

PAYCHECK PROTECTION PROGRAM FORGIVENESS FAQ

NOTE: THESE FAQs ARE INTENDED FOR PPP BORROWERS WITH A FIRST DRAW LOAN OF \$150,000 OR LESS.

1. HOW DO I APPLY FOR FORGIVENESS?

- All forgiveness applications will need to be submitted via our online forgiveness application portal.
- We will notify PPP borrowers via email when the forgiveness portal is available.

2. WHAT'S THE DEADLINE FOR REQUESTING FORGIVENESS?

You may submit a loan forgiveness application any time on or before the maturity date of the loan. However, if you do not apply for forgiveness within 10 months plus 24 weeks after your loan proceeds were disbursed, loan payments are no longer deferred, and you must begin paying principal and interest in monthly installments to fully repay the balance by the maturity date. Based on that timeline and when PPP loans were made in 2020, the earliest that the deferment period will end for any customer is July 2021. **Note: The maturity date of your loan will not be extended, which will give you less time to repay your loan if you do not receive 100% forgiveness.**

3. WHICH SBA FORM SHOULD I USE TO APPLY FOR FORGIVENESS?

You may use the “**simplified**” 3508S forgiveness form if your loan is \$150,000 or less.

4. WHEN CAN I APPLY FOR LOAN FORGIVENESS?

We expect to start accepting forgiveness applications soon for first draw PPP loans of \$150,000 or less. We will notify PPP borrowers via email when the forgiveness portal is available.

5. WHAT SHOULD I DO TO PREPARE FOR LOAN FORGIVENESS?

- Review FHB's **Readiness Guide for Form 3508S**.
- Plan ahead with your CPA, bookkeeper, or accounting department.
- Maintain digital copies of all forgivable payments.
- Regularly check **SBA.gov**, **Treasury.gov**, and **FHB** for the latest information.

6. WHAT PAYROLL COSTS COUNT TOWARDS LOAN FORGIVENESS?

Please review the “Amount of Loan Spent on Payroll Costs” section on Page 2 of the instructions for Form 3508S.

7. WHAT NONPAYROLL COSTS COUNT TOWARDS FORGIVENESS?

Please review the “Nonpayroll Costs” section on Pages 2 and 3 of the instructions for Form 3508S.

8. WHAT IS THE ‘COVERED PERIOD’?

The Covered Period is the time frame for you to pay or incur eligible costs that you want to have forgiven. For more information, please review the “Covered Period” section on Page 1 of the instructions for Form 3508S.

9. WHEN WILL MY PPP LOAN START TO ACCRUE INTEREST?

Your PPP loan will start to accrue interest on the day the proceeds are disbursed. If you apply for and receive forgiveness for your PPP loan amount, you will not be responsible for accrued interest on the amount forgiven.

10. CAN I REQUEST FORGIVENESS IF I DID NOT USE ALL OF THE FUNDS WITHIN THE COVERED PERIOD?

Yes, but you may not receive full forgiveness on the PPP loan. Any portion of the loan that is not forgiven must be repaid on or before the maturity date of the loan.

11. WHAT HAPPENS IF I DO NOT MEET THE REQUIREMENTS FOR LOAN FORGIVENESS?

You must repay the principal and interest amount of the unforgiven portion of the loan in accordance with the terms of the loan.

12. CAN I GIVE BACK THE LOAN IF I NO LONGER NEED IT?

Yes. There is no prepayment penalty. However, you will owe accrued interest.