



## UPDATED PPP LOAN-FORGIVENESS APPLICATIONS AND RULES UNVEILED

From the Journal of Accountancy by Jeff Drew

The US Small Business Administration (SBA) and Treasury on Tuesday, January 19, published updated Paycheck Protection Program (PPP) loan forgiveness guidance and forms, including a one-page application for borrowers that received a PPP loan of \$150,000 or less.

That form, called the [PPP Loan Forgiveness Application Form 3508S](#), can be used by borrowers that received a PPP loan of \$150,000 or less. The form seeks information about the borrower's loan amount, disbursement date, employee totals, covered period dates, amount of the loan spent on payroll, and the amount of the loan for which forgiveness is being sought. Borrowers are not required to submit any supporting documentation with the application but are mandated to maintain payroll, nonpayroll, and other documents that could be requested during an SBA loan review or audit.

The SBA and Treasury released two other PPP loan forgiveness applications: [Form 3508](#) and [Form 3508EZ](#). Borrowers must submit payroll and nonpayroll documentation when applying for loan forgiveness with those forms, which provide lists of the required documents. In addition, the SBA and Treasury released [Form 3508D](#), which certain individuals must use to disclose controlling interest in an entity applying for a PPP loans.

Also released Tuesday night, January 19, was an interim final rule (IFR) consolidating prior PPP loan forgiveness rules and incorporating changes made by The Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, [P.L. 116-260](#), which revived the PPP with \$284 billion in fresh funding and created second-draw loans, which allow borrowers that received PPP loans during the first iteration of the program last year to seek a second loan of up to \$2 million provided they meet tightened size requirements and can document a year-over-year revenue decrease of at least 25% for one reporting period in 2020.

The IFR and all four of the forms released Tuesday night, January 19, apply to first-draw or second-draw PPP loans.

The relaunched PPP began accepting applications Jan. 11 from community financial institutions that loan primarily to underserved businesses. The application window opened Jan. 14 for lenders with \$1 billion or less in assets and for all lenders on Tuesday.

The [SBA announced Tuesday](#) that that it approved about 60,000 PPP loan applications submitted by nearly 3,000 lenders, for over \$5 billion from the program's re-opening through Jan. 17.