

## Insights

### PPP Loan Forgiveness Applications Available

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Late in the evening on Tuesday, June 16, 2020, the SBA published a revised Paycheck Protection Program Loan Forgiveness Application ("Application") and the Paycheck Protection Program EZ Loan Forgiveness Application ("EZ Application") and corresponding instructions. These replace the forgiveness application that had previously been issued. To access the new Application and the EZ Application please click [here](#) or [here](#), respectively.

Borrowers now have the option of using the revised Application, which is five pages long, or the more streamlined EZ Application if they meet certain requirements.

In order to be eligible to use the simplified EZ Application, the instructions require that either: (i) the borrower is a self-employed individual who had no employees at the time of the PPP loan application and did not include employee salaries in the computation of average monthly payroll in the PPP application form; (ii) the borrower did not reduce the salaries or wages of its employees by more than 25% and did not reduce the number of hours of its employees; or (iii) the borrower experienced reductions in business activity as a result of the health directives related to COVID-19 and did not reduce the salaries or wages of its employees by more than 25%.

From a borrower's perspective, the EZ Application takes a much more borrower friendly approach as it removes the calculation worksheets required for the Application and asks for much less documentation from the borrower.

The SBA also released a new Application that is shorter than the original application and reflects updates from the Paycheck Protection Program Flexibility Act (please click [here](#) for our overview of the PPPFA and [here](#) for our additional guidance), which include (i) giving the borrower the option to use the original eight-week covered period (if their loan was made before June 5, 2020) or an extended 24-week covered period; (ii) revising references for the requirement to spend 75% of PPP funds on payroll costs to the reduced requirement of 60%; and (iii) raising the cap for compensation eligible for forgiveness of any owner-employee or self-employed individual to \$20,833 and for an employee who makes over \$100,000 to \$46,154, if the 24-week covered period is chosen.

Krieg DeVault is committed to helping you and your business during these unprecedented times. With your needs in mind, we have established a **COVID-19 Resource Center** to assist you through this process.

If you have any further questions, comments or concerns, please feel free to contact **Robert A. Greising**, **Corben A. Lee** or a member of our **Business, Acquisitions & Securities team**.