

**Updated: January 11, 2021**

Hello everyone,

**THIS MESSAGE IS NOT REGARDING LOAN FORGIVENESS**

As you may have heard, the SBA will begin allowing banks to submit PPP Round 2 applications sometime later this week (potentially as early as 1/13/2021). For this, there are two separate applications; one for those who received a PPP loan the first time around, and one for those who have NEVER received a PPP loan. **Application A** (for round 2 applicants) and **Application B** (for those who've NEVER had a PPP loan) are attached. **Please read through the appropriate application for you, thoroughly, prior to filling it out to ensure you comply with all requirements. Also, please fill the application out completely, otherwise it may not be processed.**

Updated Rules of the Program:

- When calculating your loan amount, do not account for cents. ALWAYS round down when cents are involved (ex: \$24,458.72 = \$24,458.00)
- No more than 300 employees
- ALL Round 2 applicants MUST have a 25% reduction in gross sales/receipts in one quarter from 2020, when compared to the same quarter in 2019
- Loan maximum is \$2,000,000
- At least 60% of loan proceeds MUST be used for payroll expenses. The remaining 40% can be used for interest, business mortgage/rent, utilities, property repairs relating to riot/looting damage
- Loan amount is determined by multiplying your avg. monthly payroll expense by 2.5.
- For those requesting \$150,000 or more (Round 2 applicants only), you MUST submit a report showing a 25% decline in one quarter of 2020 when compared to the same quarter of 2019, along with your loan application package. For those with loan requests of less than \$150,000, you must submit a report showing the 25% decline from 2019 to 2020 (same quarter for each year) at the time of applying for forgiveness of your Round 2 PPP loan.
- Any employee who's salary exceeds \$100,000 must be capped at \$100,000 when figuring the loan amount.

**PPP ROUND 2 APPLICANTS (APPLICATION A)**

In order for us to submit your application to the SBA, the following information is required. **Even if you sent info in with your Round 1 application, you will need to resubmit all info for Round 2.**

Aside from the completed loan application, a list of required documentation is listed below, for each business entity type; **if the required documentation is NOT received with your application, we cannot process your application:**

- a. C-Corp, S-Corp, LLC
  - i. Completed loan application; see attached
  - ii. 2019-2020 941's
  - iii. 2019 & 2020 940 or Payroll Summary Report for 2020
  - iv. Articles of Incorporation/ organization, bylaws/operating agreement
  - v. (for loan requests of \$150k or more) Income/Expense report comparing a chosen quarter in 2019 to the same quarter in 2020

- vi. Copy of the application signer's driver's license
- b. Sole Proprietorship, Independent Contractor, Self Employed Individuals
  - i. (for applicants who are paid via 1099)2019 Schedule C from 2019 personal tax return
    - 1. Loan amount is figured by dividing line 31 (on the Schedule C) by 12, then multiplying it by 2.5
  - ii. If available, 2020 payroll summary report
  - iii. If applicable, Articles of Incorporation/ organization, bylaws/operating agreement
  - iv. If available, 2019-2020 941's
  - v. Copy of the application signer's driver's license

**PPP ROUND 1 APPLICANTS (APPLICATION B)**

Aside from the completed loan application, a list of required documentation is listed below, for each business entity type; **if the required documentation is NOT received with your application, we cannot process your application:**

- a. C-Corp, S-Corp, LLC
  - i. Completed loan application; see attached
  - ii. 2019-2020 941's
  - iii. 2019 & 2020 940 or Payroll Summary Report for 2020
  - iv. Articles of Incorporation/ organization, bylaws/operating agreement
  - v. Copy of the application signer's driver's license
- b. Sole Proprietorship, Independent Contractor, Self Employed Individuals
  - i. (for applicants who are paid via 1099)2019 Schedule C from 2019 personal tax return
    - 1. Loan amount is figured by dividing line 31 (on the Schedule C) by 12, then multiplying it by 2.5
  - ii. If available, 2020 payroll summary report
  - iii. If applicable, Articles of Incorporation/ organization, bylaws/operating agreement
  - iv. If available, 2019-2020 941's
  - v. Copy of the application signer's driver's license

Once your loan package is complete, please submit it to [r.bergeron@towncenterbank.net](mailto:r.bergeron@towncenterbank.net) and [d.regan@towncenterbank.net](mailto:d.regan@towncenterbank.net). You may submit your application package as soon as it's ready. Also, please submit any questions you might have via email to the same addresses.

Thank you all! We're glad to help you through this process!