



June 22, 2020

Dear SBA PPP Loan Recipient:

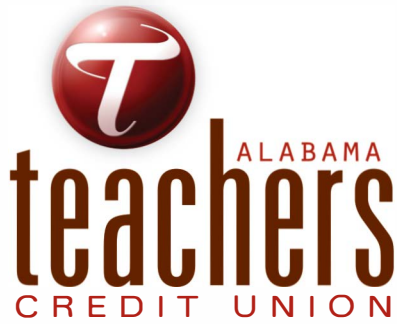
Many of you are probably aware of recent revisions to the “forgiveness requirements” of the Paycheck Protection Program (PPP). As of 6/5/2020 the Paycheck Protection Program Flexibility Act was signed into law changing some of the initial forgiveness requirements. ATCU’s summary of the revised guidelines can be found below. We are also including a reminder of the list of documents each borrower must submit with its PPP Loan Forgiveness Application.

Even though the forgiveness portion of these PPP loans will begin in the near future, continued changes from the SBA are anticipated. For access to the most current details such as the PPP Loan Forgiveness Application, applicable disclosures, and current forgiveness guidance, please go to [www.atcu.com/business/sba-ppp.html](http://www.atcu.com/business/sba-ppp.html). We will provide links on this webpage to the most recent SBA changes which may continue in the coming days and weeks. **Also, please seek the advice of your professional advisors for help with answers to your specific questions. If you don't have a payroll provider, bookkeeper or CPA, now may be the time to consider hiring one.**

### **REVISED IMPORTANT GUIDELINES:**

- The loan forgiveness covered period has been amended to 24 weeks beginning on the date the loan was disbursed. You may; however, elect to have your loan forgiveness covered period remain at the original 8 weeks beginning on the date your loan was disbursed. Please see additional links to the US Department of Treasury website located at [www.atcu.com/business/sba-ppp.html](http://www.atcu.com/business/sba-ppp.html) for further details related to loan forgiveness covered period amendments.
- The Borrower and Lender can mutually agree to modify repayment terms from a 2 year maturity to a 5 year maturity.
- The deferral period was amended. If you submit your loan forgiveness application within 10 months after the end of your loan forgiveness covered period you will not have to make any payments of principal or interest on your loan before the date on which SBA remits the loan forgiveness amount. Interest will continue to accrue during your deferment period.
- Again we encourage you to familiarize yourself with the PPP Loan Forgiveness Application located via the link found at [www.atcu.com/business/sba-ppp.html](http://www.atcu.com/business/sba-ppp.html). Detailed instructions and guidance is provided throughout the required 11 page application.
- The earliest you can submit the application along with supporting documentation to request forgiveness is 06/30/20.
- At least 60% of the loan proceeds are to be spent on payroll and related costs.
- The remaining 40% can be spent on other costs such as:
  - Interest expense on mortgage payments or other debt obligations incurred prior to 02/15/20
  - Rent expense under lease agreements in force before 02/15/20
  - Utility expense for service that began before 02/15/20
- Consult with your payroll provider or a CPA to complete the calculations required in Schedule A of the PPP Loan Forgiveness Application. This will be a critical component in determining eligibility of the forgiveness portion of your loan amount.
- **KEEP ALL RECEIPTS OF FUNDS SPENT FROM YOUR SBA PPP LOAN PROCEEDS!** This includes your bank statements, copies of rent/lease agreements, verification of interest paid on mortgage payments, utility bills, and all other detailed documentation.
- Once you have the PPP Loan Forgiveness Application completed and your supporting documentation collected, please submit all completed information to [sbapp@atcu.com](mailto:sbapp@atcu.com) for further review. For the protection of confidential information we encourage you to submit your documentation via encrypted email. If any additional information is needed you will receive communication from this same email address. Please make sure to mark this email address as a “safe recipient” so it will not be sent to your SPAM folder.

**Learn. Together.**



**DOCUMENTS EACH BORROWER MUST SUBMIT WITH ITS PPP LOAN FORGIVENESS APPLICATION:**

- Bank statements for the account established to track the loan proceeds
- Detailed documentation on all transactions

**PAYROLL RELATED DOCUMENTS**

- Payroll reports documenting compensation paid to employees:
  - Payroll reports by employee for 02/15/19 through 06/30/19
  - Payroll reports by employee for 01/01/19 through 12/31/19
  - Payroll reports by employee for 01/01/20 through 02/29/20
  - Payroll reports by employee for 01/01/20 through 03/31/20
  - Payroll reports by employee for 8 or 24 week period starting with the date the loan proceeds were received
  - List of employees who earned more than \$100,000 in 2019
- Tax forms:
  - Payroll tax filings for 2019 & 2020
  - State quarterly business and individual employee wage reporting and unemployment insurance tax filings
- Payment receipts, cancelled checks, or statements documenting the amount of any employer contributions to employee health/dental/vision insurance and retirement plans for 01/01/20 through 03/31/20.
- Payment receipts, cancelled checks, or statements documenting the amount of any employer contributions to employee health/dental/vision insurance and retirement plans for 8 or 24 week period starting with the date the loan proceeds were received.
- Self-employed and sole proprietors – canceled check copies to self or bank statement verifying transfer from business to personal account.

**NON PAYROLL DOCUMENTS**

- Copies of invoices for any amounts paid for the following during the 8 or 24 week period starting with the date the loan proceeds were received:
  - Mortgage or other interest on debt incurred prior to 2/15/2020
  - Rent on agreements signed prior to 2/15/2020
  - Utilities (electricity, gas, water, phone, internet, transportation) - on services in place prior to 2/15/2020

Remember, your best resource to keep up with current information ATCU has related to changes or updated guidance for the PPP Loan Program can be found at [www.atcu.com/business/sba-ppp.html](http://www.atcu.com/business/sba-ppp.html). You can also direct any additional questions to [sbapp@atcu.com](mailto:sbapp@atcu.com).

Sincerely,

Jamie McGlaughn  
AVP Business Services

Learn. Together.