

# Can you use the simplified Paycheck Protection Program forgiveness application forms?

**Borrowers may use Form 3508S if the following is true:**

- 1) The total PPP loan amount received was \$150,000 or less.

For any borrower that can answer “Yes” to this requirement, you can use the most simplified version of the forgiveness application known as Form 3508S.

If this requirement does not apply to your business, see the next page in determining whether you will use Form 3508EZ or the standard Form 3508.

# Can you use the simplified Paycheck Protection Program forgiveness application forms?

Borrowers may use the simplified (3508EZ) version of the application if the loan amount received was greater than \$150,000 and either one of the following apply:

- 1) Borrowers who:
  - a) Did not reduce annual salary or hourly wages of any employee by more than 25% during the Covered Period compared to the most recent full quarter before the Covered Period, **AND**
    - a) For purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.
  - b) The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period.
    - a) Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020 (or, for a PPP loan made after December 27, 2020, the last day of the Covered Period).
    - b) Also ignore reductions in an employee’s hours that the Borrower offered to restore and the employee refused. See 85 FR 33004, 33007 (June 1, 2020) for more details.
- 2) Borrowers who:
  - a) Did not reduce annual salary or hourly wages of any employee by more than 25% during the Covered Period compared to the most recent full quarter before the Covered Period, **AND**
    - a) For purposes of this statement, “employees” means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.
  - b) The Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period).
    - a) Requirements by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

For any borrower that can answer “Yes” to any of these situations, you can use the simplified version of the forgiveness application known as Form 3508EZ. We expect that a majority of businesses will qualify to use this form.

If none of these situations apply to your company you will use the standard Form 3508