



## New Guidance on PPP Loan Good Faith Certification

Following up on our email to you yesterday about the [May 14, 2020, deadline for returning PPP loan funds](#), we have learned of new safe harbor guidance from the SBA regarding loans of less than \$2 million. This guidance may help you decide whether or not to keep your loan funds or return them tomorrow.

A FAQ updated May 13, 2020, #46, includes a safe harbor for the certification that the "current economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant." This safe harbor applies to any borrower, together with its affiliates, that received PPP loans with an original principal amount of less than \$2 million. According to the SBA, the borrower under this safe harbor "will be deemed to have made the required certification concerning the necessity of the loan request in good faith."

With most borrowers under the \$2 million threshold, this certainly clears up the confusion with regard to this good faith certification requirement. Nevertheless, it is still worthwhile to thoroughly document why you requested the PPP funds, as we outlined in the email yesterday, to support your loan forgiveness application.

As the SBA stated in previous guidance, loans greater than \$2 million will be the focus of "review by SBA for compliance with program requirements."

If you have any questions about your individual approach to this guidance, we are here to help.

## [ASK Sykes](#)

To see the full SBA answer, view the SBA Interim Final Rules, Question #46.

## [PPP Loans Frequently Asked Questions #46](#)

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