



PAYCHECK PROTECTION PROGRAM

CAN MY LOAN BE FORGIVEN?

Borrowers are eligible to apply for loan forgiveness.

How much will be forgiven?

The amount of loan forgiveness is determined by and is subject to the sole approval of the SBA. The information below may be updated as the SBA provides additional guidance, and is subject to change.

A borrower may be eligible for forgiveness of the full principal amount of the loan and any accrued interest if all the proceeds are used for the purposes described below during the 8- or 24-week period beginning on the date of loan origination:

- Payroll costs (using the same definition of payroll costs used to determine loan eligibility), including costs related to the continuation of group health care benefits during periods of paid sick leave, medical, or family leave, and insurance costs
- Qualified non-payroll costs:
 - Mortgage interest payments on debt obligations incurred before February 15, 2020
 - Rent payments on leases dated before February 15, 2020
 - Utility payments (i.e. electricity, gas, water, telephone, internet) under service agreements dated before February 15, 2020

How could forgiveness be reduced?

- Employee and compensation levels must be maintained. The amount of loan forgiveness will be reduced if there is a reduction in the number of employees or if salaries and wages decrease.
- At least 60% of the PPP loan proceeds shall be used for payroll costs; not more than 40% of the loan forgiveness amount may be attributable to non-payroll costs.
- If PPP loan funds are used for unauthorized purposes, SBA will direct you to repay those amounts. If you knowingly use the funds for unauthorized purposes, you will be subject to additional liability such as charges for fraud. In addition, SBA will have recourse against any shareholders, members or partners if they use PPP funds for unauthorized purposes.

What if I've already reduced employees and/or compensation?

Forgiveness is based on the employer maintaining **or quickly rehiring** employees and maintaining compensation levels.

What records should I plan to provide when requesting loan forgiveness?

We recommend keeping an accurate record of employee payroll costs and how you're spending the funds from your loan. Stay organized and track spending on things like employee benefits and health care premiums. You'll need to be prepared to prove how you've spent your loan proceeds. We encourage you to open a separate Business Checking Account to help keep track of all expenditures related to your PPP loan.

For more information, click here to be directed to our PPP loan forgiveness resources web page.

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Paycheck Protection Program
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