



## New Form 3508S Gives **Streamlined Forgiveness to PPP Borrowers** of \$50,000 or Less

The Small Business Administration (SBA) and U.S. Treasury Department recently released a new, streamlined form for applying for forgiveness under the Paycheck Protection Program (PPP) for borrowers with loans of \$50,000 or less. While not quite the automatic forgiveness that most borrowers have been hoping for, Form 3508S has several advantages over the previous forms.

### ELIGIBILITY

A borrower who received a PPP loan of \$50,000 or less is eligible to use Form 3508S. However, a borrower that, together with its affiliates, received PPP loans totaling \$2 million or greater cannot use Form 3508S.



Form 3508S and instructions on how to apply can be found **HERE**.

### NO FTE/WAGE REDUCTION

One major advantage of Form 3508S is that it exempts the borrower from the burdensome employee requirements of the PPP. A borrower who uses Form 3508S is exempt from any reductions to forgiveness based on reductions in full-time employees or reductions in employee salaries/wages. The SBA and Treasury have stated that this is a de minimis exemption for small borrowers.

### STREAMLINED FORM

Form 3508S is much simpler than the normal Form 3508 and the Form 3508EZ.

Form 3508S does not require the borrower to calculate payroll and non-payroll costs. Instead, the borrower must certify the PPP funds were used for eligible costs, that the 60% payroll requirement has been met, and that the owner-employee did not receive compensation in excess of the applicable limit.

The borrower is still required to submit relevant documentation to the SBA/lender for verification of loan expenses.

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