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Treasury provides PPP loan forgiveness form, instructions

The U.S. Treasury Department issued a release about the Paycheck Protection Program (PPP) loan forgiveness application and related instructions.

The PPP is one of two programs to provide approximately \$900 billion to support lending to both small and large businesses pursuant to measures included in the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) (Pub. L. No. 116-136).

The [PPP loan forgiveness application and instructions](#) [PDF 298 KB] were issued by Treasury in consultation with the Small Business Administration (the SBA administers the loan program under PPP).

The PPP loan forgiveness form and instructions provide guidance for borrowers on how to apply for forgiveness of their PPP loans. It was also reported that the SBA will soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.

According to the [Treasury release](#) (May 15, 2020), the loan forgiveness form and instructions include measures that are intended to reduce compliance burdens and to simplify the process for borrowers, including:

- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with the borrowers’ regular payroll cycles
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving the PPP loan
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness

- Implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30
- The addition of a new exemption from the loan forgiveness reduction for borrowers that have made a good-faith, written offer to rehire workers that was declined

As noted in the Treasury release, the PPP loan forgiveness form and instructions are intended to help eligible businesses seek forgiveness at the conclusion of the eight-week “covered period” that begins with the disbursement of their loans.

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