

G.16. Do PPP loans count as “outstanding debt” for purposes of Main Street?

When computing “existing outstanding and undrawn available debt” for purposes of determining the maximum allowable loan amount under Main Street, Eligible Lenders and Eligible Borrowers may exclude PPP debt, as set out in (A) and (B) below, provided that the Eligible Borrower, together with its affiliates (as defined for purposes of the PPP), received PPP loans with original principal amounts totaling less than \$2 million. Under such circumstances, the following may be excluded from the “existing outstanding and undrawn available debt” calculation:

- A. If the Eligible Borrower has applied for forgiveness of its PPP loan, the “Forgiveness Amount” as reported by the Eligible Borrower on Line 11 of the SBA’s [Form 3508](#), on Line 8 of [Form 3508EZ](#), or on [Form 3508S](#), as applicable, may be excluded, except to the extent the Eligible Borrower’s PPP lender or SBA has determined that such amount is ineligible for forgiveness.
- B. If the Eligible Borrower has not yet applied for forgiveness of its PPP loan, the amount of its PPP loan that its principal executive officer has a reasonable, good-faith basis to believe will be forgiven in accordance with applicable PPP requirements, after review of the SBA’s [Form 3508](#), [Form 3508EZ](#), or [Form 3508S](#), as applicable, including the relevant instructions, may be excluded.

For the avoidance of doubt, an Eligible Borrower that, together with its affiliates (as defined for purposes of the PPP), received PPP loans with original principal amounts totaling \$2 million or more, may not exclude any of the outstanding portion of such loans from “existing outstanding and undrawn available debt,” except to the extent that the SBA has actually determined that such loans are eligible for forgiveness.

Each Eligible Borrower seeking to exclude some or all of its PPP debt from the calculation of “existing outstanding and undrawn available debt” as provided by this FAQ must, during the Main Street loan underwriting process, provide its Eligible Lender with either (i) a copy of the PPP loan forgiveness application form (SBA Form 3508, 3508EZ, or 3508S) the Eligible Borrower has already completed and submitted to its PPP lender or lender servicing its PPP loan (which may be the same as the Eligible Lender), or (ii) a completed and signed version of the [Exclusion of PPP Loan from Main Street “Outstanding Debt” form](#), as applicable.

If the PPP lender or SBA has determined that all or part of an Eligible Borrower’s PPP loan is not forgivable prior to the submission of a Main Street loan to the Main Street Portal, the portion of the PPP loan that the PPP lender or SBA has determined is not forgivable must be included in the “existing outstanding and undrawn available debt” calculation. For the avoidance of doubt, Eligible Lenders and Eligible Borrowers may exclude 100% of the amount of any PPP loan that SBA has determined is eligible for forgiveness.

This framework for excluding an Eligible Borrower's PPP loan from the Main Street "existing outstanding and undrawn available debt" calculation reflects the Federal Reserve's and Treasury's intention to support lending to PPP borrowers that are otherwise eligible to borrow under Main Street, but may not receive the SBA's PPP loan forgiveness decisions by the time of their Main Street loans. It does not reflect any forecast or assessment of the actual expected amount of PPP loan forgiveness for any PPP borrowers.¹

¹ Certain Businesses that meet the Eligible Borrower requirements may not be approved for a loan or receive the maximum allowable amount. See question [1.2](#).