As an SBA Microlender and mission driven lender, Prestamos CDFI provides opportunity through lending products and expert business education services.
Notes on Forgiveness

• In order to access your Loan Forgiveness Application, you must use the link sent to you by Spark. You cannot access the forgiveness application through your regular portal without your link. If you need a new link, please email us at prestamosinfo@cplc.org and we will send a new link immediately.

• You have 10 months from the end of your PPP loan to apply; you do NOT have to apply by week 8/week 24 of your loan term.

• After you submit your application, Prestamos has 60-days to make a determination and submit to The SBA for formal forgiveness approval.
Your PPP Application Status

Once you complete the application, your estimated forgiveness amount will show here.

The status of your application will show here.

Where you are in the forgiveness process will show here throughout the entire forgiveness process. Check back for updates by clicking on your forgiveness application link.
Simplified Application Eligibility Section

Answer each of the four questions to determine whether you are eligible to use the EZ simplified forgiveness application or if you will have to complete the Schedule A.
If you are self employed with no employees and file a Schedule C, you are automatically eligible for the simplified application. You do not have to meet additional qualifications to use the simplified application.
If you are an employer with W2 employees, in order to use the simplified application you need to meet the following three conditions:

1. You continued to pay employees at the same rate, or did not decrease their wages by more than 25%.
2. You maintained the same number of employees, or could not rehire employees because they refused to come back.
3. You were unable to operate at the same level of business activity due to health compliance.

### Simplified Forgiveness Application Eligibility

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the Borrower a self-employed individual, independent contractor, or solo proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2483)?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Did the Borrower maintain annual salary or hourly wages of all employees, with reductions of no more than 25 percent, during the Covered Period or the Alternative Payroll Covered Period compared to the period between January 1, 2020 and March 31, 2020?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Did the Borrower maintain the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Was the Borrower unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance related to COVID-19?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

You are eligible for the simplified forgiveness application!
In this section you will provide information about the number of employees you have at the time of forgiveness application and how often you run payroll/pay draws for self-employed individuals.

In this section you will provide the date the funds were deposited into your bank account. If your loan funded prior to June 5, 2020, you have the option of selecting 8-weeks or 24-weeks. Loans funded June 5, 2020 or after will only have the 24-week option available to them.

In this section you will enter any EIDL advances you received. This is the advance portion only, up to $10,000, that The SBA provided as an emergency grant. Do not include your EIDL loan amount here.
Use of Funds/Documentation Section

Here you will enter information on how you used your funds and provide supporting documentation. Enter amounts **paid to W2 employees only**, amounts paid for retirement and group healthcare, and state/local taxes (such as unemployment).

If you are **self employed** and paid yourself “owner compensation replacement,” such as monthly draws, place the total amount here.

Click “+Add Files...” to upload your supporting documentation, then select the type of documentation from the list.

Ownership compensation supporting documentation can be as simple as a bank statement showing transfers to a personal account or copies of checks.
Documentation Requirements

- Documents verifying the number of full-time equivalent employees on payroll and their pay rates, for the periods used to verify you met the staffing and pay requirements:
  - Payroll reports from your payroll provider
  - Payroll tax filings (Form 941) and unemployment insurance filings from your state
  - If payroll provider is not being used, then the following information for the employees is required:
    Employee’s full name
    Employee’s social security number – last 4 digits
    Hour worked per week
    Hourly or Salaried employee
gross salary/wages/tips/commissions
    paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act)

NOTE: Compensation cannot exceed $100,000 Annually. The PPP allows loan forgiveness for payroll costs — including salary, wages, and tips — for up to $100,000 annualized per employee, or $15,385 per individual over the eight-week period. The new interim final rule establishes the 24-week maximum for full loan forgiveness at $46,154 per individual.
Documentation Requirements

- Documents verifying any retirement and health insurance contributions:
  Bank Statements/copies of cancelled checks

- Documents verifying that your eligible interest, rent, and utility payments were active in February 2020:
  Copy of promissory note/agreement
  Copy of lease
  Copy of utility statement prior to Feb 2020

- Documents verifying your eligible interest, rent, and utility payments canceled checks
  payment receipts
  account statements
• **Owner compensation (Self Employed/Schedule C):**
  
  
  2019 Schedule K-1 for Partnerships
  
  Copies of bank statements showing how funds were used
  
  Copy of the PPP Documentation for Sole Prop/Schedule C Filer

• **Health insurance costs for S corporation owners cannot be included when calculating payroll costs; however, retirement costs for S corporation owners are eligible costs.**
If you have non-payroll/owner compensation expenses, you will select the category (Mortgage Interest, Rent/Lease, or Utilities), enter the amount spent in that category, and provide supporting documentation.

Remember that non-payroll/owner compensation expenses cannot exceed 40% of your total PPP or it will impact your eligible forgiveness amount. You can take your total PPP amount and multiply by .04 to determine the maximum non-payroll/owner compensation expenses you can use and still receive full forgiveness.
Once you have completed each section of the simplified forgiveness application, you will see your estimated forgiveness amount.

If your forgiveness amount is LESS than your PPP, that means you have a balance that needs to be paid back or you need to make changes to your application. For example:

If you were funded prior to June 5, 2020 and are electing an 8-week loan term, you can extend your term to 24 weeks to give yourself more time to use the funds for eligible expenses to ensure forgiveness. This is especially beneficial for self employed individuals.

Remember that expenses used for forgiveness are not eligible to be used as expenses on your 2020 tax return.
If you are not eligible for the simplified application, you will need to complete the Schedule A.

Here you will breakdown your average FTE and provide any reductions in salary for FTE’s with annual compensation below $100,000 and for those above $100,000 in the respective sections.

Here you will provide information your average number of employees during the reference period (either 2/15/19 – 6/30/19 OR 1/1/20 – 2/29/20)

Safe Harbor (Yes) is met if BOTH of the following conditions are met:
1. Borrower reduced its FTE in the period beginning 2/15/2020 and 4/26/2020; AND
2. Borrower restored its FTE levels by 12/31/2020 to its FTE levels in the pay period that included 2/15/2020

Provide documents on FTE such as offers to rehire/rejected offers, payroll ledgers
Application Completed – Save or Submit

You have 10 months from the end of your PPP loan term (either 8-week or 24-week term) to submit your completed application for forgiveness. For example:
• If your loan funded May 1, 2020 and you opt for 8-week term, your term ends 6/25/2020 and you have 10 months from this date to apply for forgiveness (4/25/2021)
• If your loan funded June 6, 2020 you have a 24-week term, your term ends 11/20/2020 and you have 10 months from this date to apply for forgiveness (9/20/2021)

You can check the status of your application at any time using your application link and viewing the progress bar. If you need a new link, please email us at prestamosinfo@cplc.org.

Once you have completed your forgiveness application and uploaded all your documents, you can Save & Close and come back to submit at a later date, or you can Submit your application to be reviewed. We then have 60 days to review your application and make a determination and notify you. During the review process we may ask for additional information or clarification on items you have submitted. Please be responsive if we do reach out for requests for additional information.
Notes on Forgiveness

• If you have additional questions on the loan forgiveness process, please attend one of our live Q&A sessions so that you can get your questions answered in real time. You can sign up for a session here: www.prestamosloans.org/events