
The Paycheck Protection Program: Additional Loan Forgiveness Guidance

Date: 08/12/20

On August 4, 2020, the Treasury Department and the Small Business Administration (the “SBA”) released their latest installment of Frequently Asked Questions on Paycheck Protection Program Loan Forgiveness (“FAQs”). The FAQs clarify some of the previously released guidance but still leave some questions unanswered. The FAQs elaborate on how to calculate payroll costs, non-payroll costs, and loan forgiveness reductions. The FAQs provide helpful examples, including how to determine the covered period or alternative covered period, how to calculate payroll costs for partial pay periods, how to determine which payroll and non-payroll costs are eligible for forgiveness, how to determine the owner compensation that is eligible for loan forgiveness, and how to determine whether and how to calculate the reduction in the loan forgiveness amount arising from reductions in employee salary or hourly wages. Below we highlight the more salient points covered by the FAQs. For a full overview of the Paycheck Protection Program, see our memorandum “The Paycheck Protection Program: Where the Program Stands Now” found [here](#).

Attorney

- Helene R. Banks