

COVID-19 UPDATE

Resources to Help Manage Coronavirus in the Workplace



SBA Simplifies PPP Loan Forgiveness With New Direct Portal

The Small Business Administration (SBA) recently [announced](#) the opening of the [Paycheck Protection Program \(PPP\) Direct Forgiveness Portal](#), which is intended to simplify applications for loan forgiveness for the smallest PPP borrowers.

The PPP, which was created in March 2020 by the \$2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act, provided forgivable loans to recipients that used the funds to retain workers and on other allowable expenses. The program provided around \$800 billion in aid to small businesses.

This Direct Forgiveness Portal will allow borrowers with loans of \$150,000 or less through participating lenders to apply for forgiveness directly through the SBA by submitting a simple prefilled application rather than applying for forgiveness through their lender. According to the SBA, over 6.5 million businesses have outstanding loans of \$150,000 or less, accounting for the vast majority of all outstanding loans.

However, before borrowers are eligible to use the platform, their lenders will need to opt in to direct forgiveness. According to the SBA, over 600 banks have already opted in to direct forgiveness at the time of writing. That means that, thus far, roughly 2 million borrowers will be eligible to apply through the portal, representing 30% of loans of \$150,000 or less that have not yet been submitted for forgiveness.

EMPLOYER TAKEAWAY

The new forgiveness platform will begin accepting applications from borrowers on August 4, 2021. Before applying for direct forgiveness, borrowers should ensure that their lender has opted in to direct forgiveness. Eligible borrowers will receive an email from the SBA with a link to the online portal. The PPP Direct Forgiveness Portal can also be accessed directly [here](#).

To learn more about how to use the PPP's Direct Forgiveness Portal, the SBA offers [this guide](#) as a resource. In addition, the SBA offers a PPP customer service team to answer questions and directly assist borrowers with their forgiveness applications. Borrowers that need assistance or have questions may also call 877-552-2692. For specific information about your organization's loan, please contact your lender.

For more resources on how your organization can respond to the COVID-19 pandemic, contact VCG Consultants.

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