

Terms	Paycheck Protection Program (PPP)
Availability	February 15, 2020 through June 30, 2020
Eligible Lenders	Existing SBA lenders + additional lenders authorized by SBA
Eligible Businesses	Small businesses, as well as any business concern, non-profits, veterans' organizations, or tribal business concerns that have: <ul style="list-style-type: none"> • Less than 500 employees <u>or</u> • Meet the applicable size standard in number of employees as provided by SBA https://www.sba.gov/size-standards/ Individuals who operate as a sole proprietor, independent contractor & eligible self-employed individuals BUSINESSES AND ENTITIES MUST HAVE BEEN IN OPERATION ON FEBRUARY 15, 2020
Borrower Requirements	Borrower must make a good faith certification that the loan is necessary cause of economic uncertainty caused by COVID-19 and will be applied to maintain payroll and make other required payments. The applicant must also certify that they are not receiving assistance and duplicative funds for the same uses from another SBA program.
Guarantees	No personal guarantees required
Collateral	No collateral required
Maximum Loan Amount	The lesser of: <ul style="list-style-type: none"> • 2.5 times "average monthly payroll" costs <u>or</u> • \$10,000,000 For purposes of calculating "Average Monthly Payroll", most applicants will use the average monthly payroll incurred in 2019 or in the preceding 12 months (depending on the lender) excluding costs over \$100,000 on an annualized basis for each employee.
Loan Term	2 years for any part of loan that is not forgiven
Interest Rate	1.0%
Payment Deferral	6 months (interest will continue to accrue over this period)
Allowable Uses	Payroll costs, healthcare benefits (incl. paid sick, medical or family leave, insurance premiums) interest payments on any mortgage obligation, rent, utilities, interest payments on any other debt obligations entered into before 2/15/20
Terms of Loan Forgiveness	After your 8-week covered period, the amount of principal that may be forgiven is equal to the sum of the expenses for payroll costs, healthcare benefits, interest payments, rent and utilities incurred during that period. The amount forgiven cannot exceed the amount borrowed. (due to likely high subscription, at least 75% of the forgivable loan proceeds should be used for payroll costs and no more than 25% of the forgiven amount may be for non-payroll costs) <ul style="list-style-type: none"> • If you retain all of your employees, the entirety of the loan will be forgiven. • Loan forgiveness will be proportionally reduced if the average number of employees is reduced during the covered period as compared to the same period in 2019. The amount of loan forgiveness will be reduced by the amount of any reduction in total employee salary or wages during the covered period that is in excess of 25% of the total salary or wages. <i>If you have already laid off some employees, you can still be forgiven for the full amount of your payroll cost if you rehire your employees by June 30, 2020.</i> <ul style="list-style-type: none"> - Payroll & expense documentation are required to be provided to the Lender to receive loan forgiveness. - Lenders have 60 days to issue a decision on the application for forgiveness. - The forgiven loan amount will not includible in gross income for tax purposes.
Waivers	No loan fees; No prepayment penalty
Nonbinding Guidance	Lenders should prioritize small business, entities in underserved and rural markets, veterans and members of the military community, small business concerns owned by socially and economically disadvantaged individuals, women, and businesses in operation for less than 2 years.

"Average monthly payroll" costs include: compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent), payment for vacation, parental, family, medical, or sick leave, allowance for dismissal or separation, payment required for the provisions of group health care benefits, including insurance premiums, payment of any retirement benefit, payment of state or local tax assessed on the compensation of employees. The following costs are not eligible for determining payroll: employee/owner compensation in excess of an annual salary of \$100,000, taxes imposed or withheld under chapters 21, 22, and 24 of the IRS code, compensation of employees whose principal place of residence is outside of the U.S., qualified sick and family leave for which a credit is allowed under sections 7001 and 7003 of the Families First Coronavirus Response Act

Loan Application Requirements

Borrowers should presume they will need to provide payroll documentation to banks and lenders when applying for Paycheck Protection Program loans, which may include the following:

- Copies of payroll tax reports filed with the IRS (i.e., Forms 941, 940, state income and unemployment tax filing reports) for 2019 and the first quarter of 2020 (if available) should be presented.
- Copies of payroll reports for each pay-period for the preceding 12 months. These reports should include gross wages including PTO (which might include vacation, sick, and other PTO). This includes payroll reports through the pay-period preceding the origination of the SBA loan.
- Documentation reflecting the health insurance premiums paid by the business or entity under a group health plan including owners of the company for the immediately preceding 12-months prior to the date of the SBA loan origination. (Copies of the monthly invoices should suffice)
- Documentation of all retirement plan funding by the employer for the immediately preceding 12 months. (Copies of workpapers, schedules and remittances to the retirement plan administrator should be sufficient)

Borrowers must provide the following documentation to banks and lenders for forgiveness of your loan:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and state income, payroll and unemployment insurance filings.
- Documentation, including canceled checks, invoices, transcripts of accounts or other documents verifying (interest) payments on covered mortgage and debt obligations, rent/lease obligations, and utilities (electric, gas, water, telephone, internet access) payments for which service began before February 15, 2020.
- Certification from a representative of your business or organization that is authorized to certify that the documentation provided is true and that the amount that is being forgiven was used in accordance with the program's guidelines for use.
- Any other documentation the bank or lender determines is necessary.