



Borrower's Guide to Forgiveness – Short Version:

- **Eligible Expenses:** Expenses that have been incurred or paid during the covered period are eligible. You may choose an alternative covered period to match up to your normal payroll cycle. Also, non-payroll expenses incurred but paid after the covered period at the next due date are also eligible.
- **Timeframe:** You now have up to 24 weeks to spend all the money instead of 8. You can then submit the forgiveness request anytime between June 30 and December 31, 2020.
- **75%/25%:** The rules regarding the amount required for payroll cost has changed from 75% to 60% and for other costs from 25% to 40%. The extended time and lower percentage will be a big help to spend all the money.
- **Employees:** If your employee headcount remained the same, you are fine. If your headcount or payroll paid per employee was 25% less, you are not penalized if an employee was released for cause, a laid-off employee refused to return to work, you could not find similarly qualified replacement employees, or the reduction in business activity stems directly or indirectly from compliance with such COVID Requirements or Guidance due to compliance requirements.
- **Repayment:** If you closed your loan before June 5, 2020, you are still under a 2-year repayment term; however, loans closed after June 5, 2020 get a 5-year repayment term on any balance that remains unforgiven. The rate remains 1%.
- **Documentation:** Payroll evidence includes payroll reports, payroll statements, paystubs, payroll tax filings; evidence of payment includes cancelled checks, bank statements. Insurance and benefit documents include invoices and evidence of payments. Non-payroll expense documentation includes business expenses as “business payments for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020.” Keep receipts and evidence of payment. Lease or interest requires copies of the documents supporting the amount owed and evidence of payment.

If you need more information or detail, please refer to the General Loan Forgiveness Guidelines.