

PAYCHECK PROTECTION PROGRAM FORGIVENESS FAQ

NOTE #1: THESE FAQs ARE INTENDED FOR PPP BORROWERS WITH A FIRST OR SECOND DRAW LOAN OF \$150,000 OR LESS.

NOTE #2: This information is current as of 11/16/2021 and is subject to change based on additional guidance from the U.S. Small Business Administration (SBA).

NOTE #3: This information is provided for your convenience and is not a substitute for reviewing the SBA's requirements and consulting with your accountant, attorney, or other trusted professional. You are responsible for understanding the requirements of the Paycheck Protection Program (PPP) and how they apply to your PPP loan.

1. HOW DO I APPLY FOR FORGIVENESS?

- All forgiveness applications will need to be submitted via our online forgiveness application portal.
- You should have received an e-mail from us inviting you to apply for forgiveness. If you did not receive that e-mail for your PPP loan of \$150,000 or less, please contact us at PPPForgiveness@fhb.com immediately.

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. **Note: The forgiveness process does not change the maturity date of your loan, so the longer you wait to apply for forgiveness, the less time you will have 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 are currently accepting forgiveness applications for all PPP loans of \$150,000 or less. You should have received an e-mail from us inviting you to apply for forgiveness. If you did not receive that e-mail for your PPP loan of \$150,000 or less, please contact us at PPPForgiveness@fhb.com immediately. We encourage you to apply for forgiveness as soon as you are in a position to do so.

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](https://www.sba.gov), [Treasury.gov](https://www.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 started to accrue interest on the day the proceeds were disbursed. If you apply for and receive forgiveness from the SBA, you will no longer have any obligation to pay the 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 in accordance with the terms of the loan.

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

If all or a portion of the debt is not forgiven, you must pay the balance in monthly installments before the maturity date (with interest accruing at 1.0% from disbursement of the loan through the repayment date). Please see your note for the maturity date. However, if your loan received its SBA Number on or after June 5, 2020, the term of your loan is five years due to changes made by the Paycheck Protection Program Flexibility Act of 2020 (the Flexibility Act). You were sent a Notice of Changes explaining the impact of the Flexibility Act.

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.

