

Thank you for your interest in the Small Business Administration's Paycheck Protection Program (SBA PPP). Amboy Bank's goal is to support our clients and community the best we can during these difficult times. We were happy to help almost a thousand business with SBA PPP loans in 2020 and are hard at work ensuring the forgiveness process goes as smoothly as possible.

In December, the Economic Aid Act was passed. The Act:

- Added the PPP Second Draw Loan Program through March 31, 2021,
- Reauthorized the standard PPP (now known as First Draw PPP Loan) through March 31, 2021, and
- Modified PPP Loan Forgiveness policy and process.

To learn more about the programs please review the following sites.

home.treasury.gov/policy-issues/cares/assistance-for-small-businesses

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

Because of the need in the community, we are working to get the program out as quickly as possible. However, it is our expectation there could be changes, enhancements and additional requirements (documentation or otherwise) as the program gets finalized. As adjustments occur we will communicate as quickly as possible.

To Get Started

The Paycheck Protection Program provides small businesses with funds to pay payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, utilities and other business related expenses. For both Second Draw and first time standard PPP (First Draw) requests, businesses need to be eligible and will determine the maximum loan amount based on average monthly payroll.

An authorized representative of the company is required to complete and sign the SBA Paycheck Protection Program application. The Bank will look for documentation verifying your authorization. If you are an Amboy Bank client and have already provided as part of previous account opening, the Bank will look to review current documentation on file. If you need to update your documentation (articles of incorporation/operating agreement, etc. for your type of business) please provide as part of your document upload.

Our application process uses DocuSign for e- authorization. You will be asked to complete the SBA Draw application form, make certifications, upload supporting documents and eSign the document. If you have any question about the DocuSign process please call your Banker or our call center at 1 877 222 -6269.

Second Draw Request

Please see the attached Overview of Second Draw for Program details

Application Process

Click [HERE](#) to start your Second Draw application. You will need your SBA Loan Number:XXXX

The SBA will only allow one submission per business. If you have already submitted an application, please do not resubmit.

Business Eligibility

- Clients will be asked for type of business, NAICS, SBA Loan number, number of employees, ownership information on owners greater than 25% and Gross receipts in 2019 and 2020
- In addition, supporting documentation is to be provided as to Gross receipts. At this time there is limited guidance as to appropriate documentation
- The application does allow applicants with loan requests less than \$150,000 to not provide an answer and documentation at application but at time of forgiveness

Loan Request Amount

For most borrowers, the maximum loan amount is 2.5x average monthly payroll costs for 2019 or 2020, up to a maximum \$2 million. Hotels and restaurants were granted an exception and are allowed up to 3.5X average monthly payroll.

- Clients will be asked for average monthly payroll (2019 or 2020) and an identified loan amount (see Second Draw details for calculation)
- In addition supporting documentation is to be provided as to eligible payroll cost. Documentation includes employee W-2s, payroll company records, Quicken records, state and local tax records, self-employment records, or similar documentation. Eligible Payroll costs include: Salaries, wages, commission, tips, paid vacation, family or medical sick leave, healthcare, retirement benefits and payroll taxes
- If any employee received more than \$100,000, the number of such employees and their combined compensation must also be provided
- Payroll providers often have a specialized report to support the SBA PPP requests

First Draw Request

Please see the attached Overview of First Draw for Program details

Application Process

Click [HERE](#) to start your First Draw application.

The SBA will only allow one submission per business. If you have already submitted an application, please do not resubmit.

Business Eligibility

Clients will be asked for type of business, NAICS, number of employees, purpose of the loan and ownership information on owners greater than 25%.

Loan Request Amount

For most borrowers, the maximum loan amount is 2.5x average monthly payroll costs for 2019 or 2020, up to a maximum \$10 million

- Clients will be asked for average monthly payroll and an identified loan amount (see Second Draw details for calculation)
- In addition supporting documentation is to be provided as to eligible payroll cost. Documentation includes employee W-2s, payroll company records, quicken records, state and local tax records, self-employment records, or similar documentation. Eligible Payroll cost include: Salaries, wages, commission, tips, paid vacation, family or medical sick leave, healthcare, retirement benefits and payroll taxes
- If any employee received > \$100,000, the number of such employees and their combined compensation must also be provided
- Payroll providers often have a specialized report to support the SBA PPP requests

Closing Process

Once approved, the Bank will contact you about the closing and disbursement of funds. Documents necessary for closing will at a minimum include:

- Borrower's organizational documents
- Copy of Driver's License

Monitoring and Forgiveness

Funds are provided in the form of loans that may be forgiven when used for payroll costs, interest on mortgages, rent, and utilities as well as worker protection cost related to COVID – 19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier cost and expenses for operations. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. You will have to submit a request for loan forgiveness to the Bank sometime in the future. Currently there is a streamlined process for loans less than \$150,000. For loans greater than \$150,000 expectations are as part of the request, the

number of employees and payroll documentation similar to what was provided at application will be required

Ongoing

Any remaining funds not forgiven will need to be paid back within five years of the loan origination. The Bank will confirm when the initial deferment period is over and monthly payments are required.

We appreciate your business and want to remind you that Amboy Bank is here to support you through these difficult times.

Be well,
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