

July 2, 2020

This message is to inform our Paycheck Protection Program (PPP) Borrowers of new forgiveness guidance released by the Department of Treasury and the Small Business Association (SBA). This new guidance changes and replaces some key information provided to you in our last message.

On June 22, 2020, SBA and Treasury released a new [Interim Final Rule](#) on PPP Forgiveness, including important changes to previous guidance. Please be aware of the following changes:

Borrowers may submit a loan forgiveness application any time on or before the maturity date of the loan - including before the end of the covered period - provided they have used all of the loan proceeds for which they are requesting forgiveness.

Borrowers who received their loans prior to June 5 are still strongly encouraged to utilize the extended 24 week covered period for forgiveness. Although Borrowers who received their loans after June 5 MUST utilize the 24 week covered period, they are not required to wait until the end of their covered period to apply for forgiveness. Although Borrowers who received their loans prior to June 5 MAY CHOOSE TO utilize their original 8 week covered period, they are not required to wait until the end of their covered period to apply for forgiveness.

Owner-employees and self-employed who received loans prior to 6/5 are eligible to receive more forgiveness using the 24 week covered period instead of the 8 week covered period.

For owner-employee and self-employed Borrowers who received a PPP loan before June 5, 2020 and elect to utilize the 8 week covered period, the amount of loan forgiveness requested for individuals' payroll compensation is capped at 8 weeks' worth (8/52) of 2019 compensation or \$15,385 per individual, whichever is less, in total across all businesses. For all other borrowers, the amount of loan forgiveness requested for owner-employees and self-employed individuals' payroll compensation is capped at 2.5 months' worth (2.5/12) of 2019 compensation or \$20,833 per individual, whichever is less, in total across all businesses.

To help our Borrowers determine whether they may apply with the EZ form, we provide this simple [questionnaire](#) on our [PPP Resource Center](#). Forgiveness application forms and instructions are published [HERE](#).

NSB is accepting forgiveness applications but is currently unable to process them. At this time the SBA has not yet implemented a forgiveness application processing system or provided lender instructions for submitting forgiveness applications.

We appreciate you choosing NSB for your banking needs.

Sincerely,

The NSB Commercial Banking Team

