

Applying for Paycheck Protection Program loan forgiveness

Step 1 – Prepare

We value our relationship with you and appreciate the opportunity to assist you through the Small Business Administration's (SBA) Paycheck Protection Program (PPP).

We're reaching out today to provide updates on the program, and additional information and resources to help you prepare for the loan forgiveness application process.

Here are some answers to questions you might have right now.

What changes has the SBA made to the PPP rules and how does that impact the loan forgiveness process?

- You now have a 24-week "covered period," the period in which you must spend the PPP loan proceeds for full loan forgiveness, starting on the date the funds were disbursed. If your PPP loan was funded prior to June 5, 2020, you still have the option to use the original 8-week covered period.
- You must use at least 60%-75% for payroll. Which includes you writing yourself a check, if you are an employee of your business.
- You can use up to 40% of funds for eligible non-payroll costs, up from 25%.

You can find up-to-date information on the rules of the program on the [SBA](#) website.

When can I apply for loan forgiveness?

Online loan forgiveness applications will begin opening in early August and will be emailing you with additional instructions on how and when to apply.

How long do I have to apply for loan forgiveness?

The timeframe for applying for loan forgiveness in your promissory note no longer applies. You now have more time to gather your documents and prepare your application.

Based on the latest guidance from the SBA, you may submit a loan forgiveness application any time on or before the maturity date of your loan. We will notify you by email of any changes to your loan forgiveness application window.

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Which PPP loan forgiveness application should I use?

In an effort to make it easier for some businesses to apply for PPP loan forgiveness, the SBA published a new PPP EZ Loan Forgiveness Application Form 3508EZ for borrowers that meet certain requirements. To determine if you are able to use the EZ application, you should review the [Checklist for Using SBA Form 3508EZ](#) on the SBA's website.

Borrowers that do not meet the requirements for using Form 3508EZ will apply using the updated PPP Loan Forgiveness Application Form 3508.

How can I prepare to apply for loan forgiveness?

Once you determine which SBA Loan Forgiveness Application Form you will use, we recommend that, prior to applying online through Bank of America for PPP loan forgiveness, you carefully review and fill out the applicable form, and gather the required documentation specified in the instructions:

- [PPP EZ Loan Forgiveness Application Form 3508EZ](#)
- [SBA PPP EZ Loan Forgiveness Application Instructions](#)
- [PPP Loan Forgiveness Application Form 3508](#)
- [SBA PPP Loan Forgiveness Application Instructions](#)

Where should I go if I have questions?

For detailed information on the application, covered periods, the types of costs that are eligible for forgiveness, and what documentation you will need to submit in connection with your application, please visit the [SBA website](#).

Tax Plan Inc. is committed to supporting you and all of our small businesses during this challenging period.

Thank you for being a valued client.

Important Note: The Small Business Administration and the Department of Treasury continue to provide additional guidance concerning the Paycheck Protection Program. Thus, Tax Plan Inc. makes no representation that information contained herein is up-to-date or complete. Before submitting a request for loan forgiveness, borrowers may wish to visit the [SBA](#), [U.S. Treasury Assistance for Small Businesses](#), and [U.S. Treasury FAQ](#) websites for the latest information and guidance related to the Paycheck Protection Program.