



As a valued Paycheck Protection Program (PPP) loan recipient, we wanted to update you on the new stimulus package signed into law by President Trump on December 27:

The new stimulus package will provide a reopening of the SBA program which provides PPP loans to businesses. As always, Skyline National Bank will be prepared to assist businesses who qualify with obtaining funding under the new PPP program. We anticipate a launch in January 2021 as the SBA and Treasury finalize guidance and rules for the program.

As a community bank, our priority is being available to assist our community in any environment. In the first round of PPP, we served 1,300+ businesses in Virginia and North Carolina. We have a full team of SBA PPP specialists ready to help our local businesses in this second round of PPP.

Provided below is a summary of information currently available. The specifics may change as we await final guidance, rules, forms, and processes from the SBA and Treasury:

Second Draw PPP Loans:

- Second Draw of PPP funds will be available for small businesses with 300 or fewer employees that have sustained a 25 percent drop in revenue in any quarter of 2020 when compared to the same quarter in 2019. A business must use or have used the full amount of their first PPP loan to qualify.
- Maximum loan amount is 2.5 times the average monthly payroll based on the 2019 calendar year or a one year look back, capped at \$2 million. NAICS 72 Businesses (Hotels/Motels and Food Services) can receive 3.5 times average monthly payroll, also capped at \$2 million.
- We encourage clients that are interested in a second draw PPP loan to begin collecting their 2019 and 2020 quarterly sales/revenue information (P&L statements). For certain sole-proprietor businesses, we await additional information from the SBA.

Forgiveness Streamline:

- For current PPP clients with loans \$150,000 and under; a new streamlined form is being created to make the process less burdensome for the borrower. It is our understanding that this will be a one-page attestation signed by the borrower with a requirement to retain certain documents for future reference should the SBA request.

EIDL Advance Reduction:

- The new stimulus package removes Section 1110(e)(6) of the original CARES Act. This removes the requirement that SBA reduce PPP loan forgiveness by the amount of the EIDL Advance received directly from the SBA.

- SBA will define processes and prepare forms for borrowers to complete if they have already received forgiveness and have paid-off or termed out the remaining EIDL Advance balance. Our Small Business Assistance Team will work with clients affected by this.

As always, our priority is serving our communities and assisting clients. We will update you with additional information as we receive it. If you have questions, please email them to ppp@skylinenationalbank.com or call (276) 773-1118.