



Paycheck Protection Program Forgiveness Application Options

The Small Business Administration (SBA) offers three different applications for Paycheck Protection Program (PPP) Forgiveness:

Form	Description
3508	Longest application, includes PPP Loan Calculation Form and PPP Schedule A Worksheet which is used to calculate forgiveness reduction due to full-time equivalent (FTE) and salary/wage reductions
3508EZ	Shorter application, includes only PPP Loan Calculation Form as borrowers do not have to complete the detailed PPP Schedule A Worksheet
3508S	Shortest form, least amount of supporting document requirements

To help determine which form is best suited for your situation, please refer to the respective sections below containing more information on each form and eligibility.

1. Borrowers with loans equal to or less than \$150,000 should use Form 3508S for the most streamlined forgiveness experience.
2. If your loan exceeds \$150,000, determine if you are eligible for Form 3508EZ. If you are eligible, use Form 3508EZ to apply for Forgiveness.
3. If you are not eligible for Form 3508EZ or Form 3508S, please use Form 3508 to apply for Forgiveness.

Form 3508S

- For more information about the SBA's affiliation rules and the exemption of otherwise qualified faith-based organizations from SBA's affiliation rules, refer to [85 FR 20817](#).
- Supporting documentation is not required for Form 3508S *except* for Second Draw loans where 25% revenue reduction support was not provided at application
 - Types of revenue reduction support:
 - Quarterly financial statements
 - If financial statement is not audited, borrower must sign and date the first page of the financial statement and initial all other pages as an attestation to accuracy
 - Quarterly or monthly bank statements showing deposits from the relevant quarters
 - Annual IRS income tax filings
 - For further details related to 25% revenue deduction, refer to the [SBA's Frequently Asked Questions for Second Draw Loans](#)
- For further details related to Form 3508S, please refer to the [SBA's instructions for Form 3508S](#).

Form 3508EZ

There are two different eligibility options for Form 3508EZ. Borrowers must meet all eligibility criteria for the applicable option. If none of the options apply, borrowers must complete Form 3508 which includes Schedule A.

Option #1:

- Borrower did not reduce annual salary or hourly wages of any employee by more than 25% during

the Covered Period compared to the most recent full quarter before the Covered Period

- When determining Form 3508EZ eligibility, the borrower needs to consider only employees that earned compensation¹ of \$100,000 or less in 2019.
- For salaried employees, the Borrower did not reduce the number of salaried employees between January 1, 2020 and the end of the Covered Period
 - Borrower may exclude the following reductions:
 - Employees terminated for cause
 - Voluntary resignations
 - Positions where employees refused rehiring
 - Positions that could not be filled by similarly qualified applicants on or before December 31, 2020 (or end of Covered Period for loans made in 2021) if position was filled on February 15, 2020
- For hourly employees, the Borrower did not reduce the average paid hours of employees between January 1, 2020 and the end of the Covered Period
 - Borrower may exclude the following reductions in average paid hours due to:
 - Employees terminated for cause
 - Voluntary resignations or reductions in hours
 - Positions where employees refused rehiring
 - Positions that could not be filled by similarly qualified applicants on or before December 31, 2020 (or end of Covered Period for loans made in 2021) if position was filled on February 15, 2020

Option #2:

- Borrower did not reduce annual salary or hourly wages of any employee by more than 25% during the Covered Period compared to the most recent full quarter before the Covered Period
 - When determining Form 3508EZ eligibility, the borrower needs to consider only employees that earned compensation of \$100,000 or less in 2019.
- Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or end of Covered Period for loans made in 2021) related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19
 - Emergency Orders related to COVID-19 issued by the Hawaii Governor and City and County Mayors are included in this option

Borrowers who are eligible for Form 3508EZ are required to retain supporting documents for six years after the loan is forgiven or repaid in full. Borrowers must permit the SBA (or authorized representatives) to access files upon request.

Examples of supporting documents include but are not limited to:

- Payroll records that separately list each employee and amounts paid during the Covered Period and the Reference Period
- Employee job offers and refusals, refusals to accept restoration of reductions in hours, firings for cause, voluntary resignations, written requests for reductions in work schedule, and any inability to hire similar qualified employees for unfilled positions

¹ Compensation for 2019 is defined as salary, wages, tips, commission and bonuses per [SBA Forgiveness FAQs](#)

- Documents supporting that the borrower was unable to operate between February 15, 2020 and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with guidance related to the maintenance of standards of sanitation, social distancing, or other work or customer safety requirement related to COVID-19

For further details related to Form 3508EZ, please refer to the [SBA's instructions for Form 3508EZ](#).

Form 3508

Borrowers who do not qualify under any of the options for Form 3508EZ must complete Form 3508 to apply for loan forgiveness. Form 3508 includes Schedule A which is used to determine whether the loan forgiveness amount must be reduced due to a statutory requirement concerning reductions in employee salary and wages.

Hawaii National Bank's Forgiveness Portal offers a Schedule A Worksheet template to assist borrowers. For more information on Hawaii National Bank's Schedule A Worksheet template, refer to the Forgiveness Portal Guide available at <https://hawaiinational.bank/ppp>. Borrowers may also elect to use an alternative Schedule A Worksheet that meets the SBA's instructions. For more information on Schedule A Worksheet requirements, refer to the [SBA's instructions for Form 3508](#).