



Frequently Asked Questions on PPP Loan Forgiveness

1. Is loan forgiveness automatic?

No, you must request loan forgiveness through Atlantic Federal Credit Union.

2. How do I decide which application to complete and what supporting documents to submit?

Please refer to the AFCU checklist for instructions.

3. Is there a filing deadline?

You have 10 months from the end of your Covered Period to apply for loan forgiveness.

4. What is my Covered period?

If your PPP loan was approved before June 5, 2020, the Covered Period is 8-weeks (56-days), from the loan disbursement date, though you may elect to change the Covered Period to 24 weeks. If your PPP loan was approved on or after June 5, 2020, the Covered Period is 24-weeks (168-day), from the disbursement date.

5. When will I know if my loan forgiveness request was approved?

Upon receipt of a complete application and supporting documents, Lender will review and submit to SBA. Lender has 60 days to complete this process; SBA has up to 90 days beyond this to complete their review and approval.

6. Will I be responsible for paying principal and interest while waiting for the loan forgiveness decision?

If you submit a loan forgiveness application within 10 months from the end of the Covered Period, you are not required to make any payments until the forgiveness amount is remitted to the lender by SBA. If the loan is fully forgiven, you are not responsible for any payments.

7. What if my entire loan is not forgiven?

The loan must be repaid on or before the maturity date, including interest accrued since disbursement.

8. What is the maturity of my PPP loan?

If PPP loan approved on or after June 5, 2020, the loan has a five-year maturity; before June 5, 2020, the loans have a two-year maturity.

9. Can I extend my loan maturity date if my loan was made before June 5, 2020?

Yes, if Borrower and Lender mutually agree, the loan maturity can be extended to five years.

10. Will receipt of an Economic Injury Disaster Loan (EIDL) advance impact my loan forgiveness?

SBA will reduce the loan forgiveness amount by the amount of the EIDL advance you received.

11. If I do not receive 100% forgiveness, is there an appeal process?

Yes, there will be an appeal process; the specifics have yet to be released from SBA.

12. If I have questions completing the application, who should I call?

Your financial advisor, accountant, attorney, etc. are good resources for assistance.



Other Resources and Links

- Maine Small Business Development Center (SBDC) website - <https://www.mainesbdc.org/>
- The SBDC video link provides guidance on choosing and completing your forgiveness application- <https://www.mainesbdc.org/ppp-forgiveness-application-videos/>
- Maine SCORE Chapters – <https://www.scoremaine.org/>
- Maine Women’s Business Centers – www.ceimaine.org/wbc
- SBA Frequently Asked Questions (FAQs) on PPP Loan Forgiveness (as of 8/11/2020) <https://home.treasury.gov/system/files/136/PPP--Loan-Forgiveness-FAQs.pdf>