



BLBB Entrepreneurial Financial Management

Paycheck Protection Program Updates

- Revised Loan Forgiveness Application (SBA Form 3508), and Simplified Loan Forgiveness Application (SBA Form 3508EZ), and Instructions for each as of June 17, 2020:
<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>
 - Owner-employee, or self-employed, payroll compensation capped at the lower of (1) \$20,833 per owner or (2) 2.5 months of 2019 compensation. 2019 compensation is determined differently depending on whether the business was a C Corporation, Subchapter S, Schedule C or F filer (i.e. LLC, L.P. or Sole Proprietor) – see IFR 2020-0038 for calculations.
 - The Borrower is basically not able to include medical insurance premiums, or retirement contributions for owner-employee, or self-employed, if they are already included in the owner’s payroll compensation – see Instructions for PPP Schedule A for details.
 - Non-owners are limited to payroll compensation of \$46,154 per employee, plus employer health care expenses, plus employer retirement contributions during the 24-week Covered Period.
- IFR 2020-0036 – Revisions to the First Interim Final Rule – 6/12/20
 - Addresses certain eligibility requirements
- IFR 2020-0037 – Revisions to the Third and Sixth Interim Final Rule – 6/17/20
 - Addresses new 24-week Covered Period; new 5-year Loan term; lowers payroll costs to 60% of eligible Loan Forgiveness amount (from 75%)
- IFR 2020-0038 – Revisions to Loan Forgiveness Interim Final Rule – 6/22/20
 - Last day SBA may grant PPP Loan Application approval is June 30, 2020
- Additional material:
 - Prior BBLB SBA PPP Featured Articles landing page: <https://blbb.com/features/>
 - SBA General SBA PPP landing page: <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

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The Borrower should be mindful that the program requirements continue to change. Periodically check for new guidance before submitting Loan Forgiveness Applications to Lenders, which are now not due until 10 months after the Covered Period ends.

BLBB does not provide tax advice nor practice law. Please see your licensed tax or legal professional who can advise you based on your particular facts and circumstances.