

SBA Form 3508EZ Explained (Simplified PPP Forgiveness Application)

WHAT

The Small Business Administration (SBA) published Form 3508EZ to allow eligible borrowers to apply for Paycheck Protection Program (PPP) loan forgiveness with fewer calculations and less documentation than required with the full Form 3508. The six-page, two-part document (application and instructions) includes components that must be provided to a Lender for processing as well as an optional Demographic Information form. **You as the borrowers must submit the application (which includes the Representations and Certifications) to the Lender who is servicing your PPP loan.**

NOTE: THIS CUSTOMER AID IS INTENDED TO SIMPLIFY THE PPP LOAN FORGIVENESS PROCESS FOR PPP LOAN CUSTOMERS. IT DOES NOT TAKE THE PLACE OF ANY CURRENT OR FORTHCOMING SBA GUIDANCE. ALWAYS REFER TO www.sba.gov FOR THE MOST CURRENT INFORMATION. SBA Guidance and Information based on rules effective as of 6/17/20.

WHO CAN UTILIZE THE 3508EZ FORM?

- Borrowers who:
 - Are self-employed and have no employees, OR
 - Self-employed individual, independent contractor or sole proprietor
 - Did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees, OR
 - Experienced reductions in business activity as a result of health directives related to COVID-19 and did not reduce the salaries or wages of their employees by more than 25%.

UNDERSTANDING THE FORM

- Form 3508EZ may be found on the [SBA website](#).
- Completing the application accurately and providing the proper documentation will allow you, the borrower, to receive the correct amount of forgiveness for their PPP loan.
- **The BEST place you can get advice is from your attorney or tax preparer.**
 - All decisions and choices must be made by you, the borrower, as there are many potential forgiveness consequences depending on which options you choose.
- You may complete the application and provide the supporting documents by accessing the Real Time Lending (RTL) borrower portal on the web.
 - An announcement will be made when the RTL Forgiveness portal is available for borrowers to access.
- This Customer Aid explains the requirements for completion of the online version of Form 3508EZ. It is intended to help you become familiar with the information required to provide to the Lender and ultimately SBA to receive full or partial loan forgiveness.
 - Review the table below to learn more about the sections of Form 3508EZ.
 - Gather the required documentation listed below to streamline the forgiveness process. *It is important to have certain decisions made and documentation gathered before logging into the RTL borrower portal.*
 - If you have not provided an e-mail address to the Lender, you may wish to consider this step in order to receive important information.

Instruction Page number(s)	Section of Instructions Instructions = Pages 1-4	Notes
1	Instructions for PPP Forgiveness Form 3508EZ	<ul style="list-style-type: none"> ○ Checklist to determine if the borrower is eligible to apply for PPP forgiveness using the 3058 EZ form.

		<ul style="list-style-type: none"> ○ If the you, the borrower, <i>can check</i> at least one of the three eligibility check boxes, they may use the 3058EZ form to apply for forgiveness. ○ If the you <i>cannot check</i> at least one of the three eligibility check boxes, they must use the SBA Form 3058 to apply for forgiveness.
1 - 3	Instructions for completing the Forgiveness Calculation Form 3508EZ.	<ul style="list-style-type: none"> ○ Defines each field including definitions for Covered Period and Alternative Payroll Covered Period. <ul style="list-style-type: none"> ○ 24- or 8-week periods ○ Forgiveness Amount Calculation lines 1-8
3	Summary of Costs Eligible for Forgiveness	Payroll and nonpayroll costs based on 24- or 8-week periods
4	Documents that each you must submit with its PPP Loan Forgiveness Application Form 3508EZ	<ul style="list-style-type: none"> ● Payroll, FTE, and Non-payroll docs to submit, and a list of docs to be retained, for six years after loan forgiveness or repaid in full. ● Certain documents are required to be retained, but not submitted with the application.

Application Page number(s)	Section of Application	Notes
	Application = Pages 1-3	
1	Borrower Information	<ul style="list-style-type: none"> ○ Legal name ○ Address ○ DBA ○ TIN ○ Phone ○ Primary Contact ○ Email address
	PPP information, FTE numbers, and EIDL information	<ul style="list-style-type: none"> ○ SBA loan number ○ Lender loan number ○ PPP Loan amount ○ Disbursement date ○ Employees at time of loan application ○ Employees at time of forgiveness application ○ EIDL Advance amount ○ EIDL application number
	Payroll Information	<ul style="list-style-type: none"> ○ Payroll Schedule frequency ○ Covered Period or Alternative Payroll Period <ul style="list-style-type: none"> ○ based on 24- or 8-week periods
	PPP loan in excess of \$2 million check box	<ul style="list-style-type: none"> ○ Check if borrower (together with affiliates, if applicable) received PPP loans greater than 2MM
	Forgiveness Amount Calculation	<ul style="list-style-type: none"> ● Payroll and nonpayroll costs = Lines 1-4 <ul style="list-style-type: none"> ○ 1. Payroll ○ 2. mortgage interest ○ 3. rent ○ 4. utilities ● Potential Forgiveness Amounts = Lines 5-8 <ul style="list-style-type: none"> ○ 5. Add lines 1-4

		<ul style="list-style-type: none"> ○ 6. PPP Loan Amount ○ 7. Payroll Cost 60% requirement <ul style="list-style-type: none"> ▪ divide line 1 by 0.60 ○ 8. Forgiveness Amount <ul style="list-style-type: none"> ▪ smallest of 5, 6, and 7
2	Representations and Certifications	<ul style="list-style-type: none"> ○ Authorized Representative of Borrower must initial each of the first eight items. ○ In addition, the representative must initial at least one of the last two items. ○ Finally, the representative must sign their name, print their name, enter title, and date the form.
3	PPP Borrower Demographic Information Form	This form is optional and voluntary. It will have no bearing on the loan forgiveness decision.

IMPORTANT DEFINITIONS (AS NOTED ON SBA FORM 3508EZ)

Covered Period

- The Covered Period is either: (1) the 24-week (168-day) period beginning on the PPP Loan Disbursement Date, or (2) if the Borrower received its PPP loan before June 5, 2020, the Borrower may elect to use an eight-week (56-day) Covered Period.
 - For example, if the Borrower is using a 24-week Covered Period and received its PPP loan proceeds on Monday, April 20, the first day of the Covered Period is April 20 and the last day of the Covered Period is Sunday, October 4. In no event may the Covered Period extend beyond December 31, 2020.

Alternative Payroll Covered Period (APCP)

- For administrative convenience, Borrowers with a biweekly (or more frequent) payroll schedule may elect to calculate eligible payroll costs using the 24-week (168-day) period or for loans received before June 5, 2020 at the election of the borrower, the eight-week (56-day) period that begins on the first day of their first pay period following their PPP Loan Disbursement Date.
 - For example, if the Borrower is using a 24-week Alternative Payroll Covered Period and received its PPP loan proceeds on Monday, April 20, and the first day of its first pay period following its PPP loan disbursement is Sunday, April 26, the first day of the Alternative Payroll Covered Period is April 26 and the last day of the Alternative Payroll Covered Period is Saturday, October 10.
 - Borrowers that elect to use the Alternative Payroll Covered Period must apply the Alternative Payroll Covered Period wherever there is a reference in this application to “the Covered Period or the Alternative Payroll Covered Period.”
 - However, Borrowers must apply the Covered Period (not the Alternative Payroll Covered Period) wherever there is a reference in this application to “the Covered Period” only.
 - In no event may the Alternative Payroll Covered Period extend beyond December 31, 2020.

For the latest information on the application, the types of costs that are eligible for forgiveness and what documentation you will need to submit in connection with your application, please review the [Paycheck Protection Program Loan Forgiveness Application and instructions on the U.S. Treasury website \(PDF\)](#) and the [Small Business Administration’s Interim Final Rule Docket No. SBA-2020-0032 \(PDF\)](#).

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