



SBA Releases Streamlined PPP Loan Forgiveness Form

The Small Business Administration (SBA) and Department of Treasury recently released a streamlined loan forgiveness application called the [EZ Forgiveness Application](#). This newly released three-page EZ application is significantly shorter than the traditional loan forgiveness application and requires fewer calculations and less documentation than the full application.

Who Can Use This Streamlined Application?

According to the SBA, this streamlined application was to increase flexibility and accessibility for borrowers. However, the EZ application does not apply to all Paycheck Protection Program (PPP) loan borrowers. The following types of borrowers can use the EZ application:

- Self-employed borrowers
- Borrowers that have no employees
- Borrowers that did not reduce employees' numbers of hours, and did not reduce employees' salaries or wages by more than 25%
- Borrowers that did not reduce employees' salaries or wages by more than 25% and experienced reductions in business activity due to the coronavirus pandemic

Similar to the full loan forgiveness application, eligible borrowers using the EZ application must submit the form to the lender from whom they received their PPP loan.

Additional Developments

The SBA and Department of Treasury also updated the full loan forgiveness application to comply with the Paycheck Protection Program Flexibility Act of 2020, which was passed and signed into law in early June 2020. The Paycheck Protection Flexibility Act of 2020 provides borrowers with greater flexibility in spending PPP funds without compromising forgiveness eligibility.

What's Next?

Borrowers should review the streamlined application to determine which application to use when applying for PPP loan forgiveness eligibility. In addition, borrowers should direct any questions regarding their PPP loan to their lender. We will continue to monitor any additional developments regarding the PPP and deliver updates as necessary. For more information about the PPP, contact Cottingham & Butler.