

SBA Issues New FAQs on PPP Loan Forgiveness

Yesterday the Small Business Administration issued [new FAQs on Paycheck Protection Program forgiveness](#) issues for borrowers. The FAQs provide key insights on potentially eligible payroll and non-payroll costs and on potential reductions to forgivable expenses.

Among other things, the FAQs clarify that:

- Forgivable transportation costs are limited to transportation utility fees assessed by state and local governments; and
- Reductions in pay outside of salary or wages (e.g., commissions) do not result in pay-level reductions under the statute and do not affect overall forgiveness of the loan.

This latest FAQs supplement an [SBA notice](#) outlining [the process](#) by which PPP lenders must review loan forgiveness applications, noting that lenders may begin submitting loan forgiveness decisions to SBA on August 10. Dealerships with PPP loans should review both the FAQs and the SBA notice with their lenders and, as necessary, with outside advisors such as CPAs and attorneys.

Note: additional PPP loan forgiveness information is available from [NADA's Coronavirus Hub](#), including [Guidance on the Use and Forgiveness of PPP Loan Proceeds](#), a recent [webinar](#) and [CARES Act FAQs](#).