



Frequently Asked Questions - Form 3508EZ

These FAQs are being provided only for your convenience in the hope that they may assist you in the submission of your Form 3508EZ. The FAQs were created based on guidance from the SBA in effect at the time of their creation. Allegiance Bank undertakes no obligation to update these FAQs should conflicting or additional guidance from the SBA be made available. Allegiance Bank does not guarantee nor provide any warranty that the FAQs address your particular situation or information that is required by the Form 3508EZ. Allegiance Bank recommends that you confirm the information covered by the FAQs by reviewing the information at [the SBA portal]. BY USING THE FAQs, YOU AGREE TO HOLD ALLEGIANCE BANK HARMLESS FROM ANY AND ALL DAMAGES OR CLAIMS THAT COULD RESULT FROM SUCH USE.

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 toggle the radio button on the application for the Form 3508EZ.

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. If the borrower has reduced salaries or wages in excess of 25 percent, the borrower must account for the excess salary reduction for the 8-week or 24-week covered period.

4. What coverage period should I use with my forgiveness application?

The SBA allows you to select a coverage period between 8 and 24 weeks. If you do not apply on or prior to the end of the 10-month period, your monthly payments will automatically begin, and the responsibility for the repayment of the balance of your PPP loan will revert to you. Allegiance Bank must receive your application 60 days prior to this dated to allow for our review.

5. One of the auto-populated grey fields on my forgiveness application is incorrect or missing?

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:

8 weeks \$15,385	9 weeks \$17,307	10 weeks \$19,230	11 weeks \$21,153	12 weeks \$23,077	13 weeks \$25,000
14 weeks \$26,923	15 weeks \$28,846	16 weeks \$30,769	17 weeks \$32,692	18 weeks \$34,615	19 weeks \$36,538
20 weeks \$38,461	21 weeks \$40,384	22 weeks \$42,307	23 weeks \$44,230	24 weeks \$46,154	

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 (2.5/12*2019 wages). This is an automatic formula based on the wages submitted.

12. Do we include all owners regardless of the percentage of ownership?

You will only include owners who have 5% or greater percentage of ownership.

13. 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 and the “forgivable amount” will be calculated automatically.
- c. Owner’s Compensation includes health insurance and retirement contributions

14. 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.

15. 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).

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

Employer portion ONLY of group health care benefits and retirement are eligible.

17. 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.

18. What are covered utilities?

Covered utilities include payments for electricity, gas, water, telephone, transportation, and internet (Business Utilities ONLY). Lawn maintenance, sewage, cloud storage, cleaning, pest control, and trash are not considered utilities. Transportation cost does not include maintenance/repairs or shipping.


19. What documents do I need to submit with my application?

Please use our *3508EZ Required Document Checklist* available to you by visiting AllegianceBank.com/PPP-Forgiveness.

20. What are the required documents that I must submit with my application to verify 25% revenue reduction to validate my eligibility for my Second Draw PPP loan?

Please use our Second Draw Revenue Reduction FAQ available to you by visiting AllegianceBank.com/PPP-Forgiveness, to verify required documents based on your entity type. Please upload these documents at the bottom of the application under “Documents.”

21. 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.

22. I tried to submit my application but it did not give me a message that it was complete?

Please verify all required questions designated by an asterisk are complete. Located just above the “Submit” button, ensure you have selected an authorized representative of your company who can sign the DocuSign.

23. 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.

24. 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.

25. What are the next steps?

- a. Once your application has been decided, an Allegiance Banker will notify you of Bank preliminary approval (SBA provides final approval).
- b. You will receive a DocuSign email from an Allegiance 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. An Allegiance Banker will notify you once we receive final approval from the SBA and will provide you with your paid promissory note.

26. 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 you 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 is remitted to the lender by SBA. For more details, please see the SBA PPP Forgiveness FAQ available to you on our [website](#).