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Small Business Administration Issues Revised Loan Forgiveness Applications – "EZ" Version Available to Certain Qualifying Loan Recipients

Client Advisories

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Subsequent to the enactment of the Paycheck Protection Program Flexibility Act, the Small Business Administration (in conjunction with the United States Treasury) has revised its loan forgiveness application to reflect those amendments passed by the Congress and signed into law by the President. In doing so, the SBA also promulgated an "EZ Loan Forgiveness Application" that is available to certain qualifying loan recipients. This "EZ" application (and accompanying instructions) allows the following loan recipients to submit for PPP loan forgiveness in a simplified manner that requires fewer worksheets and less supporting documentation.

- Borrowers who are self-employed, independent contractors or sole proprietors who had no employees at the time of their PPP loan application.
- Borrowers who did not reduce salaries or wages of any employee by more than 25% during the Covered Loan Period or Alternate Covered Loan Period and did not reduce the number of employees between January 1, 2020 and the end of the Covered Period.
- Borrowers who did not reduce salaries or wages of any employee by more than 25% during the Covered Loan Period or Alternate Covered Loan Period and were unable to provide the same level of business activated during the Covered Loan Period as before February 15, 2020 due to their compliance with directives issued by governmental or health agency officials.

Whether using the revised loan forgiveness application or the "EZ" version, loan recipients are able to choose the original 8-week covered loan period or the longer 24-week period permitted by the PPP Flexibility Act. The SBA is expected to promulgate additional guidance relative to the PPP Flexibility Act and its impact on the loan process and forgiveness in the near future.

Questions regarding the PPP Flexibility Act or the available loan forgiveness applications should be addressed to your Archer attorney or any member of the Firm's COVID-19 Task Force.

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