



Dear Valued Customer,

Happy New Year!

As discussed in the prior communication on the 23<sup>rd</sup> of December, **Summit State Bank 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 the 27<sup>th</sup> of December and includes improvements to the existing PPP and offers new opportunities as well.

**The Small Business Administration (SBA) released on 1.7.2021 initial guidance on the program. We are reviewing the information to come back to you with an additional communication detailing how to proceed with the application process once all forms are released.**

Interested customers are invited to review the following information in preparation for next steps.

#### **Eligibility (First Round PPP)**

All entities eligible for PPP in 2020 are also eligible to apply for PPP in 2021. Additionally, there is expanded eligibility for first time PPP borrowers for 501(c)(6) and Destination Marketing Organizations.

#### **Eligibility (Second Draw PPP)**

To better serve Summit State Bank (Summit) customers, in processing your PPP application, each borrower will need to adhere to the following initial criteria:

1. In the event you received a PPP loan from Summit in 2020, your forgiveness application needs to have been already accepted as complete by Summit.
2. The borrower's primary deposit relationship must be with Summit.
3. The borrowers wanting to apply for a second round of PPP funding will need to justify the 25% decrease in quarterly or annual revenue (2020 v. 2019), with documentation acceptable to Summit.
4. The borrowing entity needs to have fewer than 300 employees.

#### **Process**

While we are waiting on the application and processing instructions, please send an email with your interest to participate in the program to: [relationshipmanagers@summitstatebank.com](mailto:relationshipmanagers@summitstatebank.com) so we can gauge interest level and send you an application when it is released. Please include the following items in the email:

Subject: PPP 2021

Items to include in email:

- Name of Company
- Contact Person name and title.
- Phone #
- Email address.
- Confirmation that primary deposit relationship is held at Summit.
- Did you participate in PPP 2020? If so, was PPP 2020 done at Summit?

#### **Timeline**

It is anticipated to take time for the new application and lender directives to be released, so details are subject to change. The Bank will provide additional communication as soon as possible with the PPP 2021 Application(s) and any other additional information as it become available. Similar to PPP 2020, we

will be using the box.com platform to collect your data once we are ready. We kindly ask you to refrain from sending any forms, application, or documents to your banker or box.com until further notice.

**New remedies for key issues**

In addition to the continuation of the PPP program into 2021, the Act also appears to remedy key issues:

1. Increases the streamlined forgiveness from \$50,000 to \$150,000. A new application is expected later in January.
2. Provides that covered expenses will be deductible for tax purpose.
3. Emergency Injury Disaster Loans (EIDL) advances will no longer be deducted from forgiveness.
4. Expands the list of expenses eligible for forgiveness to include software and other operational expenses, Personal Protective Equipment and expense related to damage from public disturbances not covered by insurance during the summer of 2020.

We look forward to working with you to address your financial needs in the year ahead. Thank you again for being a Summit State Bank customer.

Sincerely,

Michael Castlio  
EVP and Chief Credit Officer



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