



PPP Forgiveness: EIDL Advance Impact on Forgiveness Amount

SBA's Economic Injury Disaster Loan (EIDL) Advance provided emergency economic relief to American small businesses, non-profits, and agricultural enterprises facing economic disruption due to the COVID-19 impact (Section 1110 of the CARES Act). The EIDL Advance provided businesses up to \$10,000 (\$1,000 per employee) in emergency grants. An EIDL Advance is a grant authorized by the CARES Act. An EIDL Loan is a separate direct loan made by SBA under the Small Business Act.

PPP Forgiveness for Borrowers with EIDL Advances

If a PPP Borrower received an EIDL Advance, SBA is required to reduce the Borrower's loan forgiveness amount by the amount of the EIDL Advance (Section 1110(e)(6) of the CARES Act). SBA will deduct the amount of the EIDL Advance from the forgiveness amount remitted by SBA to the Lender. The Lender will be able to confirm the amount of the EIDL Advance that will be automatically deducted by SBA from the forgiveness payment by reviewing the borrower's EIDL Advance information in the PPP Forgiveness Platform **after** the lender completes the forgiveness decision submission for that Borrower.

If a Borrower received an EIDL Advance **in excess of or equal** to the amount of its PPP loan, the Borrower will not receive any forgiveness on the PPP loan because the amount of the EIDL Advance is deducted from the PPP loan forgiveness amount. In the event the PPP loan is not forgiven in full, the Lender is responsible for notifying the Borrower of the date on which the Borrower's first loan payment is due. The Lender must continue to service the loan in accordance with SBA Loan Program Requirements. The Borrower must repay the remaining loan balance by the maturity date of the PPP loan (either two or five years).

If a Borrower is determined to have been ineligible for a PPP loan for any reason, SBA may seek repayment of the outstanding PPP loan balance or pursue other available remedies. SBA also will seek repayment of the processing fee from the Lender that originated the loan if within one year after the loan was disbursed SBA determines that the borrower was ineligible.

Applying for Forgiveness

SBA will automatically reduce the forgiveness amount by the amount of any EIDL Advance received by the Borrower before remitting payment to the Lender. When submitting a forgiveness decision to SBA through the Forgiveness Platform, Lenders should input the EIDL Advance information provided by the Borrower on the SBA Forms 3508/3508EZ, where requested in the Platform, but **should not** subtract the EIDL Advance when inputting the calculated Forgiveness Amount in the Platform.

The Forgiveness Platform shows the EIDL Advance amount for each PPP loan (if applicable). The EIDL Advance amount will be reflected on the **Lookup Disbursed PPP Loans** screen only **after** the lender completes the forgiveness decision submission for that loan. This data can then be used by Lenders for any Borrower notifications or to support the Lender's back-office reconciliation. Because the data reflects SBA's system of record, no action is required by the Lender in the case of discrepancies between the amount reported by the Borrower on the Forms 3508/3508EZ and the amount reflected in the Forgiveness Platform.

SBA will, subject to any SBA review of the loan or loan application, remit the appropriate forgiveness amount to the Lender, plus any interest accrued through the date of payment, not later than 90 days after the Lender issues its decision to SBA. If applicable, SBA will **deduct EIDL Advance amounts** as reflected in SBA's system of record from the forgiveness amount remitted to the Lender as required by the CARES Act.

Helpful Resources:

- SBA Lender Hotline: +1-833-572-0502
- PPPForgivenessRequest@sba.gov
- [Paycheck Protection Program Loan Forgiveness Frequently Asked Questions](#)