

PPP Loan Instructional Letter

Congress has recently allocated additional funds for the Paycheck Protection Program to assist small businesses in funding payroll costs as well as benefits. Applications will only be accepted for those businesses who reported a loss of 25% or more in revenue. This loss is defined as comparable quarters in 2020 vs 2019 or on an annual basis. Note: we would encourage you to apply on a quarterly basis as you will need to supply documentation for the entirety of the period chosen. If your loan is over \$150,000 we also need evidence of the 25% loss (see attachments for details). Along with 60% used for payroll expenses, PPP funds can be used to pay for mortgage interest, rent, utilities and worker protection costs related to COVID-19. As with the first round of PPP loans, the Small Business Administration (SBA) will administer this program. The SBA will issue and then forgive loans if all employee criteria are met and the funds are used for eligible expenses.

For those of you who ***did apply*** in the first round, please use the **Second Time** overview and application. For those of you who ***did not*** apply in the first round, please use the **First Time** overview and application.

2nd Time Applicants – If you did not get your first PPP loan through NB, we will need supporting documentation for payroll described in How to Calculate your loan amount (attached). **For applicants receiving a loan of \$150,000 or more evidence of the 25% loss will need to be provided at loan application

1st Time Applicants – You will need supporting documentation for payroll described in How to Calculate your loan amount (attached).

Once you have completed your application and have any other required documentation compiled, the information **MUST BE UPLOADED** to our secure documents link at [PLEASE CLICK THIS LINK](#)

Banks will be allowed to submit applications to the SBA starting next week. Northwestern Bank is accepting your applications this week prior to the opening of the portal. Once submitted, loan approval can take up to 24-48 hours due to compliance checks coordinated between the SBA and IRS. The Bank will contact you once your application has been approved.

Attached to this email, you will find the following forms:

- Top-Line Overview of Second Time PPP
- PPP Second Time Borrower Application
- Top-Line Overview of First Time PPP
- PPP First Time Borrower Application
- Final PPP FAQ's
- How to Calculate Loan Amounts
- IFR: Paycheck Protection Program (PPP) Second Draw Loans: Starting on Page 21 informs the borrower on how to calculate gross receipts and define your loss.

You can check the NAICS code of your business here (<https://www.census.gov/eos/www/naics/>). PPP borrowers with NAICS codes starting with 72 (such as hotels and restaurants) can receive up to 3.5 times their average monthly payroll costs on second-draw loans.

Covered period change: This round will allow the covered period to be a timeframe between 8 **AND** 24 weeks. The first PPP loans had to be 8 **OR** 24 weeks.

On behalf of NB, thank you for your commitment to our communities and for choosing NB as your financial partner. We also appreciate your flexibility as we maneuver this process. We will keep you

updated as things progress. If you have any further questions on this program, you are encouraged to contact your NB commercial lender with specific questions.

**For all questions, please contact us at this email address in order to get timely assistance
ppploan@northwesternbank.com