



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, however supporting document requirements are the same as Form 3508EZ

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. Determine if you are eligible for Form 3508EZ. If you are eligible, use Form 3508EZ to apply for Forgiveness.
2. If you are not eligible for Form 3508EZ, determine if you are eligible for Form 3508S. To qualify for Form 3508S, your total PPP loan amount (including loans made to affiliates) must be equal to or less than \$50,000. If you are eligible, use Form 3508S 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 3508EZ Eligibility

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

Option #1:

- Borrower is a self-employed individual, independent contractor, or sole proprietor
- No employee salaries were included in borrower's PPP Application Form

Option #2:

- Borrower did not reduce annual salary or hourly wages of any employee by more than 25% during the Covered Period (or Alternative Covered period if elected) compared to the Reference Period of January 1, 2020 to March 31, 2020
 - 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 (or Alternative Covered Period if elected).
 - Borrower may exclude the following reductions:
 - Employees terminated for cause

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

- Voluntary resignations
 - Positions where employees refused rehiring
 - Positions that could not filled by similarly qualified applicants on or before December 31, 2020 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 (or Alternative Covered Period if elected).
 - 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 filled by similarly qualified applicants on or before December 31, 2020 if position was filled on February 15, 2020

Option #3:

- Borrower did not reduce annual salary or hourly wages of any employee by more than 25% during the Covered Period (or Alternative Covered period if elected) compared to the Reference Period of January 1, 2020 to March 31, 2020
 - When determining Form 3508EZ eligibility, the borrower needs to consider only employees that earned compensation² 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 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

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 (or Alternative Covered Period if elected) and the Reference Period of January 1, 2020 to March 31, 2020
- Employee job offers and refusals, refusals to accept restoration of reductions in ours, firings for cause, voluntary resignations, written requests for reductions in work schedule, and any inability to hire similar qualified employees for unfilled positions on or before December 31, 2020
- 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](#).

² Compensation for 2019 is defined as salary, wages, tips, commission and bonuses per [SBA Forgiveness FAQs](#)

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](#).

Borrowers who qualify for Form 3508S are exempt from forgiveness reductions related to FTE or salaries and wages. The same FTE or salaries and wages reductions disqualify borrowers from using Form 3508EZ. If a borrower who is eligible for Form 3508S but uses Form 3508 instead, the same FTE and salaries and wages reductions may reduce their Forgiveness amount.

Form 3508S requires the same Payroll and Non-Payroll support documentation as Form 3508EZ and Form 3508. However, this form is shorter as it does not require borrowers to detail their PPP Forgiveness Calculation.

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

Form 3508

Borrowers who do not qualify under any of the three 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](#).