Frequently Asked Questions - Form 3508EZ

1. Which form should I use to complete my application?
   a. Click CHECK YOUR EZ FORM ELIGIBILITY at the top of the page when you open your application.
   b. Review the eligibility questions — If you can answer yes, to any of the questions, check the box
      next to the applicable ones and then click START THE EZ FORM at the bottom of the page.
   c. You will be returned to the original page and the system will automatically toggle your
      application to enable the 3508EZ Form.

2. What do I do if I entered my password incorrectly, and I am locked out of the system?
   Please email PPPLoans@AllegianceBank.com or contact your Banker for assistance.

3. Can I submit my forgiveness application ahead of the end of the 24-week covered period?
   A borrower may submit a loan forgiveness application any time before the end of the covered period
   if the borrower has used all of the loans proceeds for which the borrower is requesting forgiveness.

4. The form defaults to a 24-week period when I select this reporting period, but I am applying for a
   shorter period. How will you know the period for which I am applying?
   Although the form defaults to a 24-week period, we will be able to recognize the covered period
   based on the date of the payroll period you’ve submitted.

5. One of the auto-populated grey fields on my forgiveness application is incorrect?
   Please email PPPLoans@AllegianceBank.com or contact your Banker for assistance.

6. Employment Information – Can you clarify for what period they are requesting this information?
   The number of employees at the time of the forgiveness application is the number of employees
   through your covered period. If you checked 24-weeks as your covered period, but are applying for a
   shorter period, you will use the number of employees you had on the last day of your covered period.

7. Do I need to complete all categories on the application?
   No, you can submit for only cash compensation if you have utilized the funds. You only need to
   complete the sections of the application, which you are applying for forgiveness.

8. Do I need to prorate my initial reporting period?
   a. Your coverage period begins on the date you received the disbursement of your loan proceeds.
      If your payroll is weekly or biweekly, you can use the alternative payroll covered period and
      submit for the first payroll period following disbursement.
   b. Payroll costs incurred or paid during the covered period are eligible for forgiveness.
   c. Payroll costs incurred during the borrower’s last pay period of the covered period, or alternative
      payroll covered period, are eligible for forgiveness if paid on or before the next regular payroll.
9. Can I submit payroll expense paid outside the covered period for payroll expense incurred during the covered period?

Payroll costs incurred during the borrower’s last pay period of the covered period or the alternative payroll covered period are eligible for forgiveness if paid on or before the next regular payroll date. Otherwise, payroll costs must be paid during the covered period (or alternative payroll covered period) to be eligible for forgiveness. Payroll costs are generally incurred on the day the employee’s pay is earned (i.e., on the day the employee worked).

10. If my covered period consists of a period of weeks less than 24-weeks, what is the amount of payroll that can be attributed to any employee?

a. Total annual compensation cannot exceed $100,000 for any employee
b. Depending on the length of the covered period, Schedule A takes the payroll cap grid below into consideration:

<table>
<thead>
<tr>
<th>Covered Period</th>
<th>Payroll Cap</th>
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<tbody>
<tr>
<td>8 weeks</td>
<td>$15,385</td>
</tr>
<tr>
<td>9 weeks</td>
<td>$17,307</td>
</tr>
<tr>
<td>10 weeks</td>
<td>$19,230</td>
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<tr>
<td>11 weeks</td>
<td>$21,153</td>
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<td>12 weeks</td>
<td>$23,077</td>
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<td>$44,230</td>
</tr>
<tr>
<td>24 weeks</td>
<td>$46,154</td>
</tr>
</tbody>
</table>

11. Are there caps on the amount of forgiveness available for owner-employees and self-employed individuals’ payroll compensation?

Yes, they are capped at an annual equivalent of $100,000 including retirement and health insurance contributions based on the coverage period.

1. 8 weeks - $15,385
2. 9 weeks - $17,307
3. 10 weeks thru 24 weeks - $20,833

12. Why are we unable to input the owner’s compensation for 2020?

a. You will need to ensure the 2019 salary has been entered, which needs to be $100,000 or greater to receive the capped amount for the reporting period.
b. If the 2019 wages is less than $100,000 you will enter 2020 wages using the formula (# of week in your coverage period/52*2019 salary).
c. Owner’s Compensation included health insurance and retirement contributions

13. Are salary, wages or commission payments to furloughed employees, bonuses, or hazard pay eligible for loan forgiveness during the covered period?

Yes, these are included if paid and incurred during the covered period or alternative covered period.

14. What is included in gross wages?

Payroll cost include all forms of cash compensation paid to employees including tips, commissions, bonuses, and hazard pay. Note that the forgivable cash compensation per employee is limited to the $100,000 on an annualized basis (see the table above).

15. What can be included in health insurance and retirement?

Employee portion ONLY of group health care benefits and retirement are eligible.
16. **When must non-payroll costs be incurred and/or paid to be eligible for forgiveness?**
   A non-payroll cost is eligible for forgiveness if it was:
   i. paid during the covered period; **OR**
   ii. incurred during the covered period and paid on or before the next regular billing date, even if the billing date is after the covered period. You must also submit documentation to support the date paid.

17. **What are covered utilities?**
   Covered utilities include payments for electricity, gas, water, telephone, transportation, and internet (BUSINESS UTILITIES ONLY).

18. **What documents do I need to submit with my application?**
   Please see the 3508EZ Required Document Checklist available to you on our website at: [AllegianceBank.com/PPP-Forgiveness](http://AllegianceBank.com/PPP-Forgiveness)

19. **Are there additional instructions provided within the application?**
   Helpful tips - 🎓 For more information about any field in the application, select the tooltip icon by clicking directly on the question mark beside the corresponding field.

20. **Is there a way to print my application prior to submitting?**
   Yes, you can “right click” or “Ctrl P” or you can click the “Download PDF” next to the submit button to save a version on your computer.

21. **Will I receive a status update on my application?**
   a. Once you have submitted your application, you will receive an email verification within 1 business day from PPPLoans@AllegianceBank.com stating your application is under review.
   b. Your application and documentation will be reviewed and you will be contacted if any additional information or documentation is required to process your application.

22. **What are the next steps?**
   a. Once your application has been decisioned, your banker will notify you of Bank preliminary approval (SBA provides final approval).
   b. You will receive a DocuSign email from your banker to electronically sign your forgiveness application.
   c. Your application will be submitted to the SBA for final approval. The SBA has 90 days to approve and remit funds to the Bank for your loan forgiveness. Your banker will notify you once we receive final approval from the SBA and will provide you with your paid promissory note.

23. **If I submit a timely loan forgiveness application and I am awaiting the final decision from the SBA will I need to make payments on my loan?**
   As long as you have submitted your loan forgiveness application within ten months of the completion of the Covered Period, you will not be required to make any payments until the forgiveness amount if remitted to the lender by SBA. For more details, please see the SBA PPP Forgiveness FAQ on our website at: [AllegianceBank.com/PPP-Forgiveness](http://AllegianceBank.com/PPP-Forgiveness)