



PAYCHECK PROTECTION PROGRAM | STANDARD

# Your Guide to Applying for Loan Forgiveness



# We're here to help!

This How-To Apply Guide will take you through all the steps you need to take to apply for PPP Loan Forgiveness.

## What You Need to Know

### When to apply

Based on the rollout schedule, you will be "port enabled" and receive an email notification that you are able to apply for Forgiveness with a link to access the portal.

### Adding additional Users

If you need to add an additional person to assist in the completion of the Application, contact your Forgiveness Rep.

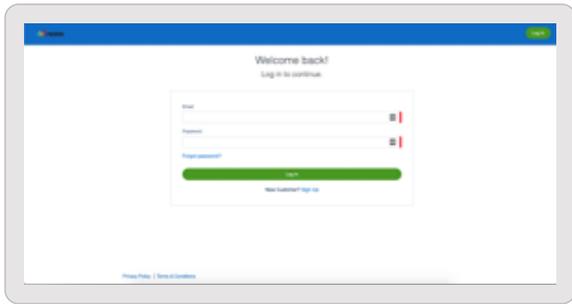
## Helpful Tips and Requirements

- The *Enter* and *Save* feature allows you to enter your information, save it and return later.
- If you're unable to advance screens when selecting *Next*, check for required fields.
- After entering data into a field, click *Tab* to advance off the last field entered.
- The portal works best when launched in a Google Chrome® browser.

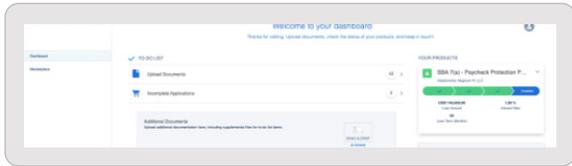
## Important Reminders

- There are two applications available: 3508 EZ and 3508.
- You will be routed to the appropriate application based on your answers to qualifying questions.
- Once you submit the application, you cannot go back in and edit until the Northern Bank Credit Analyst re-enables you.

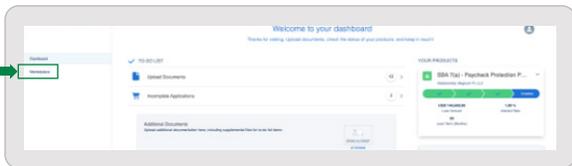
## Login and Dashboard



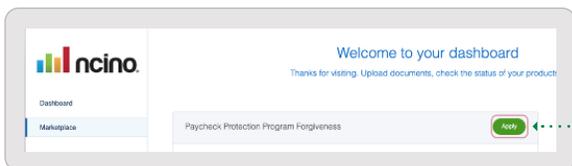
1 Login



2 You will be routed to the Dashboard

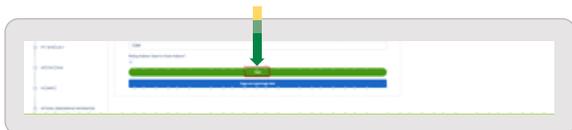
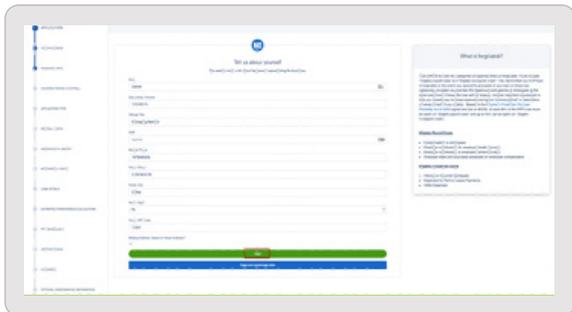
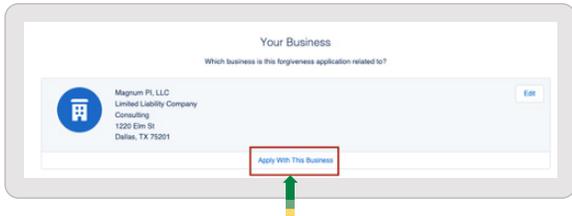
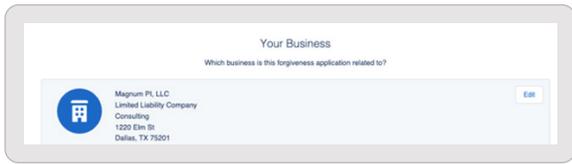


3 Select *Marketplace* from left side of Dashboard



4 Click *Apply*

## Review Business and Ownership Information and Confirm



1

Review the information displayed

**Note:** *If multiple entities are tied to you, all will be displayed*

2

Click *Apply with this Business*

3

Tell Us About Yourself — review information on business owner

4

Click *Next*

## Covered Period and Payroll Frequency

In this section, you'll be required to indicate the Covered Period or Alternative Covered Period and Payroll Frequency.

**Note:** The side panel will provide informational text to define terms.

1 Select either the 8-week or 24-week period:

IF...	THEN...
You received the PPP Loan <b>before</b> June 5th	You can elect to use 8 weeks or 24 weeks
You received the PPP Loan <b>after</b> June 5th	You must elect 24 weeks

2 Select their *Payroll Frequency*

## Alternative Covered Period

1 If you have a bi-weekly or more frequent period, you can elect to use the Alternative Covered Period, which starts the first day of the pay period following the Disbursement Date.

IF...	THEN...
You do not wish to use the Alternative Payroll Covered Period	Select <i>No</i>
You elect to use the Alternative Payroll Covered Period	Select <i>Yes</i> Enter the <i>Alternative Period Begin Date</i>

2 Click *Next*

## Application Types: Form 3508 or 3508EZ

In this section, it will be determined whether or not you are eligible to complete the EZ Form or the Standard Form.

### 1 Review the Qualification Questions

IF...	THEN...
You are a self-employed individual, independent contractor or sole proprietor who had no employees at the time of the Loan Application	Qualification Option 1 applies; select Yes
Qualification Option 1 doesn't apply	Select No
You did not reduce salary/wages of any employee by more than 25% and did not reduce the number of employees <i>Note: Ignore reductions in hours if you offered hours and employee refused</i>	Qualification Option 2 applies; select Yes
Qualification Option 2 doesn't apply	Select No
You did not reduce salary/wages of any employee by more than 25% and you were unable to operate during the Covered Period at the same level of business activity as before 2-15-2020	Qualification Option 3 applies; select Yes
Qualification Option 3 doesn't apply	Select No

### 2 If you do not qualify for the EZ Application, you will select No on all three (3) Qualification Options.

The SBA is offering the 3508EZ form if you meet specific criteria. Please review the guidance provided on this page and answer each question to determine if you are eligible to use the 3508EZ Form. Based on the latest guidance from the SBA, you only need to answer "Yes" to one of the qualification options.

**Qualification Option 1**  
The Borrower is a self-employed individual, independent contractor, or sole proprietor who had no employees at the time of the PPP loan application and did not include any employee salaries in the computation of average monthly payroll in the Borrower Application Form (SBA Form 2482).

Do you meet the criteria for Qualification Option 1 above?  
 Yes  No

**Qualification Option 2**  
The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined on Covered Payroll & Period screen) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, "employees" means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000); AND The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period. (Ignore reductions that arose from an inability to rehire individuals who were employees on February 15, 2020 if the Borrower was unable to hire similarly qualified employees for certified positions on or before December 31, 2020. Also ignore reductions in an employee's hours that the Borrower offered to restore and the employee refused. See 65 FR 33004, 33007 (June 1, 2000) for more details.

Do you meet the criteria for Qualification Option 2 above?  
 Yes  No

**Qualification Option 3**  
The Borrower did not reduce annual salary or hourly wages of any employee by more than 25 percent during the Covered Period or the Alternative Payroll Covered Period (as defined on Covered Payroll & Period screen) compared to the period between January 1, 2020 and March 31, 2020 (for purposes of this statement, "employees" means only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000); AND The 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 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

Do you meet the criteria for Qualification Option 3 above?  
 Yes  No

Next

### 4 Click Next

## Payroll Costs

In this section, we'll cover the process of entering in the Payroll related costs.

**Note:** All fields are required. Enter "0" (Zero) for anything not applicable.

### Eligible payroll costs

For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For an 8-week Covered Period, that total is \$15,385. For a 24-week Covered Period, that total is \$46,154.

Enter the total cash compensation for employees making less than \$100K. This will be (Box 1) from PPP Schedule A Worksheet, Table 1:

USD 285,000.00

Enter the total cash compensation for employees making greater than \$100K. This will be (Box 4) from PPP Schedule A Worksheet, Table 2:

USD 0.00

Enter the total amount paid or incurred for employer contributions for employee health insurance:

USD 5,000.00

Enter the total amount paid or incurred for employer contributions to employee retirement plans:

USD 0.00

Enter the total amount paid or incurred for employer state and local taxes assessed on employee compensation:

USD 10,000.00

### Compensation to Owners

For each owner (self-employed individual or general partner), the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For an 8-week Covered Period, that total is \$15,385. For a 24-week Covered Period, that total is \$20,833.

Compensation to Owners

USD 20,833.00

Number of Owners

1

- 1 Eligible Payroll Costs** — You should enter the following information based on the Covered Period or Alternative Covered Period:
  - Total Cash Compensation paid
  - Total Cash Compensation paid for employees earning greater than \$100,000
  - Total Amount Paid for Employee Health Insurance
  - Total Amount Paid for Employee Retirement Plans
  - Total Amount Paid for Employer State and Local Taxes
- 2 Compensation to Owners** — You should then enter the total compensation paid to any owners.

**Note:** The owner compensation is limited; refer to the text for information.
- 3 Number of Owners** — You should enter the total number of owners.
- 4** Click Next

## Headcount and Salary Information

In this step, you'll be prompted to enter information about employee headcount and salaries.

### Headcount and Salary Information

#### 1 Employees at Time of Loan Application

- If the Bank has the information on file from the Loan Application, the number will pre-fill.

If the Bank *does not* have the information, you should enter the Number of Employees at time of Loan Application

#### 2 Employees at Time of Forgiveness Application

You should enter the number of Employees at time of Forgiveness Application

### PPP Forgiveness Calculation Specific Headcount Details

You will be prompted to answer *Yes* or *No* in Step 1.

#### 1 Was there a reduction in the number of employees or average paid hours between January 1, 2020 and the end of the Covered Period?

IF...	THEN...
Yes	Select Yes <b>Note:</b> <i>FTE Reduction Safe Harbor Questions will display</i>
No	Select No

#### 2 Enter the average weekly number of FTE's during your chosen reference period

#### 3 Enter the average number FTEs during the chosen reference period

#### 4 Enter the average number of FTEs during the Covered Period or Alternative Payroll Covered Period with compensation <=\$100k

#### 5 Enter the average number of FTEs during the Covered Period or Alternative Payroll Covered Period with compensation >\$100k

## FTE Reduction Safe Harbor

Two separate safe harbors exempt certain borrowers from any loan forgiveness reduction based on a reduction in FTE employee levels: FTE Reduction Safe Harbor 1 and FTE Reduction Safe Harbor 2.

**Note:** Refer to the *SBA Forgiveness Program Overview* document for more information.

### PPP Forgiveness Calculation Specific Headcount Details

Was there a reduction in the number of employees or average paid hours between January 1, 2020 and the end of the Covered Period?

Yes  No

### FTE Reduction Safe Harbor 1:

Were you 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 requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19?

Do you meet the criteria for the FTE Reduction Safe Harbor 1 requirement described above?

Yes  No

### FTE Reduction Safe Harbor 2:

Leveraging the Schedule A worksheet, you can determine if you meeting the criteria for the the FTE Reduction Safe Harbor 2 option.

Do you meet the criteria for the FTE Reduction Safe Harbor 2 requirement described above?

Yes  No

You need to select which FTE Reduction Safe Harbor is applicable, if any.

## Salary Details

- 1 You will be prompted to answer Yes or No to:  
Did you reduce salary or hourly wages during the Covered Period or the Alternative Covered Period?

IF...	THEN...
Yes	Select Yes
	<b>Note:</b> An additional question appears.
No	Select No

- 2 Click *Next*

## Non-Payroll Costs

In this section, you'll be prompted to enter the Non-Payroll related expenses.

Let's gather information about your nonpayroll costs

**Eligible nonpayroll costs**

Business mortgage interest payments  
USD 2,400.00

Business rent or lease payments  
USD 10,000.00

Business utility payments  
USD 2,500.00

Next

- 1 Enter the amount used on Mortgage Interest
- 2 Enter the amount used on Rent/Lease
- 3 Enter the amount used on Utilities
- 4 Click *Next*

## Additional Details

You'll be prompted to answer additional questions:

- Is the PPP loan in excess of \$2 Million?
- Did you receive any EIDL funds?

The screenshot shows a section of the PPP Loan Forgiveness application form. At the top, it states: "The PPP Loan Forgiveness application form requires that you, the borrower together with affiliates, confirm if you received PPP loans in excess of \$2 million." Below this is a question: "Did you the Borrower (together with affiliates, if applicable) receive PPP loans in excess of \$2 million?" with two radio button options: "Yes" and "No". The "Yes" option is selected. Below this, it says: "If you did not receive an Economic Injury Disaster Loan (EIDL) loan you may leave these fields blank." There are two input fields: "EIDL Application Number" and "Enter the amount of any advance on your COVID-19 Economic Injury Disaster Loan (EIDL) you received." The second field has a dropdown menu set to "USD".

- 1 Did you receive PPP loans in excess of \$2 Million?  
Select *Yes* or *No*
- 2 If you received funds via the Economic Injury Disaster Loan (EIDL),  
enter the EIDL Loan Number and amount; if not continue to Step 3
- 3 Click *Next*

## Estimated Forgiveness Calculation

**Estimated Forgiveness Calculation**  
Let's review the data that will be used to create the SBA's PPP Forgiveness Application.

**Payroll and Nonpayroll Costs**

Line 1. Payroll Costs (enter the amount from PPP Schedule A, line 10):  
USD 285,833.00

Line 2. Business Mortgage Interest Payments:  
USD 2,450.00

Line 3. Business Rent or Lease Payments:  
USD 10,000.00

Line 4. Business Utility Payments:  
USD 2,500.00

**Adjustments for Full-Time Equivalency (FTE) and Salary/Hourly Wage Reductions**

Line 5. Total Salary/Hourly Wage Reduction (enter the amount from PPP Schedule A, line 3). Note: if this number is 0, then you have indicated that no employees have had a salary reduction in excess of 25% or you meet the Safe Harbor requirements.  
USD 0.00

Line 6. Add the amounts on lines 1, 2, 3, and 4, then subtract the amount entered in line 5.  
USD 300,733.00

Line 7. FTE Reduction Quotient (enter the number from PPP Schedule A, line 13):  
1.00

**Potential Forgiveness Amounts**

Line 8. Modified Total (multiply line 6 by line 7):  
USD 300,733.00

Line 9. PPP Loan Amount:  
USD 333,200.00

Line 10. Payroll Cost 50% Requirement (divide line 1 by 0.60):  
USD 476,388.33

**Forgiveness Amount**

Line 11. Forgiveness Amount (enter the smallest of lines 8, 9, and 10):  
USD 300,733.00

1

Based on the information entered on previous screens, the system will calculate the Estimated Forgiveness Amount.

**Note:** In this example, the amount of the Loan is greater than the Forgiveness Amount, therefore the customer has some potential loan exposure.

2

Click Next

## PPP Schedule A

Summary of information entered

**PPP Schedule A**  
Based on the information that you entered, here is a summary of your "Schedule A" of the PPP Loan Forgiveness Application.

**PPP Schedule A Worksheet, Table 1 Totals**

Line 1. Enter Cash Compensation (Box 1) from PPP Schedule A Worksheet, Table 1:  
USD 210,000.00

Line 2. Enter Average FTE (Box 2) from PPP Schedule A Worksheet, Table 1:  
44.0

Line 3. Enter Salary/Hourly Wage Reduction (Box 3) from PPP Schedule A Worksheet, Table 1. Note: if this number is 0, then you have indicated that no employees have had a salary reduction in excess of 25% or you meet the Safe Harbor requirements.  
USD 0.00

**PPP Schedule A Worksheet, Table 2 Totals**

Line 4. Enter Cash Compensation (Box 4) from PPP Schedule A Worksheet, Table 2:  
USD 50,000.00

Line 5. Enter Average FTE (Box 5) from PPP Schedule A Worksheet, Table 2:  
1.0

**Non-Cash Compensation Payroll Costs During the Covered Period or the Alternative Payroll Covered Period**

Line 6. Total amount paid or incurred by Borrower for employer contributions for employee health insurance:  
USD 10,000.00

Line 7. Total amount paid or incurred by Borrower for employer contributions to employee retirement plans:  
USD 0.00

Line 8. Total amount paid or incurred by Borrower for employer state and local taxes assessed on employee compensation:  
USD 15,000.00

**Compensation to Owners**

Line 9. Total amount paid to owner-employees/self-employed individual/general partners:  
USD 20,833.00

## Certification

1 The Certification page ensures that you are supplying true and accurate information; you must certify each section

2 Click Next

## E-Consent Electronic Signature

1 You can consent to electronic signature: *Just enter name and initials to authorize the use of the electronic signature*

2 Click Next

## Borrower Demographics: Optional

1 You are then routed to the Borrower Demographic screen, which is optional

2 Click Next

## Review and Submit

1 The “Does Everything Look Right” page gives you one final opportunity to review the information you entered.

- You may edit information by clicking on the Edit button for each section displayed
- If the information is correct, you can advance to submitting the application

**Note:** Once the application is submitted, you cannot make any changes.  
(Only Northern Bank’s Credit Analyst can make a change.)

Does everything look right?

Let's double check what you've entered. Once you submit this, we'll process your application and get back to you in 2-3 business days with the details on your forgiveness amount.

Business Info		Edit
Relationship Name	Annual Revenue	
XYZ Inc	USD 4,359,994.00	
Billing Address	Shipping Address	
90 Georgia Lane Woburn, MA 01801	90 Georgia Lane Woburn, MA 01801	

Personal Info		Edit
Role	Ownership Percent	
Owner	100.00 %	
Official Title	SSN	
Owner	****9333	
Mobile Phone	Mailing Address Same As Home Address?	
4447774444	<input type="checkbox"/>	
Residential Address		
65 Total Street Woburn, MA 01801		

Covered Period & Payroll		Edit
Paycheck Protection Loan Funding Date	Eligible to select 8 or 24 week period	
6/1/2020	Yes. Based on when you received your SBA loan number you are...	

2 Click *Submit Application*

## Your Application Was Submitted

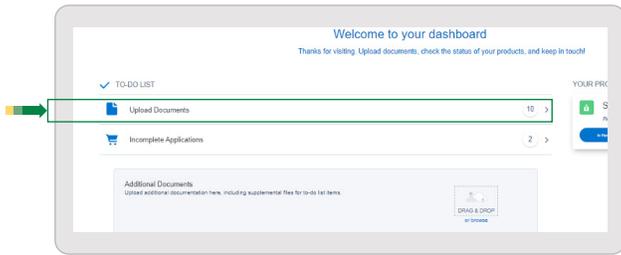
1 Click *Go to Dashboard*

Your application was submitted. It's time to upload your supporting documents

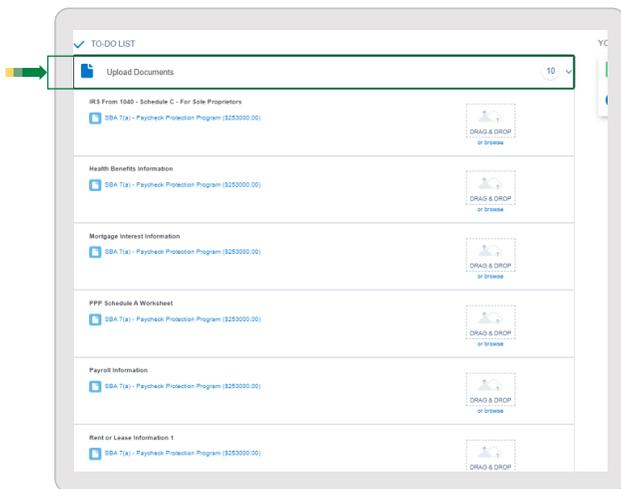
1. Please click on the "Go to Dashboard" button below to upload your supporting documents -- your application can not be successfully processed without these documents
2. From your dashboard, drag and drop or browse to upload the requested files onto the placeholder with the appropriate name
3. Once we have your documents, we will begin reviewing your application. Your Northern Bank representative will keep you updated as your application progresses

Go to Dashboard

## Uploading Documentation



1 You'll be directed to the Dashboard to upload the supporting documentation



2 You should click on the ">" to expand the list of placeholders for the documents

## Placeholders

The following are the placeholder categories:

- IRS Form 1040 Schedule C — For Sole Proprietors
- Health Benefits Information
- Mortgage Interest Information
- PPP Schedule A Worksheet
- Payroll Information
- Rent or Lease Information 1
- Rent or Lease Information 2
- Retirement Information
- Utility Payment Information 1
- Utility Payment Information 2

## Drag and Drop or Upload

You can Drag and Drop files into the Placeholders or click browse to search and upload files.

Files supported include Excel and Word documents, PDF and JPEG.

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**We're here to help  
whenever you need us!**

If you have questions or need help with the portal,  
**contact your Forgiveness Rep.**

