

# SBA Issues Rules on Paycheck Protection Program Loan Forgiveness

Read the rules on loan forgiveness below



Over the weekend, the Small Business Administration released much-anticipated interim final rules describing the loan forgiveness process, as well as lenders' and borrowers' responsibilities, for the Paycheck Protection Program.

For PPP loans to be forgiven under the rules, lenders must confirm that they received the borrower certifications in the loan forgiveness application form and the borrower documentation required by the form. They must also confirm the borrower's calculations on the forgiveness application.

"Lenders are expected to perform a good-faith review, in a reasonable time, of the borrower's calculations and supporting documents concerning amounts eligible for loan forgiveness," SBA said, noting that "minimal review" of calculations based on a payroll processor's report would suffice.

"If the lender identifies errors in the borrower's calculation or material lack of substantiation in the borrower's supporting documents, the lender should work with the borrower to remedy the issue," SBA added. However, the rules do not require the lender to "independently verify the borrower's reported information if the borrower submits documentation supporting its request for loan forgiveness and attests that it accurately verified the payments for eligible costs."

Lenders must report their decisions on forgiveness applications to SBA within 60 days of receiving a complete application and must provide supporting documentation for their decisions. The rule on the forgiveness process includes details on several technical questions related to employee status, payroll calculations and forgiveness-eligible non-payroll expenses.


For more information, please click the below links to view SBA's interim final rule(s):

[Read the rule on the loan forgiveness process.](#)

[Read the rule on lender and borrower responsibilities.](#)



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