



Dear Valued Customer,

Congratulations on your Paycheck Protection Program (PPP) loan! Now that you've received your PPP loan proceeds you may now be eligible to have a portion or all of the outstanding loan balance including accrued interest forgiven in accordance with the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As the primary purpose of the program was to assist businesses adversely affected by the COVID-19 emergency retain their workforce and assist with certain ongoing operational expenses, The CARES Act provides for a debt forgiveness.

Please keep in mind that the Treasury and the Small Business Administration (SBA) have not provided any guidance, forms or other information regarding the process for debt forgiveness. The Bank will communicate any information as soon as it becomes available. For complete details of the program, please also see Interim Final Rule: Small Business Administration Docket No. SBA-2020-0015 13 CFR Part 120 Business Loan Program Temporary Changes; Paycheck Protection Program RIN 3245-AH34.

The bank is required to make a determination within 60 days and no later than 90 days following that determination the SBA must remit payment for the forgiveness to the bank. Any unforgiven amounts, will remain under the original terms of the note.

While the bank has not received information on the processes for debt forgiveness, at a minimum you will be expected to provide all applicable information below:

- Copies of payroll tax reports filed with the IRS (including Forms 941, 940, state income and unemployment tax filing reports) for the 8-week period following the funding of your loan or other documentation indicating FTEs and pay rates before and during the 8-week period.
- Copies of payroll reports for each pay period (including partial pay periods in some cases) for the 8-week [period following the funding of your loan](#). Gross wages including PTO (which might include vacation, sick and other PTO) should be reflected.
- Documentation reflecting the health insurance premiums paid by the company under a group health plan including owners of the company for the 8-week period following the funding of your loan should be provided. Copies of monthly invoices should suffice.
- Documentation of all retirement plan funding by the employer for the 8-week period following the funding of your loan. Copies of workpapers, schedules and remittances to the retirement plan administrator should be available.
- Copies of all real estate lease agreements incurred prior to February 15, 2020 should be presented along with proof of payment during the 8-week period following the funding of your loan. Cancelled checks should be sufficient and/or;
- Copies of all mortgage statements of interest paid on company occupied commercial real estate for debt obligations incurred prior to February 15, 2020 should be presented along with proof of payment during the 8-week period following the funding of your loan. Cancelled checks should be sufficient.
- Copies of cancelled checks, statements or other evidence of utilities paid during the "covered period" for the 8-week period following the funding of your loan.

Note, for Self-Employed Income for single-member LLCs, sole-proprietorships, Independent Contractors, please include the following information:

- Year-to-Date Income Statements (internally prepared should be sufficient) as well as an income Statement for the “covered period” for the 8-week period following the funding of your loan.

Again, the bank will communicate additional instructions as soon as they are published by the Treasury and the SBA.

Sincerely,

Michael Castlio
SVP and Chief Credit Officer

