



Maximizing Paycheck Protection Program Loan Forgiveness

Fact Sheet

Updated April 11, 2020



1 Remember the loan forgiveness rules:

- Borrowers are eligible for loan forgiveness equal to the amount the borrower spent during the eight-week period, beginning on the date the loan originated.
- Not more than 25% of the forgiven amount may be for non-payroll costs.
- The following items qualify for loan forgiveness:
 - » Payroll costs, including benefits.
 - » Interest on mortgage obligations incurred before February 15, 2020.
 - » Rent under lease agreements in force before February 15, 2020.
 - » Utility costs—including electricity, gas, water, transportation, telephone and internet.

2 Understand how the loan forgiveness amount could be reduced:

- The amount of loan forgiveness will be reduced if there is a reduction in the number of employees or a reduction of greater than 25% in wages paid to employees.
- Employment or wage reductions will not reduce the amount of loan forgiveness—if by June 30, 2020 the borrower eliminates the reduction in employees or reduction in wages.

3 Do what you can to ensure maximum loan forgiveness:

- Follow the specific guidelines provided to you by your lender.
- If your lender did not provide you with guidelines, we recommend adhering to one of the following options:
 - » Set up a separate bank account and use the account to pay qualified expenses.
 - » Set up a separate balance sheet account in your accounting system to track qualified expenses.