



Paycheck Protection Program Loan Forgiveness Application Information and FAQs

August 2020

Thank you for allowing First PREMIER Bank to assist you with your Paycheck Protection Program (PPP) loan. As you may be aware, President Trump signed into law the Paycheck Protection Program Flexibility Act on June 5, 2020. This law provides greater flexibility, which should result in a greater portion of PPP loans receiving full forgiveness. Among other changes, the legislation provides an option to extend the time period for spending PPP funds to 24 weeks and reduces the payroll cost requirement from 75% to 60%.

On June 16, 2020, the U.S. Department of Treasury released a modified forgiveness application, revised application instructions and provided additional forgiveness guidance. Below you will find links to current forgiveness instructions and application forms.

Based on the likelihood of further legislative changes to the program, First PREMIER Bank encourages you to exercise patience and wait to complete your forgiveness application. We expect greater clarity in the coming weeks and remain committed to keeping you informed. We will continue to update our website as relevant information is available and look forward to supporting you through the forgiveness process.

Frequently Asked Questions

When should I apply for PPP loan forgiveness?

You are not required to submit anything at this time and may wait to until the end of your 24-week Covered Period, which began the date your loan was disbursed. First PREMIER Bank encourages you to exercise patience and wait to complete your forgiveness application. We will communicate forgiveness application instructions once further guidance is received.

How can I prepare for the PPP loan forgiveness process?

1. Read and understand the requirements outlined in the Loan Forgiveness Application and Borrower Instructions (SBA Forms 3508EZ or 3508) dated June 16.
2. Maintain disciplined records and supporting documentation - see applicable PPP Loan Forgiveness Application Instructions for Borrowers.
 - SBA Form 3508EZ Instructions - [CLICK HERE](#)
 - SBA Form 3508 Instructions - [CLICK HERE](#)

What is required to apply for loan forgiveness?

Based on current guidance from the U.S. Department of Treasury and Small Business Administration (SBA), you will be required to submit a completed Loan Forgiveness Application (either SBA Form 3508EZ or 3508) along with supporting documentation (e.g., canceled checks, account statements, payroll records, etc.). In many cases, this documentation may not be available for several weeks following the end of your eight or 24-week Covered Period.



Which forgiveness application (3508 or 3508EZ) will I need to complete?

Form 3508EZ applies to borrowers who meet any one of the following three criteria:

- If you are self-employed, an independent contractor or a sole proprietor with no employees.
- If you did not reduce salary or wages for any employee by more than 25% and did not reduce the number of hours of their employees during the Covered Period.
- If you did not reduce salary or wages for any employee by more than 25% during the covered period and experienced reductions in business activity as a result of health directives related to COVID-19.

Borrowers not meeting one of the above criteria, will complete SBA Form 3508.

Paycheck Protection Program Loan Forgiveness Instructions, Application(s) and FAQs

- ▶ Loan Forgiveness Application Instructions (SBA Form 3508EZ) released June 16 - [CLICK HERE](#)
- ▶ Loan Forgiveness Application (SBA Form 3508EZ) released June 16 - [CLICK HERE](#)
- ▶ Loan Forgiveness Application Instructions (SBA Form 3508) released June 16 - [CLICK HERE](#)
- ▶ Loan Forgiveness Application (SBA Form 3508) released June 16 - [CLICK HERE](#)
- ▶ Loan Forgiveness Frequently Asked Questions - [CLICK HERE](#)

How do I submit my application for forgiveness to First PREMIER Bank?

First PREMIER Bank will communicate instructions for submitting your forgiveness application once further guidance is received from the U.S. Department of Treasury or the Small Business Administration.

Can my PPP loan be partially forgiven?

Yes. The amount of loan forgiveness may equal the loan's full principal amount and any accrued interest. The actual amount of loan forgiveness will depend upon whether qualifying criteria is met. You will be required to repay any portion of your loan that is not eligible for forgiveness. You can expect to repay any unforgiven balance in monthly installments over the remaining term of loan.

How quickly can I expect my PPP loan to be forgiven once I apply?

First PREMIER Bank is committed to processing your application as soon as possible. That said, loan forgiveness could take up to 150 days. Lenders have up to 60 days from receipt of a complete forgiveness application to issue a forgiveness decision to the SBA. Upon receipt, the SBA has up to 90 days to remit the appropriate forgiveness amount to the lender, plus any interest accrued through the payment date.

News reports say there may be additional changes to the PPP. Is that true?

First PREMIER Bank continues to monitor the Paycheck Protection Program for additional guidance and/or further legislative changes. We will update our webpage if changes occur. For current and complete PPP information, please visit:

- ▶ [U.S. Department of Treasury Cares Act](#)
- ▶ [U.S. Small Business Administration Paycheck Protection Program](#)

For additional guidance, contact your banker directly, reach one of our PPP specialists at 800-581-1304 between 8 a.m. and 5 p.m. CDT Monday - Friday or email us at pppforgiveness@firstpremier.com.

