



Dear Valued Customer,

This is an update for all customers who have a PPP loan funded or are authorized for a PPP loan as of this date. **For those whose loan has already funded and you received the communication dated 4/24, the only update is the last paragraph.**

The SBA issued an Interim Final Rule on disbursements and it addressed a couple of issues that we want to communicate to you. They made it clear that lenders must make a full, one-time disbursement of PPP loan funds within 10 calendar days of the loan being approved (when a loan number has been assigned). If the day falls on a weekend or holiday, then the next business day. For loans that have now been approved but not disbursed before the date of the rule (April 28), the 10-day period begins on April 28. The rule says lenders will not be responsible for delays in disbursement attributable to a borrower's failure to timely provide required loan documentation and also says that the loan will be cancelled if a borrower fails to submit required documentation within 20 calendar days of approval.

For those that have more recently received their authorization number, the following is a recap of a previous communication on forgiveness. The Promissory Note includes a section titled SBA PAYCHECK PROTECTION PROGRAM. This section highlights various aspects of the PPP loan program including how the money shall be used and the loan forgiveness provisions as they are currently documented. Also, there is an attachment to the loan documents titled PPP:SBA Requirement for the Loan Forgiveness. This document delineates documentation necessary for the Borrower to send into the Lender for loan forgiveness and that the Lender has 60 days to make the loan forgiveness determination.

- Current guidance leaves a lot of unanswered questions about the forgiveness of these loans
- **Interim final rules for PPP loans state the SBA will issue additional guidance on loan forgiveness.** Summit will provide you with those updates when available.
- For additional information, here is the link for SBA guidance:
<https://www.sba.gov/document/policy-guidance--ppp-interim-final-rule>

Absent definitive guidance on forgiveness, SSB intends on being reasonable in determining forgiveness. As an example, current forgiveness guidance states that the payroll costs for the next eight weeks after funding is used. However, if you are in process of re-hiring employees, we may allow for a grace period as long as the eight weeks still ends before June 30. The intent of the program is to maintain employment so if that is being achieved, there will need to be some flexibility. However, if clear guidance comes out to the contrary then we must go by such guidance.

Thank you for your relationship with Summit State Bank.
Sincerely,

Brian Reed
President and Chief Executive Officer
Summit State Bank