## Payroll Protection Program – Forgiveness Terms

### What?
- All eligible expenses
  - Payroll: salary, wage, vacation, parental, family, medical, sick leave health benefits
  - Mortgage interest so long as mortgage was signed before 2/15/20
  - Rent so long as lease in effect before 2/15/20
  - Utilities so long as service began before 2/15/20
- Incurred over 24 weeks from the date the loan was disbursed to the borrower
- Cutoff date: 12/31/2020

### Terms?
- Loan forgiveness predicated on 60% of the loan being used for payroll.
  - Does NOT include payments to independent contractors
  - Forgiveness will be reduced proportionately based on the amount you spend on payroll if less than 60%.
- Loan forgiveness predicated on maintaining employees
  - Compare full-time equivalent employees during the 8-week period following the loan disbursement to one of the following reference periods:
    - 2/15/19 to 6/30/19
    - 1/1/20 to 2/29/20
    - Seasonal employers: consecutive 12-week period 5/1/19 to 9/15/19
  - Forgiveness will be reduced proportionately based on any reductions in force.
  - Exceptions:
    - Make good faith offer to rehire and employee rejected;
    - Employee was fired for cause, voluntarily resigned or requested a reduction in hours;
    - Make good faith certification unable to rehire or to hire similarly qualified employees;
    - Unable to return to same level of business activity on 2/15/20 due to compliance with standards or guidance related to COVID-19 issued by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupation Safety and Health Administration.
  - Safe Harbor: No reduction in forgiveness if restore FTEs by no later than 12/31/20 to the level that existed on 2/15/20.
- Loan forgiveness predicated on maintaining wages or salaries of at least 75% of average pay
  - Forgiveness will be reduced proportionately for each employee whose average pay during the 8-week period is less than 75% of their average pay from 1/1/20 to 3/21/20.
  - Safe Harbor: No reduction in forgiveness if restore wages by no later than 12/31/20 to the level that existed on 2/15/20.

### Where?
- SBA 7(a) Approved Banks and Credit Unions
  - [Loan Forgiveness Application](#)
- Documentation is required to establish payroll, full-time employees, mortgage interest payments, rent and lease payments, and utility payments.

### More Information
- [US Chamber Small Guide to PPP Forgiveness](#)
- [US Treasury Overview](#)
- [Borrower Q&A](#)

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