

PPP FAQs

Updated July 21, 2020

HOW DOES LOAN FORGIVENESS WORK?

You will be eligible for forgiveness up to the full amount of the principal, plus any accrued interest. The PPP loan proceeds must be used on eligible payroll costs and non payroll costs such as interest on business mortgages, business rent and business utilities during the Covered Period after the loan disbursement date. In order to receive full loan forgiveness, you must have spent at least 60% of your loan proceeds on eligible payroll costs.

Before submitting your PPP loan forgiveness application, you will be required to make several certifications attesting to the accuracy of the data, the use of the loan proceeds, and forgiveness amounts requested. In addition, you will be required to submit documents that support your forgiveness request.

HOW CAN I APPLY FOR LOAN FORGIVENESS?



An email will be sent to each Borrower providing a link to the secure Portal where you will login and complete the PPP Loan Forgiveness Application Form 3508 OR 3508EZ depending on the criteria met by your Business. When logging into the Portal, the Username is the Business Legal Name and Password is the Business EIN/SSN. You may refer to the Borrower Application Form 2483 that you submitted when applying for your PPP loan for this information as it must match.

IF I APPLY FOR LOAN FORGIVENESS, WHEN WILL MY PPP LOAN BE FORGIVEN?



Once you submit SBA Form 3508/3508EZ, First Bank of Pike will have 60 days to process your forgiveness application. The SBA will then have 90 days to evaluate your eligibility for loan forgiveness in accordance with PPP regulations and guidance issued by the SBA through the date of the application. The SBA may direct a lender to disapprove your loan forgiveness application if the SBA determines you were ineligible for the PPP loan.

HOW DO I CALCULATE MY AVERAGE MONTHLY FULL-TIME EQUIVALENT (FTE) EMPLOYEES?



In order to calculate your FTE employees during the Covered Period, borrowers should, for each employee, calculate the hours per paid week, divide by 40, and round the total to the nearest tenth. The maximum per employee is capped at 1.0.

Simplified Method: Employers may count any employee(s) who work 40 hours or more as 1.0 and any employee(s) who work fewer hours as 0.5. This may be done by the election of the borrower.

WHAT DOCUMENTS WILL I NEED TO PROVIDE TO SUPPORT MY LOAN FORGIVENESS REQUEST?

- Form 941 and state quarterly wage unemployment insurance tax reporting forms or equivalent payroll processor records that best correspond to the Covered Period
- Evidence of any employer contributions to employee retirement and health insurance
- Bank statements/payroll processor records documenting cash compensation paid to employees
- Supporting documentation that shows the average number of FTE employees on payroll employed by the borrower on January 1, 2020, and at the end of the covered period
- Whether or not a borrower has employees, they must submit evidence of business rent, business mortgage interest payments on real or personal property, and business utility payments during the Covered Period if loan proceeds were used for those purposes

As of today, we are still waiting on additional guidance from Treasury/SBA and are unable to accept Forgiveness applications. Once we receive instructions on how to process, we will begin accepting and processing Forgiveness applications.

