



The best part of the [Paycheck Protection Program](#) is that 100% of the loan can be forgiven—if you meet certain criteria. Here's our comprehensive guidance on setting yourself up for full loan forgiveness. This guide reflects the most up to date guidance from the U.S. Treasury, published April 14, 2020.

**The funds from the PPP can be used for the following purposes:**

<b><u>Payroll:</u></b>	<b>salary, wage, vacation, parental, family, medical, or sick leave, health benefits</b>
<b><u>Mortgage interest:</u></b>	<b>if the mortgage was signed before February 15, 2020</b>
<b><u>Rent:</u></b>	<b>if the lease agreement was in effect before February 15, 2020</b>
<b><u>Utilities:</u></b>	<b>if service began before February 15, 2020</b>

**What counts as payroll costs?** Payroll costs include:

- Salary, wages, commissions, or tips (capped at \$100,000 on an annualized basis for each employee);
- Employee benefits including costs for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payments required for the provisions of group health care benefits including insurance premiums; and payment of any retirement benefit;
- Employer State and local taxes assessed on compensation; and
- For a sole proprietor or independent contractor: wages, commissions, income, or net earnings from self-employment, capped at \$100,000 on an annualized basis for each employee.

**How much of my loan will be forgiven?** You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the **8 weeks after getting the loan**. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. You will also owe money if you do not maintain your staff and payroll.

- **Number of Staff:** Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- **Level of Payroll:** Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- **Re-Hiring:** You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020.

**How can I request loan forgiveness?** Applications for loan forgiveness will be processed by your lender. They'll provide you with instructions on where to apply. After you submit your application for forgiveness, your lender is required by law to provide you with a response within 60 days.

**What documentation will I need to apply for loan forgiveness?** These are the required documents you will need to collect to provide with your PPP forgiveness application. Your lender may have additional requirements.

Documents verifying the number of full-time equivalent employees on payroll and their pay rates, for the periods used to verify you met the staffing and pay requirements:

- Payroll reports from your payroll provider
- Payroll tax filings (Form 941)
- Income, payroll, and unemployment insurance filings from your state
- Documents verifying any retirement and health insurance contributions
- Documents verifying your eligible interest, rent, and utility payments (canceled checks, payment receipts, account statements)

Good recordkeeping and bookkeeping will be critical for getting your loan forgiven—you'll need to keep track of eligible expenses and their accompanying documentation over the eight weeks. Your lender will likely require these documents in digital format, so take the time to scan any paper documents and keep backups of your digital records.

**What happens if I'm not approved for forgiveness?** Your lender may allow you to provide additional documentation so they can reevaluate your request. Otherwise, your outstanding balance will continue to accrue interest at 1%, for the remainder of the 2-year period. There is no prepayment penalty. You can pay off the outstanding balance at any time with no additional fees.