



Dear Valued Customer,

The Paycheck Protection Program (PPP) is opening again and as discussed in prior communications includes a first draw for customers that have not yet participated in the program and a second draw for those that have already received a PPP loan. Summit State Bank (Summit) will be participating in the program again and will support our customers through the process.

Timeline

PPP applications began to be accepted by only non-bank institutions servicing low to moderate income neighborhoods on January 11th. **We anticipate the opening to allow banks to accept PPP applications to be relatively soon and will communicate the start date as soon as we know.** We are not certain when the Small Business Administration (SBA) Portal will be open for banks to begin accepting applications. SBA Application window closes on March 31, 2021.

Eligibility

Please review the [latest interim final rules \(IFR PPP Amended by Economic Aid Act and IFR PPP Second Draw Loans\)](#) and the [Borrower Application Form](#) and [Second Draw Borrower Application form](#) with your legal, tax and accounting advisors to understand how they apply to your business and in preparation for your application.

First draw customers, please see [How to Apply](#) on Summit's PPP website and the [SBA website](#) for common questions and answers.

Summit's criteria for a **second draw** PPP loan are as follows:

1. A completed forgiveness application has been received and confirmed by Summit.
2. Summit holds the borrower's primary deposit relationship.
3. Borrower will need to submit documentation indicating the business has suffered at least a 25% reduction in gross receipts between comparable quarters or annual comparisons of 2019 and 2020. *In reference to loans under \$150,000, this is a bank requirement regardless of the application statement to the contrary, as it will be needed to receive full forgiveness.
4. Loan amount calculation is the same as before at 2.5x average monthly payroll. Please see instructions on application for full details. For accommodations and food service (NAICS 72), the maximum loan amount is 3.5x average monthly payroll.
5. Borrower has no more than 300 employees.
6. Maximum loan amount is \$2 million.

Documentation

In the event you did not apply for a PPP loan in 2020 or went through another bank for your first draw, please see [How to Apply](#) for more details. **Please note, if you are a first time PPP borrower, you can also apply for a second draw – but only after your first draw funds are fully used for eligible expenses and you have applied for first draw forgiveness with Summit.**

In the event you are a second draw borrower and plan to use your 2019 numbers for your loan calculation, we will only need the following documentation:

1. Completed and signed [PPP Second Draw Loan Application](#)
2. Quarter or Year End income statement for the same period of 2020 and 2019, showing a 25% or greater decline in revenue.
3. More information, as requested through the underwriting process.

How to Apply

If you obtained your round one PPP loan from Summit State Bank, there may be no need to provide payroll information for 2019 or 2020. If you were eligible for full forgiveness in round one, you may request a loan using same loan calculation. If you received forgiveness for an amount less than 100% of your PPP loan, the amount of forgiveness represents your maximum loan amount. Regardless, you must be able to use at least 60% of loan proceeds for payroll expenses.

Box.com

- As in PPP 2020, we will be using the same, private box.com folder for you to upload a second draw application.
- To reset your password: Go to box.com, insert your email address to login and click “reset password.”
- Once you are inside your box.com folder, you will be able to upload all documents, separately, into your folder.

Second draw borrowers, whereby the first draw was also done at Summit, will need to upload the Documentation as noted above. In the event you are a second draw borrower, but your first draw was done elsewhere, please refer to Summit’s [How to Apply Step 2](#) for the full list of documents you will need to upload to your box.com folder.

Once you have uploaded your complete package, please send the following email to PPP@summitstatebank.com:

Subject: PPP 2021 – 2nd Draw

Items to include in email: Applicant name and contact information.

What to Expect

- Once your complete application is submitted, Summit will process your application in the order it was received.
- Due to the volume of interest in the program, we will aim to send you a confirmation within 3 business days that your application has been received and is complete, or that other items are necessary to process your application.

If You are Approved

If you are approved you will receive an email from noreply@prosignonline.com instructing you to answer a few security questions to access your loan documents. Once you have access to the loan documents, please review them and sign, as instructed, electronically.

This will need to be done as soon as possible to adhere to the SBA requirement that PPP loans are funded within ten days of receiving your SBA authorization.

- Once you have signed your electronic documents, your loan will fund within 48 hours.

Please be sure to review all documents. The PPP loan can only be used for specific purposes, which will be detailed on your Promissory Note. Additionally, please review the Disbursement Authorization to make sure the loan is funding to the appropriate Summit account.

We know you are anxious to hear some news. We ask that you please do not call or email the relationship managers for status checks on your documentation. We thank you for this consideration and appreciate your patience, as it will help everyone’s documents get done sooner. Our goal is to help everyone as quickly as possible. Thank you for your relationship with Summit State Bank.

Sincerely,
Michael Castlio
EVP/Chief Credit Officer



Summit State Bank | 500 Bicentennial Way, Santa Rosa, CA 95403

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