline for borrowers to apply for forgiveness?"

In its answer, found in Q&A No. 4 in 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. But the SBA also reminds borrowers that loan payments are deferred only until 10 months after the last day of each borrower's loan forgiveness covered period.

For example, the SBA wrote, a borrower with a covered period that ends Oct. 30, 2020, has until Aug. 30, 2021, to apply for forgiveness before loan repayment begins.

The SBA placed the expiration date in the upper-right corner of the PPP loan forgiveness application forms to comply with the Paperwork Reduction Act. The date represents the temporary expiration date for approved use of the forms, the SBA said, adding that once a new expiration date is approved, it will be posted on the forms.