

## Streamlined Application for PPP Loans of \$50,000 or Less

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A few days ago, the U.S. Small Business Administration (SBA) released a new Paycheck Protection Program (PPP) loan forgiveness application, [Form 3508S](#), intended to “simplify further the forgiveness and loan review processes for PPP loans of \$50,000 or less.” To be eligible to use this new Form, the borrower, **together with its affiliates**, also must **not** have received PPP loans totaling \$2 million or more. This simplified Form requires fewer calculations and less documentation.

### Supporting Documentation/Fewer Calculations Required

Eligible borrowers that use the new simpler form are exempt from reductions in loan forgiveness based on reductions in the number of full-time equivalent (FTE) employees or in salaries or wages. While Form 3508S does not require borrowers to include the calculations of costs eligible for forgiveness on the Form itself, borrowers still must go through the calculations and submit documentation to support the costs along with their forgiveness application.

This is welcome news for borrowers with PPP loans of \$50,000 or less and for the lenders who must process them. Submission of the supporting documentation may still be a bit challenging for some, but for those who can achieve forgiveness on payroll alone, the elimination of the need to calculate FTEs is absolutely a relief.

### PPP Stats

The SBA has stated that there are approximately 3.57 million loans of \$50,000 or less outstanding (out of a total of about 5.2 million loans) and these loans represent about \$62 billion of the over \$525 billion of loans made. Approximately half of the loans \$50,000 and under were made to businesses that reported having no employees (other than the owner).

### Contact Us

For assistance in understanding these and any other rules related to the PPP loan, please reach out to your PKF O'Connor Davies team members, or email us at [LoanForgiveness@pkfod.com](mailto:LoanForgiveness@pkfod.com). We are here to help.

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