

1. **New Loan Terms- the SBA changed just now:**
  - a. Interest rate: 1% (changed from .5%) (page 11 attached)
  - b. Term: 2 years (page 12 attached)
2. **We EXPECT AN UPDATED APPLICATION format.**
  - a. We understand the Application may change from its current form (not certain but there is no app on the website currently. I have attached most recent application but I AM NOT **confident** this is the final))
  - b. The SBA website is not accepting submissions currently until the final program is approved.
3. **Can my file be submitted to SBA tomorrow 4/3?**
  - a. We understand there may be a delay for the program to be finalized by the SBA and their website may not be live to receive apps for a period of time. Uncertain how long.
  - b. Once the program is open, I will alert you, and your file will be eligible to be submitted.
4. **When will Trustmark accept my application?**
  - a. We will open our application portal when the SBA program and its application are official.
    - i. Trustmark is choosing to only accept the correct final version of the application so that customers do not have to resubmit data
    - ii. Trustmark wants this to be a one-time submittal.
5. **What is the Trustmark application portal submittal link?**
  - a. Start HERE <https://www.trustmark.com/caresact>
    - i. Once portal is live, this page will contain a link to the portal.
6. **New Guidelines** (see attached document 614 from SBA)
  - a. Ineligible businesses: (page 7)
    - i. Household employers (if you employ nannies or housekeepers)
    - ii. If a 20% owner of the business is incarcerated/probation/parole/indicted/ or felon w/in 5 years
    - iii. If you had a prior default on a SBA loan or other Federal agency within last 7 years where government suffered a loss
7. **Eligible Amount Calculation: (pages 8-11)**
  - a. Step 1- Aggregate payroll costs
  - b. Step 2- Subtract compensation over \$100k per employee or independent contractor/sole proprietor
  - c. Step 3- Calculate average monthly payroll costs (divide the amount from Step 2 by 12)
  - d. Step 4- Multiply Average monthly payroll cost from Step 3 by 2.5
  - e. Step 5- Add the outstanding amount of an EIDL (Economic Injury Disaster Loan) made between 1/31/20 and 4/3/20, less then amount of any "advance" under an EIDL COVID-19 loan (because it does not have to be repaid)
8. **It appears the PPP would refinance any outstanding EIDL balance made between 1/31/20 and 4/3/20**
9. **Independent Contractors- (page 11)**
  - a. Independent contractors have the ability to apply for their own PPP loan

- b. They do NOT COUNT for purposes of a business' PPP loan calculation

**10. Each business may only apply for 1 PPP loan (page 12)**

- a. There is no going back to apply for more money; get it right and consider applying for the maximum you qualify for on your application.

**11. Is the PPP First-come, First served? (page 13 attached)**

- a. Yes. According to the SBA.

**12. Repayment of loan (page 13 attached)**

- a. No payments for first 6 months
- b. Interest will accrue at 1% at disbursement date

**13. Loan Forgiveness (page 13-15)**

- a. Principal AND Interest may be forgiven IF
- b. You use all of the loan proceeds for forgivable purposes (see page 14 of attached)
- c. Compensation levels maintained (page 14 of attached)
- d. Not more than 25% of the Loan forgiveness amount may be spent on Non-payroll
- e. SBA will issue additional guidance (in future) on loan forgiveness (page 14 attached)
- f. Do independent contractors count as employees for PPP loan forgiveness? NO (page 15)

**14. How to APPLY (page 15)**

- a. Complete the PPP Application form (attached)- aka SBA form 2483
- b. Trustmark then submits your app along with SBA Form 2484 (Lenders Application for 7a Loan Guaranty) to SBA electronically
- c. Trustmark required to maintain the supporting documentation in its files.
- d. Trustmark is an SBA Preferred Lender- we already have electronic submission rights in place (this is important).
  - i. Provide Payroll Documentation

**15. How you can USE the PPP funds (page 15-18)**

- a. Payroll costs
- b. Continuing group health benefits during paid sick/medical/family leave / Insurance premiums
- c. Mortgage interest payments (no principal) on debt incurred prior to 2/15/20
- d. Rent payments
- e. Utility payments (electricity / gas/ water/ internet access/ transportation/ phone)
- f. Interest on other debt incurred prior to 2/15/20.
- g. Refinancing an SBA EIDL loan made between 1/31/20- 4/3/20.
  - i. If your EIDL loan was not used for payroll, it does not affect PPP eligibility
  - ii. If your EIDL loan was used for payroll costs, the EIDL loan must be used to refinance your PPP loan.
  - iii. Proceeds from any advance up to \$10,000 on the EIDL loan will be deducted from the loan forgiveness on the PPP loan.

**16. If you misuse the funds- (page 18)**

- a. SBA will direct you to repay the misused amounts.
- b. If knowingly done, bad things happen (fraud charges/ recourse/ etc)

**17. CERTIFICATIONS (page 18)**

- a. You must certify, among other things (my list is abridged):
- b. "Current economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant"
- c. Funds will be used to retain workers and maintain payroll....not more than 25% for non-payroll....fraud liability if used wrongly
- d. Documentation verifying the proper use of the funds will be provided to lender
- e. Info is True and correct
- f. Certify that LENDER will confirm eligible loan amount using TAX documents submitted

**18. Trustmark, as Lender is required to: (page 21)**

- a. Confirm receipt of borrower certifications
- b. Confirm receipt of Info showing borrower had employees for who they paid salaries / payroll taxes on or around 2/15/20
- c. Confirm dollar amount of average monthly payroll costs by reviewing the application
- d. Follow BSA (compliance) requirements

**19. Documents Needed to Apply (if applicable page 23):**

- a. Payroll processor records
- b. Payroll tax filings
- c. Form 1099-MISC
- d. Income / expenses (for a sole proprietorship)
- e. If you DON'T have this info available:
  - i. You must provide OTHER supporting documentation such as
  - ii. Bank records sufficient to demonstrate the qualifying payroll amount

**20. Can Lender's rely on borrower documentation for loan forgiveness? Pg 24**

- a. Yes, if you submit supporting documentation and attest it is accurate and eligible.
- b. Lenders are held harmless (if you attest the info is true but you lie)

**21. Are lender's paid? Pg 24**

- a. Yes, by the government.
  - i. 5% on loans up to \$350k
  - ii. 3% on loans up to \$2 million
  - iii. 1% on loans over \$2 million

**22. CREDIT ELSEWHERE pg 24**

- a. Lenders are NOT REQUIRED to apply the credit elsewhere test (this is good)