



## HOW TO APPLY - PAYCHECK PROTECTION PROGRAM

### FIRST DRAW BORROWERS

***(+Second Draw borrowers that completed the First Draw at another bank)***

Summit State Bank (Summit) is participating in the new rounds of the Paycheck Protection Program (PPP) and will support our customers through the process. Congress has approved the Economic Aid to Hard-Hit Small business, Nonprofits and Venues Act (Act), which was signed on December 27, 2020.

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. *The information contained in this document is subject to change as new guidance is released to Summit from the SBA. Please also refer to [sba.gov/PPP](http://sba.gov/PPP)*

#### KEY LOAN FEATURES

- PPP loans have an interest rate of 1%.
- Loans issued prior to June 5, 2020 have a maturity of 2 years. Loans issued after June 5 have a maturity of 5 years.
- Loan payments will be deferred for borrowers who apply for loan forgiveness until SBA remits the borrower's loan forgiveness amount to the lender. If a borrower does not apply for loan forgiveness, payments are deferred 10 months after the end of the covered period for the borrower's loan forgiveness (either 8 weeks or 24 weeks).
- No collateral or personal guarantees are required.
- No fees.
- Application window for first or second draw borrowers closes on March 31, 2021.
- **In an effort to take care of our customers first, Summit will need to hold the borrower's primary deposit relationship at time of application to be eligible to participate.**

#### WHO MAY QUALIFY

The following entities affected by Coronavirus (COVID-19) may be eligible:

- Sole proprietors, independent contractors, and self-employed persons
- Any small business concern that meets SBA's size standards (either the industry based sized standard or the alternative size standard)
- Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of:
  - 500 employees, or
  - That meets the SBA industry size standard if more than 500.
- Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 500 per location.





## STEP 1: COMPLETE YOUR APPLICATION

[PPP First Draw Borrower Application Form \(sba.gov\)](https://www.sba.gov) or

[PPP Second Draw Borrower Application Form \(sba.gov\)](https://www.sba.gov)

## STEP 2: GATHER YOUR COMPLETE PACKAGE

**Applicable for 1<sup>st</sup> draw borrowers and 2<sup>nd</sup> draw borrowers when 1<sup>st</sup> draw was not done at Summit.**

The following items will be needed from you for a **complete package**:

- Borrower Application Form
  - Original PPP Application is required. Please mail the original application to Loan Processing/PPP at 500 Bicentennial Way, Santa Rosa, CA 95403
- For 501c3, 501c6 and Sole Proprietors:
  - Please title this document: AUTHORIZED SIGNER and on it include the name and social security number of the person authorized to borrow money on behalf of the organization
- Copy of entity documents, as applicable for your company structure
  - For Corporation we need Filed Articles of Incorporation, By-laws, and Tax ID Number.
  - For Limited Liability Company we need Filed Articles of Organization, Operating Agreement and Tax ID Number.
  - For Partnership we need copy of Partnership Agreement
- Spreadsheets done by Applicant.
  - Completed Loan Calculation Spreadsheet in scanned hardcopy form
  - We will need a soft copy of the following for verification purposes
- 2019 941 – for all four quarters
- Please provide all back-up documentation to verify your calculation for Benefits.
- If you are a sole proprietor with or without employees:
  - 2019 Form 1040 Schedule C and/or Schedule F (for farm)
    - Whether or not you have filed a 2019 tax return with the IRS, you must provide the 2019 Form 1040 Schedule C to substantiate the applied for PPP loan amount
  - Copies of all items for verification purposes of amounts listed on the Loan Calculation and Benefits Spreadsheets, as noted above.
  - 2019 copies of forms 1099-MISC received that show nonemployee compensation in box 7.
- If you have SE income from a K-1:
  - 2019 Form K-1.
  - Copies of all items for verification purposes of amounts listed on the Loan Calculation and Benefits Spreadsheets, as noted above.
- Driver License copy(s) for:
  - All owners with 25% or more ownership and/or
  - Any executive officer or senior manager with a control function. Control function is defined by any person with significant responsibility for managing the business entity or organization. (e.g. Not limited to Treasurer, CFO, VP-Finance, Managing Member, General Partner.)





- Please title this document, ACCOUNT NUMBER and on it include your Summit State Bank account number for disbursement of loan funds.
- Please title this document, NAICS and on it include Applicant’s description of business type and NAICS code (as found on Federal Tax Return)
- Details of your SBA EIDL Loan and advance, if applicable.
- A copy of the front page of your 2019 Federal Tax Return or financial statement showing 2019 annual revenue.
- Email addresses of all signers, to ensure loan documents can be delivered electronically. See also “If You are Approved,” below.

### **STEP 3: HOW TO SUBMIT YOUR COMPLETE PACKAGE**

*PLEASE NOTE – IT IS VERY IMPORTANT THAT YOU SUBMIT A COMPLETE PACKAGE.*

- You should have received access to a private box.com folder.
- When you click on the folder for access, it will ask you to set up a password.
- You can also 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, as required in Step 2 to the box.com folder.
- Once you have uploaded your complete package, please send the following email to [PPP@summitstatebank.com](mailto:PPP@summitstatebank.com):
  - Subject Line: Complete Package Uploaded – Draw 1
  - Body of the email should include the 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.
- The process for draws has changed in 2021. Summit uploads each application to the SBA online portal, but then each package is reviewed by the SBA and either approved or denied, with explanation typically given for denied requests and an opportunity to cure, if applicable.
- Thus, you will not receive your SBA approval for ~2 weeks but could be longer. (Estimated based on one week for Summit’s review and approval and then one week for the SBA to make a credit decision.)

### **IF YOU ARE APPROVED**

If you are approved, and we have email addresses for all signers for your loan, each signer will receive an email from [noreply@prosignonline.com](mailto: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.

In the event we do NOT have email addresses for all signers, the loan documents will be done and uploaded to your box.com folder – so please look there. Additionally, if you use your box.com folder to access your documents, please also sign and upload the loan documents to box.com for boarding and





funding. Additionally, **please be sure to** then email [pppdocs@summitstatebank.com](mailto:pppdocs@summitstatebank.com) to alert us they are ready for funding.

**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 all of you as quickly as possible.

