New EZ and Revised Full Loan Forgiveness Applications for the Paycheck Protection Program (임금 보호 프로그램 대출 용서 신청서 – 2가지 신청서: 약식 신청서 와 수정된 정식 신청서)

The Paycheck Protection Program Flexibility Act (“Flexibility Act”), signed into law on June 5, 2020, amended some of the rules for Small Business Administration’s (SBA) Paycheck Protection Program (PPP). The key amendments are likely welcome news for most borrowers. Under the original PPP loan program, borrowers had eight weeks from the date they received the loan to spend the loan proceeds. That period is now extended to 24 weeks while providing the option to keep the original eight-week spending period for Borrower that received loans before June 5, 2020. Borrowers can also spend up to 40% on non-payroll expenses, up from 25% before. Borrowers must apply for PPP loan forgiveness within 10 months of the end of their covered spending period, whether that is eight weeks or 24 weeks. Any unforgiven amounts after that convert to a loan. Under the Flexibility Act, PPP loans approved after June 5, 2020 will extend the loan period from two years to five years and interest remains at 1% annual rate. Any loans prior to June 5, 2020 may be extended to five years if the borrower and lender agree.

As part of SBA’s implementation of the Flexibility Act, SBA, on June 16, 2020, released (1) a new “EZ” version of the loan forgiveness application for use by qualified borrowers and (2) a revised, borrower-friendly PPP loan forgiveness application

1. **“EZ Application” - PPP Loan Forgiveness Application Form 3508EZ** (새로운 약식 임금 보호 프로그램 대출 용서 신청서) requires fewer calculations and less documentation than the full application. The EZ Application may be used if a borrower meets any one of the following:
* Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application; OR
* Borrower did not reduce the annual salaries or hourly wages of their employees by more than 25%, and did not reduce the number or hours of their employees compared to the period between January 1, 2020 – March 31, 2020 (this excludes any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for unfilled positions, and also excludes reductions in an employee’s hours that borrower offered to restore and refused by the employee); OR
* Borrower experienced reductions in business activity as a result of health directives related to COVID-19, and did not reduce the annual salaries or hourly wages of their employees by more than 25% compared to the period between January 1, 2020 – March 31, 2020.

Borrowers meeting any one of the three requirements above may complete the very simple SBA Form 3508EZ and submit to the lender.

Click here for:

* [EZ Application](https://www.sba.gov/sites/default/files/2020-06/PPP%20Forgiveness%20Application%203508EZ%20%28%20Revised%2006.16.2020%29.pdf)
* [EZ Application Instructions (설명)](https://www.sba.gov/sites/default/files/2020-06/PPP%20Loan%20Forgiveness%20Application%20Form%20EZ%20Instructions%20%28Revised%2006.16.2020%29-508.pdf)
1. **REVISED PPP LOAN APPLICATION**. (수정된임금 보호 프로그램 대출 용서 정식 신청서) If Borrowers do not meet the eligibility requirements of the EZ Application, then they must use the PPP Loan Forgiveness Application Revised June 16, 2020. The original version of the PPP Loan Forgiveness Application (SBA Form 3508) is available in Korean language but the revised application is not yet available in Korean language.

Click here for:

* [Revised PPP Loan Forgiveness Application](https://www.sba.gov/sites/default/files/2020-06/PPP%20Loan%20Forgiveness%20Application%20Instructions%20%28Revised%206.16.2020%29-508.pdf)
* [Instructions (설명) for Revised PPP Loan Forgiveness Application](https://www.sba.gov/sites/default/files/2020-06/PPP%20Loan%20Forgiveness%20Application%20Instructions%20%28Revised%206.16.2020%29-508.pdf)

Once PPP loan forgiveness application is submitted, lenders are required by law to provide borrowers a response within 60 days.

Note: This information is provided to you by the Korean American Bar Association of Washington (KABA). For more information, please consult an attorney or contact KABA at kabawaboard@gmail.com to request a referral to an attorney who can assist you with your business needs.

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