



## Paycheck Protection Program Borrower Application Form

Check One:

- Sole proprietor
- Partnership
- C-Corp
- S-Corp
- LLC
- Independent contractor
- Eligible self-employed individual
- 501(c)(3) nonprofit
- 501(c)(19) veterans organization
- Tribal business (sec. 31(b)(2)(C) of the Internal Revenue Code)

# SECOND DRAW PPP

BASED ON REVIEW OF BILL RECEIVED • DECEMBER 22, 2020 • VERSION 1

## THE DETAILS

- Loan forgiveness of \$150,000 and below get a single-page form. The form has not yet been released.
- In the previous bill, expenses that were utilized with PPP funds were not eligible as a write off on your taxes. The new bill eliminates this. Tax implications go away for borrowers past, present, and future that have a PPP loan or obtain a Second Draw PPP loan.
- A lot of our borrowers received an EIDL advance. If a borrower has received an EIDL advance, it was reduced out of their forgiveness amount. This reduction no longer applies and is retroactive to loans already forgiven. Summit Bank is awaiting guidance on how to refund EIDL borrowers their advance.
- Borrowers with NAICS code that begins with 72 are eligible for 3.5 times their average monthly payroll. All other industries remain at 2.5 times their monthly payroll.

NOTE: Summit Bank doesn't pay any broker or agent fees. Information subject to change as guidance is issued by SBA and the U.S. Treasury.

## SECOND DRAW PPP ELIGIBILITY

- We predict money will go quickly. Businesses must have a 25% decrease in revenue for one calendar quarter in 2020 compared to the same quarter in 2019. Revenue only.
- The maximum employee count is 300.
- The loan amount is the same calculation previously established in the CARES Act. Borrowers with NAICS codes that begin with 72 are eligible for 3.5 times their average monthly payroll.
- Maximum amount of the new PPP is \$2 million.

## USE OF FUNDS

- Sixty percent must be used on payroll. The remaining funds may be used on rent, utilities, mortgage interest, and four additional items.
  1. Operational expenditures (payment for software or computing software that facilities business)
  2. Property damage costs. For example, a riot that hurt your business.
  3. Supplier costs
  4. Workers protection expenditure



# SUMMITBANK

### EUGENE/SPRINGFIELD

96 East Broadway  
541.684.7500

### CENTRAL OREGON

560 SW Columbia  
541.317.8000

### PORTLAND METRO

222 SW Columbia  
971.940.1911

Member  
**FDIC**

## ORIGINAL PPP VS. SECOND DRAW PPP

	ORIGINAL PPP	SECOND DRAW PPP
<b>TO QUALIFY</b>	500 employees maximum	300 employees maximum
<b>LOAN AMOUNT</b>	2.5 percent of average 2019 monthly payroll, payroll tax (local and state) and benefits.	Same, except for businesses with NAICS codes that begin with 72. Must show a 25% decrease in revenue in 2020 compared to same quarter in 2019.
<b>MAXIMUM AMOUNT</b>	\$10,000,000	\$2,000,000
<b>HOW TO USE</b>	<ul style="list-style-type: none"> <li>• 60% payroll</li> <li>• Rent</li> <li>• Utilities</li> <li>• Mortgage Interest</li> <li>• Operations expenditure</li> <li>• Property damage costs</li> <li>• Supplier costs</li> <li>• Worker protection expenditure beginning March 1, 2020</li> </ul>	<ul style="list-style-type: none"> <li>• 60% payroll</li> <li>• Rent</li> <li>• Utilities</li> <li>• Mortgage Interest</li> <li>• Operations expenditure</li> <li>• Property damage costs</li> <li>• Supplier costs</li> <li>• Worker protection expenditure beginning March 1, 2020</li> </ul>
<b>COVERED PERIOD</b>	8 weeks or 24 weeks	8 weeks or 24 weeks

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