

Did you see it? The Small Business Administration (SBA) and the Treasury Department (Treasury) have announced a **[simpler forgiveness application \(Form 3508S and Instructions\) for Paycheck Protection Program \(PPP\) loans of \\$50,000 or less](#)**. [Loan forgiveness](#) effectively turns a PPP loan into a grant. Importantly, dealer-borrowers eligible to use Form 3508S are *not* subject to a reduction in forgiveness based on a reduction in the number of full-time employees or a reduction in employee salaries and wages. However, they must still make required certifications and document that PPP loan proceeds were spent on appropriate payroll and nonpayroll costs. Note: a dealer-borrower with a PPP loan of \$50,000 or less may *not* use SBA Form 3508S if, together with its affiliates, it received PPP loans totaling in excess of \$2 million. For more information on affiliation issues, see [NADA's affiliation guide](#) and [related FAQs](#). Before applying for PPP loan forgiveness using Form 3508S, dealers should consult with their PPP lender and their CPA. Questions regarding the SBA/Treasury announcement can be directed to [regulatoryaffairs@NADA.org](mailto:regulatoryaffairs@NADA.org).