

## Woodsville Guaranty Savings Bank

### ***PPP Loan Forgiveness Update***

From <https://www.thegarantybank.com/business/ppp-loan-forgiveness>

If you are a borrower who received an SBA Paycheck Protection Program (PPP) loan, you are aware that your business may qualify for forgiveness up to the full principal amount of your loan. While **the SBA has not yet provided a way for lenders to submit forgiveness applications**, we are providing the following information and resources to help you prepare for and navigate the process.

### **Apply Online with WGSB**

For your convenience, WGSB has invested in an online borrower portal to help facilitate your application for PPP loan forgiveness. This web-based application is user-friendly, will simplify how you navigate the process, and will include much of your specific loan information pre-filled. It will also allow for easy upload of your required documentation.

Once the SBA is ready to accept applications, a link to the portal will be available on this web page. Additionally, all WGSB PPP loan borrowers will receive an email with a link to the portal when the application process opens.

### **How do I apply for loan forgiveness at WGSB?**

Once the SBA provides lenders a way to submit completed applications, an email with a link to WGSB's borrower portal will be sent to each PPP borrower. A link will also be added to this page. You will use this portal to submit your application and required documentation.

To prepare for the application process, we recommend the following:

1. **Overview:** First, review the U.S. Chamber of Commerce Guide to PPP Loan Forgiveness for a simplified overview of the forgiveness process.

#### **[U.S. Chamber Guide to PPP Loan Forgiveness](#)**

- **3508EZ Instructions:** Next, review the SBA Form 3508EZ instructions to confirm that you qualify to use the 3508EZ form instead of the Long Form 3508 application (links to instructions for both are provided below). During your review, make notes of the documents you will need to gather and provide for your application. We believe most borrowers will qualify to use the 3508EZ form application. Both applications will be available within WGSB's borrower portal.

#### **[SBA Form 3508EZ Instructions](#)**

#### **[SBA Form 3508 \(Long Form\) Instructions](#)**

2. **Documentation:** Gather all required documentation for eligible expenses and save it in an electronic format prior to beginning your loan forgiveness application in the borrower portal. The portal will allow you to upload your documentation directly. **Collecting and retaining the required documentation is arguably the most important part of maximizing loan forgiveness and minimizing frustrations in the application process.**
3. **Submit Forgiveness Application:** All WGSB PPP borrowers will receive an email with a link to WGSB's borrower portal once the SBA's application process is open. Once you have reviewed the instructions and collected all your documentation, use the link that will be emailed to you or return to this page to access the WGSB PPP Loan Forgiveness borrower portal and submit your application. After submission, WGSB will review your application and follow-up with you as needed to ensure it is complete. Once confirmed, your application will be submitted to the SBA.

## When do I apply for loan forgiveness?

Once the SBA announces that it is accepting applications, a borrower may submit a loan forgiveness application any time on or before the maturity date of the loan, including before the end of the covered period (the original 8-week period or the recently announced 24-week period), if the borrower has used all of the loan proceeds for which the borrower is requesting forgiveness.

## Do I qualify for the new FTE (Full Time Equivalent) safe harbor provision created by the Flexibility Act?

If you are able to document the inability to return to February 15, 2020 levels of business activity due to compliance with social distancing or other customer safety requirements, you likely qualify for this safe harbor provision.

**Example:** A PPP borrower is in the business of selling beauty products both online and at a physical store. During the covered period, the local government where the borrower's store is located ordered all non-essential businesses, including the borrower's business, to shut down, based in part on COVID-19 guidance issued by the CDC in March 2020. Because the borrower's business activity during the covered period was reduced compared to its activity before February 15, 2020 due to compliance with COVID requirements or guidance, the borrower satisfies the Flexibility Act's exemption and will not have its forgiveness amount reduced because of a reduction in FTEs during the covered period. Claiming this exemption requires the borrower to, in good faith, maintain records regarding the reduction in business activity and the local government's shutdown orders that reference a COVID requirement or guidance as described above.

## Still have questions?

Contact your lender at 800-564-2735.