



## SBA Paycheck Protection Program Applying for Loan Forgiveness

Late in the SBA 7A Paycheck Protection Program (PPP), Congress passed legislation that made several updates to help the borrower. One of the changes was to extend the “Covered Period” from 8 week to 24 weeks. For any PPP loan before June 5, 2020, the borrower may choose to use either the 8-week or the 24-week period when determining forgiveness. For any PPP loan made on June 5, 2020, or after, the 24-week period will be used.

In order to apply for forgiveness of the SBA 7A PPP loan, you will need to complete certain documents and bring to the bank. PDF and Excel documents can be completed using your computer, **then saved and printed**.

The following provides you with a list of what items you will need to prepare. All of these necessary documents are available to you on the bank’s website so that you can prepare these either at home or at your office.

### 1. Which Forgiveness Application do I use?

- The SBA has provided three separate forgiveness applications that may be used: Form 3508, Form 3508EZ, or Form 3508S. If your loan is \$50,000 or less (question 1), you may use Form 3508S. If you are able to answer Yes to any three qualifying questions, then you may use Form 3508EZ. Otherwise, you must use Form 3508.
- Answer the questions on this document, and it will let you know which form type you need to use when submitting your forgiveness application.

### 2. Forgiveness Application

- You are not required to complete all three forgiveness applications (only the application determined in Part 1 above).
- Many of the basic items on the Forgiveness Application are identical to the information on your original Loan Application.
- Form 3508S
  - i. If you are required to complete this form, fill in all the required boxes on the application.
  - ii. Demographic information on page 2 of the application is optional. You may complete these if you desire.
  - iii. All initials and signatures must be done in ink. No electronic initials or signatures will be accepted.
- Form 3508EZ
  - i. If you are required to complete this form, fill in all required boxes on the application.
  - ii. If you complete the form electronically, the amounts will calculate automatically. If you complete the form by hand, make sure to do the calculations as provided in the instructions.
  - iii. Demographic information on page 3 of the application is optional. You may complete this if you desire.

- iv. All initials and signatures must be done in ink. No electronic initials or signatures will be accepted.
- Form 3508
  - i. To complete this form, start with completing Table 1 on page 4 of the application. This table is for all employees making under \$100,000 per year. Owners should not be included on this table.
    - 1. You may use the last four digits of the employee's SSN as the Employee Identifier.
    - 2. If you have more employees to list than what will fit on the table, an Excel spreadsheet has been made available for you on the One Bank of Tennessee website entitled "PPP Schedule A Worksheet – Table 1".
    - 3. Refer to the "Instructions for Form 3508" on the One Bank of Tennessee website for specific instructions of how to complete this table.
  - ii. Next, complete Table 2 on page 4 of the application. This table is for any employee making more than \$100,000 per year.
    - 1. You may use the last four digits of the employee's SSN as the Employee Identifier.
    - 2. If you have more employees to list than what will fit on the table, an Excel spreadsheet has been made available for you on the One Bank of Tennessee website entitled "PPP Schedule A Worksheet – Table 2".
    - 3. Refer to the "Instructions for Form 3508" on the One Bank of Tennessee website for specific instructions of how to complete this table.
  - iii. After completing Tables 1 & 2, you will need to complete Steps 1-5 at the bottom of page 4 of the application.
    - 1. For Step 1, you will need to calculate the FTE of each employee for the date range of February 15, 2020 – April 26, 2020. You will use the same FTE calculation method as you did for Table 1.
    - 2. For Step 2, you will perform the same calculation as Step 1, except this time you will use the date range of February 15, 2020 through the end of your loan's Covered Period.
  - iv. After finishing all the steps on page 4, you will now need to complete page 3 of the form. You will complete this page by using the information from Tables 1 and 2 that you completed on page 4.
  - v. After completing all of page 4 and page 3 of the form, you will need to complete the information on page 1 of the application. You will complete this page by using the information you obtained in the earlier steps. This page will help you calculate your total forgiveness amount.
  - vi. On page 2 of the form, you must initial next to each acknowledgment and sign at the bottom of the page.
- 3. Demographic Information Addendum
  - If you decide you complete the Demographic information on either, Form 3508S (page 2 of application), Form 3508EZ (page 3 of application), or Form 3508 (page 5 of application), and you need to list more than one person, you may use this addendum.
  - This addendum is not required if you decide to not submit the Demographic information.

- This addendum is not required if you decide to submit the Demographic information, but you are only submitting for one person, which will fit on the actual application.
4. What to submit to One Bank of Tennessee
    - This document outlines everything that must be submitted to the bank.
    - The SBA and Treasury Department are requiring every lender to collect these documents and ensure they provide evidence to support the information provided on the forgiveness application.
  5. What to keep in your files
    - This document outlines everything that you must keep in your files, but these should not be submitted to the bank.
    - The SBA and Treasury Department are requiring that every borrower keep these specific documents in their personal files in the event they ever decide to audit the loan file. Make sure these are kept together in a secure location where they can be found easily in the future.

Once you have completed the above steps and have all documents ready to submit for forgiveness, bring the documents to any branch of One Bank of Tennessee. Someone from the PPP team will review your application with the necessary documents. If any corrections are needed, you will be contacted to make those necessary corrections (the bank will be happy to help with those corrections if possible).

Thank you again for trusting One Bank of Tennessee to help you with this process. Our hope is that this program has been a benefit to you, your business, and the community that you serve. If you have any questions, please feel free to contact our PPP team at (931) 559-1112.