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## General Information and Definitions

### 1. What is the Paycheck Protection Program?

The Paycheck Protection Program (“PPP”) is a temporary loan program created by the U.S. Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES” Act), and revised under the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (“Economic Aid Act”). The PPP was designed to incentivize small businesses to keep their workers on the payroll despite the financial downturn caused by the COVID-19 pandemic.

### 2. What is a Covered Loan?

A Covered Loan is a loan made under the PPP. The loan is eligible for partial or full forgiveness if the funds are used in a specified period of time for payroll expenses, interest on mortgages, rent, certain utilities, operation expenditures, property damage costs, supplier costs and worker protection expenditures. At least 60% of the forgiveness amount must be used for payroll expenses.

### 3. What is a Covered Mortgage Obligation?

A Covered Mortgage Obligation is any debt that a business owed on a mortgage for real or personal property, in the course of ordinary business, and which was incurred before February 15, 2020. Real property includes land and improvements to land, such as real estate and buildings. Personal property includes farm equipment, appliances, furniture, and other tangible items that do not qualify as real property.

### 4. Can I include advanced mortgage interest or principal payments in my Loan Forgiveness Application?

No. Prepayments, including advanced mortgage interest payments, are specifically excluded from loan forgiveness under the Economic Aid Act. Any payments of principal on mortgage obligations are also not eligible for forgiveness.

### 5. What is a Covered Rent Obligation?

A Covered Rent Obligation is a payment owed on a lease or rental agreement for real or personal property that was in force before February 15, 2020.

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## 6. What is a Covered Utility Payment?

A Covered Utility Payment is a payment made for these services: electricity, gas, water, phone, internet access and transportation (including transportation utility fees). The service(s) must have begun before February 15, 2020 to qualify as a Covered Utility Payment.

## 7. What is a Covered Operations Expenditure?

A Covered Operations Expenditure is a payment made for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses.

## 8. What is a Covered Property Damage Cost?

A Covered Property Damage Cost is a cost related to property damage and vandalism or looting because of public disturbances that occurred during 2020 that was not covered by insurance or other compensation.

## 9. What is a Covered Supplier Cost?

A Covered Supplier Cost is an expenditure made to a supplier of goods that (1) are essential to the operations of the eligible entity at the time the payment is made, and (2) made pursuant to a contract, order or purchase order that existed either before the Covered Period or, if the goods are perishable, existed before or at any time during the Covered Period.

## 10. What is a Covered Worker Protection Expenditure?

A Covered Worker Protection Expenditure is an operating or capital expenditure to facilitate the adaptation of the business activities of an entity to comply with COVID-related requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government starting on March 1, 2020. Examples of such costs may include the purchase, maintenance or renovation of assets that create or expand drive-through window facilities, an indoor or outdoor air pressure ventilation or filtration system, physical barriers, expansion of additional indoor or outdoor space, health screening capability, other assets relating to the compliance with the requirements (as determined by the SBA), or personal protective equipment.

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Note: Covered Worker Protection Expenditures do not include residential real property or intangible property.

## 11. What are Payroll Costs?

Payroll Costs are the total amount of compensation paid to employees whose principal residence is in the United States. Compensation includes salary, wages, tips, or similar compensation, not in excess of \$100,000 annualized pay to any one employee. This means a maximum pay amount of \$15,385 per employee for an eight-week Covered Period, or \$46,154 per employee for a 24-week Covered Period.

Compensation also includes: vacation pay; parental, medical, or sick leave; allowance for dismissal or separation; required payments for group health care or group life, disability, vision, or dental insurance benefits (including insurance premiums); payment for retirement benefits; and state or local taxes that were assessed on the compensation of employees. Housing stipends or allowances can be counted towards Payroll Costs if included as part of compensation.

Payroll Costs do not include: compensation in excess of \$100,000 annualized for an individual employee, certain taxes imposed or withheld during the Covered Period, contributions to retirement and health benefits deducted from employees' pay or otherwise paid by employees; contributions to retirement or health benefits accelerated from periods outside the Covered Period; qualified wages as defined by Section 2301(c)(3) of the CARES Act, qualified sick leave wages for which a credit is allowed under Section 7001 of the Families First Coronavirus Response Act, or qualified family leave wages for which a credit is allowed under Section 7003 of the Families First Coronavirus Response Act. Eligible payroll costs do not include wages considered in determining the Employer Retention Credit.

## 12. How is the Covered Period determined?

The Covered Period is a time period chosen by you, which must be a minimum of eight weeks but cannot be more than 24 weeks following the date of disbursement of your Covered Loan. The first day of the Covered Period is the day you received PPP funds.

## 13. Which Covered Period length is appropriate for my business?

The eight-week Covered Period may enable borrowers to receive their loan forgiveness sooner and help employers that would struggle to maintain staffing for the 24-week Covered Period. Conversely, a 24-week period allows more time to retain or rehire employees if necessary. Consult with your legal and/or financial advisor for advice on which Covered Period you should select.

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## 14. Why do I need to update my Covered Period?

The SBA's most recent guidelines have changed how we approach Covered Periods when making loan forgiveness determinations. Specifically, the SBA now allows borrowers to select a Covered Period that ends anytime between eight and 24 weeks (the previous rule only allowed an eight- or 24-week Covered Period). Because of this added flexibility, there is no longer an option to select an Alternative Payroll Covered Period. Borrowers who chose to use an Alternative Payroll Covered Period before this change need to update their applications to make sure their Covered Periods follow these new rules.

## 15. What is Form 3508EZ?

In an effort to streamline the loan forgiveness process, businesses that fall into any one of the following categories are eligible to use the shortened Loan Forgiveness Application, Form 3508EZ. For full descriptions of these categories, see the [PPP Loan Forgiveness Application Form 3508 Instructions for Borrowers](#).

Self-employed individuals with no employees;

Businesses that did not reduce the salary or wages of any employee by more than 25% and did not reduce the number of employees or average paid hours for their employees;

Businesses that experienced reductions in business activity as a result of health directives related to COVID-19 and did not reduce salary or wages of any employee by more than 25%.

Businesses using form 3508EZ will be required to make the same representations and certifications that the loan was justified and used appropriately.

## Forgiveness Eligibility

## 16. What part of my Covered Loan will be forgiven?

The SBA will potentially forgive the amount that your business used during the Covered Period for Payroll Costs, payments for interest on any Covered Mortgage Obligation, and payments made for Covered Rent Obligations Covered Utilities, Covered Operation Expenditures, Covered Property Damage Costs, Covered Supplier Costs and Covered Worker Protection Expenditures up to the full principal amount of your loan. Payroll Costs must account for at least 60% of the forgiveness amount. If Nonpayroll Costs (Covered Mortgage Obligations, Covered Rent, Covered Utility Payments, Covered Operation Expenditures, Covered

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Property Damage Costs, Covered Supplier Costs and Covered Worker Protection Expenditures) are more than 40% of the total forgiveness amount, the maximum amount of forgiveness you qualify for is reduced proportionally.

### **17. Are businesses that were not in operation before February 15, 2020 eligible for forgiveness?**

No. The Economic Aid Act states that a business or organization must have been in operation on February 15, 2020 to be eligible for a PPP loan. Therefore, this same restriction applies to forgiveness of the loan.

### **18. Is loan forgiveness available for owner-employees' and self-employed individuals' payroll compensation?**

Yes, compensation for owner-employees and self-employed individuals is included within Payroll Costs, but it is subject to limits imposed by the Economic Aid Act. Such compensation is capped at two and a half months' worth of the individual's 2019 or 2020 compensation across all businesses. The year used should be that which was used to calculate the loan amount. The individual's total compensation may not exceed \$100,000 on an annualized basis, as prorated for the Covered Period. For example, for an eight-week Covered Period, the cap is eight weeks' worth of your 2019 or 2020 net profit, with a maximum of \$15,385. Similarly, for a ten-week Covered Period, the cap is ten weeks' worth of the individual's 2019 or 2020 compensation, with a maximum of \$19,231. For a Covered Period that is longer than two and a half months, the cap is two and a half months' worth of your 2019 or 2020 net profit, for a maximum of \$20,833.

The Compensation calculation for owner-employees or partners varies, in each case subject to the maximum caps mentioned above.

If you are the owner-employee of a C-corporation, your maximum payroll expense is the amount of your 2019 or 2020 employee cash compensation and employer-retirement and health insurance contributions made on your behalf. Owner-employees with less than a five percent ownership stake in the C-corporation are not subject to this compensation rule.

If you are the owner-employee of an S-corporation, your maximum payroll expense is the amount of your 2019 or 2020 employee cash compensation and employer-retirement contributions made on your behalf. Employer health insurance contributions made on your behalf cannot be separately added because those payments are already included in your employee cash compensation. Owner-employees with less than a five percent ownership stake in the S-corporation are not subject to this compensation rule.

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If you are a schedule C or F filer, your maximum payroll expense is the amount of your owner compensation replacement, calculated based on 2019 or 2020 net profit (if the self-employed borrower filed a schedule F and has no employees, gross income may be used instead of net profit; if the schedule F filer has employees, the difference between gross income and employee payroll costs may be used instead of net profit).

If you are a general partner, your maximum payroll expense is your 2019 or 2020 net earnings from self-employment (reduced by claimed section 179 expense deduction, unreimbursed partnership expenses, and depletion from oil and gas properties) multiplied by 0.9235.

For self-employed individuals, including Schedule C or F filers and general partners, retirement and health insurance contributions are included in net self-employment income and cannot be separately added to payroll calculations.

For more detailed explanations, click [here](#) to see Question #8 of the Loan Forgiveness Payroll Costs FAQs published by the SBA on October 13, 2020.

### **19. Can I receive forgiveness for eligible costs that are paid after the Covered Period?**

Yes. Eligible Nonpayroll Costs must be: (1) paid during the Covered Period, or (2) incurred during the Covered Period and paid on or before the next regular billing date, even if that date is after the Covered Period. In the second case, only the portion of the costs incurred during the Covered Period qualify for forgiveness (so the amount eligible for forgiveness may not be the entirety of the expense paid on or before the billing date immediately following the Covered Period). Similarly, eligible Payroll Costs that you incurred, but did not pay during the Covered Period, may be forgiven if you pay them on or before the next regular payroll date.

### **20. I renewed a lease and refinanced my mortgage loan after February 15, 2020. Are these costs still eligible for forgiveness?**

Yes. If a lease that existed prior to February 15, 2020 would have expired on or after February 15, 2020 and was renewed, the lease payments made on the renewed lease during the Covered Period are eligible for loan forgiveness. Similarly, if a mortgage loan on real or personal property that existed prior to February 15, 2020 is refinanced on or after February 15, 2020, the interest payments on the refinanced mortgage loan during the Covered Period are eligible for loan forgiveness.

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## 21. I work from home. Are my household expenses eligible for forgiveness?

No, household expenses for home-based businesses are not eligible for forgiveness. Home-based borrowers may only include the share of covered expenses that were deductible on their 2019 tax filings (or expected 2020 tax filings for a new business).

## 22. Are my rent payments made to a related party eligible for forgiveness?

Yes, but only if: (1) the amount of loan forgiveness requested for rent/lease payments to a related party does not exceed the amount of mortgage interest owed on the property during the Covered Period attributable to the space rented by your business, and (2) both the lease and mortgage were entered into before February 1, 2020. For this purpose, a related party is defined as any ownership in common between your business and the property owner. You must provide us with mortgage interest documentation to support the amount for which you seek forgiveness. Additionally, unlike rent/lease payments, mortgage interest payments made to a related party are not eligible for forgiveness.

## Calculating Payroll Costs

### 23. Who qualifies as a full-time employee?

Full-time employees are those who work 40 hours or more, on average, each week.

### 24. How do I calculate the total number of my business's full-time employees?

An employee who works an average of 40 or more hours a week counts as 1.0 full-time employee. Employees who work less than 40 hours per week (part-time employees) are calculated by dividing the average number of hours worked by 40. For example, a part-time employee that averages 24 hours per week each counts as 0.6 employees (24 divided by 40 equals 0.6). Alternatively, a borrower may choose to count all part-time employees as 0.5 employees. If you opt to count any part-time employees in this way, you have to count all of your part-time employees in this way, even if they work varied hours on average each week. The part-time employees' proportions are added together to determine an equivalent number of full-time employees.

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## 25. How is the Reference Period for Line 11 of Schedule A determined?

You choose your desired Reference Period. You may choose either: (a) February 15, 2019 to June 30, 2019; (b) January 1, 2020 to February 29, 2020; or (c) for seasonal employers, either of the first two periods or any consecutive 12-week period between May 1, 2019 and September 15, 2019.

## 26. When calculating Payroll Costs, how should I account for federal taxes deducted from employee pay?

Under the Economic Aid Act, Payroll Costs are not reduced by taxes that are deducted from an employee's gross wages. For example, an employee who earned \$4,000 in gross wages would be counted as for \$4,000 in Payroll Costs, even if she owed \$500 in federal taxes. However, any employer-paid payroll taxes imposed are excluded from Payroll Costs.

## 27. If I increased wages for tipped employees during the Covered Period, am I eligible for forgiveness on the higher wage amount?

Yes. If you compensated for loss of tips by increasing the wages of your tipped employees, those increased wages will count toward your forgivable Payroll Costs.

## 28. Can I include costs associated with 1099 employees as Payroll Costs?

No. Costs associated with 1099 employees are not eligible Payroll Costs on your PPP Loan Forgiveness Application. The SBA allows 1099 employees to apply for PPP Loans as self-employed individuals. They are, therefore, ineligible for inclusion as Payroll Costs on your PPP Loan Forgiveness Application.

## Reductions to Forgiveness Amounts

### 29. Why might I not receive full loan forgiveness?

The Economic Aid Act requires certain reductions in your loan forgiveness amount based on reductions in full-time equivalent employees or in employee salary and wages during the Covered Period. Additionally, reductions will occur if you fail to spend at least 60% of your PPP funds on Payroll Costs during the Covered Period or fail to provide documentation to substantiate your forgivable expense amounts. Lastly, the amount of loan forgiveness cannot exceed the principal balance of the Covered Loan outstanding at the time you apply for forgiveness.

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### 30. What is an EIDL advance? How does it impact my loan forgiveness?

EIDL stands for Economic Injury Disaster Loan advance, for which small business owners may apply for up to \$10,000. This advance is different from the loans disbursed under the PPP. The amount of your EIDL advance will not reduce your loan forgiveness amount.

### 31. How much will my loan forgiveness amount be reduced if I fail to meet the 60% Payroll Costs threshold during the Covered Period?

Even if you do not meet the 60% threshold for Payroll Costs, you may still receive partial forgiveness. Your forgiveness amount will be lowered to the point that Payroll Costs make up 60% of the total forgiveness amount.

For example, if you receive a \$100,000 loan and spend \$54,000 (or 54 percent) of the loan on payroll costs during the Covered Period, then the maximum loan forgiveness you can receive is \$90,000 (with \$54,000 in Payroll Costs constituting 60 percent of the forgiveness amount and \$36,000 in eligible Nonpayroll Costs constituting 40 percent of the forgiveness amount).

### 32. How will a reduction in the number of full-time employees affect the amount of loan forgiveness?

A reduction in full-time employees during the Covered Period will reduce the amount eligible for loan forgiveness by the same percentage as the percentage reduction in full-time employees. The reduction is calculated by dividing the average number of full-time employees during the Covered Period by the average number of full-time employees before the Covered Period, and then multiplying that amount by the original forgiveness amount.

For example: If you normally employ 100 full-time (or full-time equivalent) employees, but during the Covered Period you only employ 50 full-time (or full-time equivalent) employees, you would divide 50/100 for a result of 0.5. You would then multiply that number by your forgiveness amount to determine the total forgiveness you are entitled to. You may be exempt from this reduction based on certain circumstances (see FAQs 31 – 37). For more details, see Question #1 of the Loan Forgiveness Reductions FAQs published by the SBA on October 13, 2020, available [here](#).

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### 33. How will reductions in salary or wages affect the amount of loan forgiveness?

Your amount of loan forgiveness will be lowered by the amount of any reduction in excess of 25% of the total salary or wages of any employee who did not receive, during any single pay period of 2019, wages or salary that would amount to an annualized rate of pay of \$100,000 or more. You must reduce the amount of total forgiveness requested by the dollar amount of wages or salary reductions in excess of 25% when comparing the Covered Period to the Reference Period (see FAQ 24). This reduction must be calculated on an individual employee basis rather than considering all employees together. You may be exempt from this reduction based on certain circumstances (see FAQs 36 and 37).

The salary/wage reduction here applies only to the decline in employee salary and wages that is not attributable to the reduction of full-time employees accounted for in the previous question. This ensures that you will not be punished doubly for the same employee's decreased pay.

For example, you may have a full-time salaried employee whose pay was reduced during the Covered Period from \$50,000 per year to \$35,000 per year, despite remaining a full-time employee. If you did not restore that employee's salary by December 31, 2020, you may face a reduction in your forgiveness amount. For more detailed examples, see Question #4 of the Loan Forgiveness Reductions FAQs published by the SBA on October 13, 2020, available [here](#).

### 34. If I laid off an employee and later offered to rehire them, but they declined, will I receive a reduction in my loan forgiveness amount?

No. If you made a good-faith, written offer of employment for the same salary/wages and hours as the employee's last pay period prior to dismissal, and the employee rejected employment, you will not receive a reduction in the total loan forgiveness amount. You will need to maintain records of this interaction to prove the attempt to rehire the employee and their rejection of the offer.

Note that you are required to inform the applicable state unemployment insurance office of any rejected rehire offer within 30 days of that rejection. You must also retain record of this interaction.

### 35. Will I receive a reduction if an employee was fired for cause or chose to leave the business?

No. Your loan forgiveness amount will not be reduced if an employee was fired for cause, voluntarily resigned, or requested a reduced schedule during the Covered Period.

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**36. Will my loan forgiveness be reduced if I am unable to find suitable employee replacements?**

No. If you are unable to rehire former employees and cannot fill their roles with similarly qualified persons, that former employee will not count against you when determining the full-time employee total used when calculating any reduction of loan forgiveness.

**37. Will my loan forgiveness be reduced if I am unable to operate at the same level as pre-pandemic due to health and safety concerns?**

No. You will not face reductions if employee(s) could not be rehired due to compliance with official standards issued between March 1, 2020 and December 27, 2020 (or for a PPP loan made after December 31, 2020, the last day of the loan's covered period), as established by the U.S. Department of Health and Human Services, the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, relating to worker or customer safety requirements concerning COVID-19. The circumstances of reduction in business can be a direct or indirect result of the health and safety guidelines, but you must maintain documentation and your good faith determinations regarding these circumstances.

**38. If I restore reductions in employee salaries and wages, can I avoid a reduction in my loan forgiveness amount?**

Yes. If you restored some or all salaries and wages by December 31, 2020, or for a PPP loan made after December 27, 2020, the last day of the loan's covered period, you are exempt from loan forgiveness reductions for those employees whose compensation has been returned to previous levels.

**39. For PPP loans of \$50,000 or less, will my loan forgiveness be reduced for reductions to the number of full-time employees or salary or wages?**

No. Generally, borrowers with loans of \$50,000 or less are exempt from any reductions to the loan forgiveness amount because of reductions in full-time employees or reductions in employee salary or wages. However, there is an exception to this general rule (see FAQ 39).

**40. If I am a borrower completing an SBA Form 3508S with a loan greater than \$50,000, do I need to reduce my forgiveness amount as a result of a reduction in full-time employees or salary or wages as set forth in FAQs 29-36?**

Yes. Even though the 3508S form itself does not require you to enter numbers itemizing a forgiveness reduction, you are still responsible for taking into account whether and how much of a reduction of your

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requested forgiveness amount is necessary, if any. You should review the “FTE and Salary/Wage Reductions” section of the instructions to the 3508S.

#### **41. Which PPP loans for \$50,000 or less are subject to the reductions to loan forgiveness amounts for the number of full-time employees or salary or wages?**

Borrowers with loans of \$50,000 or less that, together with their affiliates, received First Draw PPP Loans or Second Draw PPP Loans totaling \$2 million or more, are not exempt from the reductions to the loan forgiveness amount that are required because of reductions in full-time employees or reductions in employee salary or wages.

### **Application Processing**

#### **42. What documents do I have to submit with my Application?**

This depends on which loan forgiveness application form you choose and its documentation requirements. See the Required Documentation tab for more information about what to submit with your Application.

You must keep all documentation regarding your PPP loan and subsequent forgiveness for six years following forgiveness and/or repayment of the loan. The SBA may request any related documents for auditing or other purposes during this time.

**Note:** if you received a Second Draw PPP loan for \$150,000 or less, but did not provide certain documentation with your loan application, you may be required to submit documentary proof that you were eligible for a Second Draw PPP loan because you experienced a revenue reduction of 25% or greater in 2020 relative to 2019. These documents may include relevant tax forms (including annual tax forms), quarterly financial statements, or bank statements.

#### **43. What guidelines apply to my Loan Forgiveness Application?**

Your Application will be reviewed under forgiveness guidelines that are in effect at time of its submission.

#### **44. Can I apply for loan forgiveness of my Second Draw PPP Loan before applying for forgiveness of my First Draw PPP Loan?**

For Second Draw PPP Loans that are more than \$150,000, the borrower must submit their loan forgiveness application for the First Draw PPP Loan before or simultaneously with the loan forgiveness application for the Second Draw PPP Loan, even if the calculated forgiveness amount for the First Draw PPP Loan is \$0.

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#### **45. Why can I not choose a Covered Period for my First Draw PPP Loan that overlaps with the Funding Date of my Second Draw PPP Loan?**

SBA guidelines required borrowers to use all funds from the First Draw PPP Loan on eligible expenses prior to disbursement of the Second Draw PPP Loan. Therefore, your chosen Covered Period for your First Draw PPP Loan must end prior to the Funding Date, which serves as the start of the Covered Period, for your Second Draw PPP Loan.

#### **46. Why did I receive a notice asking for more information?**

We reviewed your Application and its supporting documents and found that you are missing the items listed on your notice. To complete your Application, you must provide the missing items within 30 days of the date of notice. We will then review your response to determine whether it completes your Application.

#### **47. I need additional time to submit the required information needed for my deficiency notices response, can I request that the Deficiency Response Deadline be extended?**

Yes, at any time before your deadline expires, you can call us at (888) 655-2210 and request that we extend the deadline to respond to your deficiency notice. You can request a deadline extension multiple times, if necessary.

#### **48. Do I have to agree with your Approved in Part determination before it is submitted to the SBA?**

No, you do not have to agree with our decision for us to send it to the SBA. However, through our notice and deficiency process, we will make sure that you have an opportunity to review our initial determination and provide any additional information or clarification that may help make our determination Approved in Full.

#### **49. What should I do if I disagree with my deficiency notice?**

If you disagree with an item on your deficiency notice, when you resubmit your forgiveness application, you may include an explanation of why you disagree with our determination for that item. You can also call us at (888) 655-2210 to discuss any listed deficiency before responding to your notice and recertifying your forgiveness application.

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## 50. What are some reasons my forgiveness application would not be Approved in Full?

There are many reasons why we may find that you have not provided sufficient information to support your full forgiveness amount. Here are some common deficiency reasons and how to fix them:

Deficiency Reason	Deficiency Description	How to Cure
Costs Not Within the Covered Period	The costs entered do not fall within your Covered Period.	Confirm your Covered Period is correct and that the documents you submitted show all claimed costs fall within the Covered Period. Submit available documents showing the costs were incurred or paid within the Covered Period.
Missing FTE Documentation (EZ)	You did not provide sufficient FTE employee numbers for 1/1/2020 or the end of the Covered Period. You must submit proof of the average number of FTE employees on payroll on 1/1/2020 and at the end of the Covered Period.	Submit payroll tax filings (such as Form 941), state quarterly business and individual wage reporting, unemployment insurance tax filings, or equivalent payroll service provider reports showing proof of the pay rates and average number of FTE employees on your payroll.
No Proof of Existence Before 2/15/2020	You did not provide documentation proving the existence of the nonpayroll obligation/service before 2/15/2020.	Submit copies of invoices, lessor account statements, or account statements from February 2020 or before, showing that the claimed cost existed before 2/15/2020.
Compensation Exceeds Cap	The amount includes compensation that exceeds the cap allowable for owners or employees who made more than \$100k annualized during the Covered Period.	Review your payroll records to make sure the claimed cash compensation amounts do not include wages that exceed the maximum amount allowed per employee or owner for the Covered Period.

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<p>Missing FTE Documentation (3508)</p>	<p>You did not provide sufficient FTE employee numbers for either your chosen reference period or between 1/1/2020 and 2/29/2020.</p>	<p>Submit payroll tax filings (such as Form 941), state quarterly business and individual wage reporting, unemployment insurance tax filings, or equivalent payroll service provider reports showing proof of the pay rates and average number of FTE employees on your payroll.</p>
<p>Missing 3508D Response</p>	<p>You did not respond to the question about whether you must submit Form 3508D. You must answer this question before we submit your forgiveness application to the SBA. No other documentation is required for this line item.</p>	<p>Review your forgiveness application and answer the question about Form 3508D. Then recertify and submit your forgiveness application.</p>

Remember that you must recertify and resubmit your forgiveness application before we can take a second look at your application. You can also call us at (888) 655-2210 to discuss any deficiency listed on your notice.

## 51. How do I check the status of my forgiveness application?

You can log into your portal for any updates and to check the status of your forgiveness application. Note that you can confirm your communication preferences, and that we have the correct phone number and/or email address, by clicking the “Return to Authorized Representative Information” button. You can also call us at (888) 655-2210 to discuss the status of your application.

## 52. Can I change or update my application after it has been submitted to the SBA for review?

No. After we have reviewed your forgiveness application and sent our determination to the SBA for review, we cannot update details about your application. Before you submit your application, you must review the draft forgiveness application by clicking “View Full Application” on your Certification page. If any information is incorrect or you need to add more documentation, you can click the “Return to Summary” page to continue working on your application.

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### **53. Who receives communication about the status of my forgiveness application? Can only the original PPP loan designated individual receive updates?**

The person who is designated as your Authorized Representative will receive communications about your PPP loan forgiveness application. The Authorized Representative may allow a third-party to speak with us about your forgiveness application. Call (888) 655-2210 to authorize a third-party to discuss details about your forgiveness application.

### **54. How do I add or update the Authorized Representative?**

The designated contact for your application, known here as the Authorized Representative, is initially the person listed on your PPP loan application. However, when completing your forgiveness application through the portal, you can change who should receive forgiveness application updates by editing the personal information on the Authorized Representative Information screen of the application. You can update this page at any time.

### **55. How do I recover my account credentials?**

If you are having trouble logging in after setting up your account, you can click the “Forgot User ID?” or “Forgot Password?” links and we will send temporary login credentials to you by the communication method of your choice. If you do not receive your temporary login credentials within an hour, you can call us at (888) 655-2210 for help. Note that if you have attempted to login three times unsuccessfully and you are locked out, you will have to wait an hour before you can try again to login to your account.

If you are still unable to login after taking these steps, you can call us at (888) 655-2210 and we will reset your account.

### **56. The SBA is reviewing my PPP Loan. What does that mean?**

The SBA may choose to review your PPP Loan in its discretion and at any point. While an SBA review is ongoing, we cannot approve an Application submitted to us. We can only deny it without prejudice. Once the SBA review is complete, we will make a final determination on your Application.

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### **57. When is the latest I can file my Loan Forgiveness Application?**

You may file any time on or before the maturity date of the loan, however, you will have to begin making payments on the loan 10 months after the last day of the Covered Period if you have not yet applied for forgiveness at that time.

### **58. When will I know if my Covered Loan will be forgiven?**

Within 60 days of receiving a completed Application, subject to review by the SBA, we will notify you of the amount of the Covered Loan we have determined is eligible for forgiveness. The SBA has an additional 90 days to review your Application and has the right to overrule our determination. If your Application is not complete, we will issue a notice to you stating what items you need to submit to finish your Application.

### **59. Can I challenge the decision for my Loan Forgiveness Application?**

If we deny your forgiveness application in full, you may request that the SBA review that decision. You must make this request within 30 days of receiving our denial determination. We will notify you if the SBA decides it will not review your denial. If the SBA accepts the request, it will notify you of the results of its review. Our decision that you qualify for only partial forgiveness is not reviewable.

If the SBA determines that (a) you are an ineligible borrower under PPP, (b) you are ineligible for the loan amount received or PPP proceeds were used for unauthorized purposes, (c) you are not entitled to the forgiveness amount we have decided, or (d) we are correct that you are not entitled to any forgiveness, you may appeal the SBA's decision to the Office of Hearings and Appeals ("OHA").

### **60. What happens after my loan is forgiven?**

If the SBA agrees with our forgiveness determination, it will remit the forgiveness amount to us within 90 days after we submit the Application to the SBA. We will notify you when we receive those funds. The amount for which the Covered Loan is forgiven will be considered a canceled debt.

### **61. If any part of my loan is not forgiven, how long do I have to pay back the remaining balance?**

If any portion of a loan granted before June 5, 2020 is not forgiven, you must repay the remaining balance on or before the two-year maturity of the loan. If the loan was approved on or after June 5, 2020, the loan must be repaid on or before the five-year maturity. In either case, we will notify you of the monthly payment amount and when those payments begin. For loans approved before June 5, 2020, you may request that we match the five-year term given to later loans.

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## 62. Do I have to complete the Demographic Information Form?

No. The PPP Borrower Demographic Information Form is optional. If you want to complete the form, you may click the Return to Demographic Information button that is available when filling out your Application. The information you provide on this page will be sent to the SBA with your Loan Forgiveness Application.

## 63. Do I have to complete the SBA Form 3508D?

The SBA Form 3508D is for borrowers who received First Draw PPP Loans and one of these individuals has a controlling interest in the borrower: (1) the President of the United States, (2) Vice President of the United States, (3) the head of an Executive department, (4) a member of Congress, or (5) the spouse of any such person, as determined by applicable common law. A “controlling interest” means owning, controlling or holding not less than 20 percent of the outstanding equity interest in a borrower.

## 64. What consequences could I face if I improperly use PPP funds?

If you do not use PPP funds for authorized purposes, SBA will direct you to repay the loan amount. If you knowingly used the PPP funds for unauthorized purposes, then additional liability, such as fraud, will be issued. Furthermore, knowingly making false statements to obtain forgiveness for an SBA loan can result in a maximum of five years in prison and/or a \$250,000 fine.

## Merger with TCF

## 65. Why is this merger between TCF and HNB happening?

This merger will bring together two of the region’s strongest banks to better serve our customers with an enhanced suite of products and services, added customer convenience, and award-winning customer service.

## 66. How does this merger affect my PPP loan and forgiveness application?

Only the manner of applying has changed. You must use Huntington’s online portal to apply and upload documentation.

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## **67. Are any of the deadlines associated with my loan or application for forgiveness affected by this merger between TCF and HNB?**

The merger does not affect your deadline for applying for forgiveness or the deferral of your monthly payments. If you have already applied for forgiveness and received a decision from TCF, the merger does not affect the timeline for the SBA to make a decision. If your application for forgiveness was not decided by TCF prior to June 1, unfortunately you will have to reapply for forgiveness with Huntington.

## **68. How can I find the status of the application I submitted to TCF?**

Please call (800) 823-2265 or (855) 336-9460 with your inquiry.

## **69. Why do I have to complete a new application for forgiveness? Why can't my information be transferred from TCF to HNB?**

Unfortunately, the system TCF used and the system that Huntington uses are not compatible. We apologize for the inconvenience.

## **70. Can I submit a hard copy application for loan forgiveness?**

No. You must apply via the online portal.

## **71. I received a decision from the SBA prior to the merger. Is there anything I need to do now that TCF has merged with HNB?**

If your loan was fully forgiven, then there is nothing for you to do. If your loan was not fully forgiven, a colleague will be reaching out to you about repayment of the balance.

## **72. My application was denied prior to the merger, how do I appeal?**

If you received a final decision from the SBA, you can only appeal with the Office of Hearings and Appeals. The appeal is not handled by the bank and we cannot assist you. Please consult with your legal advisor immediately as you only have a limited time frame to submit an appeal. Please be aware that such an appeal does not extend the payment deferral period on your loan and you will need to begin repayment. If your application was denied by TCF, but you have not yet received a decision from the SBA, there is no appeal process available.

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