

# Paycheck Protection Program (PPP) - Key Updates on Loan Forgiveness Filings

August 19, 2021



## Filing for PPP-1 Loan Forgiveness

Many Borrowers who took out their first draw PPP loans in April 2020 and May 2020, but have not yet filed for forgiveness, have likely been contacted by their bank regarding the due date of the loan forgiveness application. A PPP borrower typically has until 10 months after the end of its Covered Period (which lasted up to 24 weeks after the date that the loan was funded) to file for forgiveness before the Borrower is required to begin making payments on the loan.

For example, a Borrower with a PPP loan funded on May 5, 2020, will have a 24-week Covered Period end date of October 19, 2020. If the Borrower has not filed for forgiveness within 10 months of this end date (August 19, 2021), the bank will require repayment of the loan to commence. It is important to note that a Borrower does not lose the ability to achieve full forgiveness if they apply after this deadline. Borrowers can apply for forgiveness up until the maturity date of the loan. Many Borrowers who filed for a PPP Loan prior to June 5, 2020 will typically have only a two-year term on their loan. The loan term is not relevant for a Borrower who

applies for, and receives, full forgiveness on the loan. For a Borrower who did not, or will not, receive full forgiveness and requires additional time to repay their Loan, the Borrower can contact their bank and request an extension of the loan term to up to 5 years – the bank would have to agree to this extension.

## **Filing for PPP-2 Loan Forgiveness**

As of the date of this Alert, most lenders have not yet started accepting loan forgiveness applications for the second round of PPP Loans that were distributed in 2021.

## **SBA's PPP Direct Forgiveness Portal**

On July 28, 2021, the Small Business Administration (SBA) announced that it will be launching a streamlined application portal to allow borrowers with PPP loans of \$150,000 or less through participating lenders to apply for forgiveness directly through the [SBA](#).

- If your Lender is participating in this program, Borrowers can login at the following SBA url:  
<https://directforgiveness.sba.gov/requests/borrower/login/?next=/>
- A list of lenders that are participating in direct forgiveness for their PPP loans (updated as of August 11, 2021) can be found at the following url:  
<https://www.sba.gov/document/support-ppp-lenders-participating-direct-forgiveness>
- The SBA provided the following phone number for borrowers in need of assistance:  
877-552-2692

Many of the large banks (Chase, Citi, Bank of America, etc.) are currently not included on this list. If your bank is not included in the list of participating lenders, forgiveness will continue to be applied directly with your bank.

[Greg Wank](#), [Anthony Bracco](#) and [David Beckman](#) continue to monitor ongoing updates to the PPP Program. To better understand how the changes impact your unique situation, please contact your Anchin Relationship Partner or our Anchin

COVID-19 Resource Team at [COVID19@anchin.com](mailto:COVID19@anchin.com).

*Disclaimer: Please note this is based on the information that is currently available and is subject to change.*