



SBA Paycheck Protection Program Loan Forgiveness Information

Dear PPP Recipient:

Thank you for choosing Liberty National Bank as your lender for your Paycheck Protection Program (PPP) loan. As the time for PPP loan forgiveness draws near, we wanted to share with you some important information regarding the requirements and process surrounding forgiveness.

Most recently, the following changes have been implemented as a result of the PPP Flexibility Act, which affect your loan:

- The initial 8-week covered period has been extended to 24 weeks to allow borrowers more time to achieve full forgiveness. For borrowers whose loans funded before June 5th, 2020, the 24-week period is optional, and the 8-week period can still be used.
- The payroll cost threshold has been reduced from 75% to 60% to allow borrowers a better opportunity to achieve full forgiveness.
- There is a new EZ loan forgiveness application available for usage. This simplified form 3508EZ is available for those that qualify.

Unfortunately, we are not currently accepting forgiveness applications. This is because the Small Business Administration (SBA) has not yet provided guidance to Financial Institutions regarding how to manage the forgiveness process. As such, we are simply unable to process forgiveness applications. As soon as we receive the necessary guidance, we will contact you with additional instructions. Please know that once we are able to accept forgiveness applications, we have up to 60 days to review and submit to the SBA. Moreover, the SBA will then have an additional 90 days review and issue forgiveness of your loan.

For now, we encourage you to be patient while we await further guidance from the SBA. In the meantime, please visit the US Treasury website (<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>) for all current guidance relating to the PPP program, including the forgiveness application and EZ forgiveness application. Additionally, we encourage you to use this time to consult with your tax, legal and accounting advisors and compile your necessary documentation for full forgiveness

If you have any questions, please do not hesitate to contact your Loan Officer.

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