

December 22, 2020

This message is to notify PPP Borrowers of expected program changes.

Late on December 21, Congress passed legislation that would reopen PPP lending and change key program rules. This legislation does not become law until signed by the President, which is expected to occur later this week.

Assuming the bill is enacted, the following PPP rule changes (among others) will be implemented:

Forgiveness

- Streamlined forgiveness for loans under \$150,000 via a 1-page attestation form.
- Repeal of deduction from forgiveness of any EIDL advance amount. SBA will reimburse borrowers who have already had their EIDL advance deducted from forgiveness.

“Second Draw” for Current Borrowers

- Borrowers may apply for additional PPP funding if they have used the full amount of their PPP loan AND had gross receipts during the first, second, third or fourth quarter in 2020, that demonstrate not less than a 25% reduction from gross receipts for the same quarter in 2019.

General

- Program extended to 3/31/2021
- Tax deductions will be allowed for otherwise deductible expenses paid with the proceeds of a PPP loan that is forgiven.

(list is not exhaustive)

As the SBA releases more detailed guidance, we will make it available to our borrowers. After enactment, it will take time for the SBA to release new forms, rules, procedures and a reconfigured processing system.

Borrowers who have already had EIDL grant amounts deducted from forgiveness should wait for SBA guidance on their reimbursement.

Borrowers of less than \$150,000 who have not yet applied for forgiveness should await SBA guidance and release of a new forgiveness application form.

We appreciate you choosing NSB for your banking needs.

Sincerely,

The NSB Commercial Banking Team

