

Loan Forgiveness Simplified for Borrowers of Small PPP Loans

The SBA is making it easier for borrowers who received a Paycheck Protection Program (PPP) loan of \$50,000 or less to achieve loan forgiveness.

Last evening, the Treasury and SBA released a new [interim final rule](#) (IFR) and [simplified application](#) for PPP loans that fall within this threshold. Under the IFR, PPP borrowers of \$50,000 or less will not have the amount of their loan forgiveness reduced based on:

- Reductions in full-time-equivalent (FTE) employees
- Reductions in employee salary or wages

This eliminates the need for many borrowers to perform the complex FTE or salary reduction calculations required of those who received larger PPP loans. Other certification and documentation requirements remain unchanged.

A simplified loan forgiveness application, SBA Form 3508S, can be used by borrowers with a total loan amount of \$50,000 or less, unless those borrowers together with their affiliates received loans totaling \$2 million or more.

For more information on the new application or if you have any questions as you document your expenses for loan forgiveness, our [Crisis Response & Recovery](#) hotline remains open for advice and guidance.

Thank you to Grassi Advisors & Accountants for sharing this information with our members.