

NIESAR & VESTAL LLP

Law Alert

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SBA and Treasury Released Interim Final Rules on Loan Forgiveness and Review Procedures

On May 22, 2020, the Small Business Administration (SBA) and the Department of the Treasury published its Paycheck Protection Program (PPP) Loan Forgiveness Rules and Loan Review Procedures and Related Borrower and Lender Responsibilities. The new rules are primarily in question and answer format.

The first set of rules provides useful clarification regarding the requirements for properly completing the [PPP Loan Forgiveness Application](#). The rules provide borrowers and lenders further guidance regarding (1) the loan forgiveness process, (2) the payroll costs eligible for loan forgiveness, (3) the nonpayroll costs eligible for loan forgiveness, (4) the reductions to loan forgiveness amount and (5) the documentation requirements. The rules are effective immediately, but subject to a 30-day comment period. Therefore, they could be subject to further changes to address issues raised by the public comments.

The second set of rules provides further information regarding (1) the SBA review of individual PPP loans, (2) the loan forgiveness process for lenders, and (3) the lender fees.

The rules indicate that SBA may provide further guidance, if needed, through SBA notices that will be posted on SBA's website at www.sba.gov.

If you have any questions regarding the Loan Forgiveness Application or any of the above-mentioned rules, please feel free to contact Gerald Niesar (gniesar@nvlawllp.com), Oscar Escobar (oescobar@nvlawllp.com) or Carolina Aricu (caricu@nvlawllp.com).

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