



Dear Valued Client,

Yesterday, June 16, the SBA issued its much-awaited new PPP Loan Forgiveness Application ([Form 3508](#)) reflecting the expanded flexibility enacted by the PPPFA. In addition, the SBA issued an unexpected new [Form 3508EZ](#), which is a streamlined, simplified forgiveness application that can be used by qualifying employers.

Both applications give employers the option of using the original 8-week covered period (if their loan was made before June 5, 2020) or an extended 24-week covered period (not to extend beyond December 31, 2020).

Who can use the 3508EZ?

- Borrowers who are self-employed AND don't have employees;
- Borrowers who didn't reduce any individual employee's salary by more than 25% and did not reduce employee hours compared to lookback periods; OR
- Borrowers who didn't reduce any individual employee's salary by more than 25% compared to the lookback period AND who experienced business reductions due to COVID-19 directives (even if they did reduce hours).

Everyone else must use the revised long form.

What has changed on the revised long form?

- The percentage of payroll costs in the forgiveness amount has been reduced from 75% to 60%.
- If the 24-week option is used, employee payroll is capped at \$46,154 instead of \$15,385.
- The deadline for restoring pay and headcount levels has been extended from June 30, 2020, to December 31, 2020.
- The PPPFA's safe harbor expansion is reflected, and no forgiveness reduction will be made for decreases in employee hours if:

- The employer was unable to maintain the same level of business activity between February 15, 2020, and the end of the covered period due to compliance with governmental COVID-19 requirements between March 1, 2020, and December 31, 2020 (issued by HHS, CDCP, or OSHA).
 - The employer was unable to rehire pre-February 15 employees or those similarly qualified.
- One thing that has not changed is the form's expiration date, which remains October 31, 2020. Now that the PPPFA has extended the deadline for restoration of pay and headcount levels to December 31, 2020, further guidance is needed regarding using this form to apply for forgiveness after its October 31, 2020, expiration date.

For more details, please join us for our upcoming webinar, [Flexibility in Forgiveness: The New Form and Its EZ Version](#), next Thursday, June 25, from 1:00-2:00 PM EDT. You'll hear from our veteran compliance expert, Yonina F. Shineweather, CPA, who will provide you with a hands-on, close-up look at the new forms, including:

1. Who can use the simpler, shorter EZ forgiveness application;
2. What has changed about your certifications;
3. How the provisions of the PPPFA affect the form;
4. If you have employees who are owners/partners, what new flexibility is available for their pay; and
5. Why Safe Harbor 1 and Safe Harbor 2 are significant for your bottom line.

Special bonus preview: Flexible Forgiveness FAQ and Infographic to all participants.

Viventium's signature webinar approach means you'll take away new clarity and confidence as you approach PPP forgiveness.

REGISTER NOW

In it with you,

Your Viventium Team