



# Paycheck Protection Program: Round 3

## IMPORTANT INFORMATION BEFORE YOU BEGIN YOUR APPLICATION

(As of January 19, 2021)

### What types of PPP Loans are now available?

Under the recently enacted economic stimulus bill, there are two general programs that are available to qualifying businesses;

#### First Draw PPP Loan Program

A First Draw client is one who has not previously received a PPP loan either through Enterprise Bank or any other financial institution. First Draw clients may apply for and receive a PPP loan in an amount up to 2.5x the business' annual average monthly payroll and benefits expense. The maximum loan amount for First Draw clients is \$10 million.

#### Second Draw PPP Loan Program

A Second Draw client is one who has previously received a PPP Loan. There are three key differences under the Second Draw PPP Program that applicants must be aware of before applying.

- ☐ Your business must have encountered at least a 25% decline in revenues either for the full year 2020 when compared to the full year 2019 or in any 3-month calendar quarter of 2020 when compared to the same calendar quarter of 2019. If your requested PPP loan will be in an amount over \$150,000, you must provide the supporting documentation showing this revenue decline at the time you apply. For loan requests of \$150,000 and under, you will need to supply this supporting documentation at the time you apply for loan forgiveness.
- ☐ Second Draw clients may apply for and receive a PPP loan in an amount up to 2.5x the business' annual average monthly payroll and benefits expense. Second Draw applicants whose NAICS code begins with a "72" which includes those businesses in the hospitality industry such as restaurants, hotels, caterers, etc. may apply for a PPP loan in an amount up to 3.5x this payroll total.
- ☐ The maximum loan amount for Second Draw clients is \$2 million.

#### Other Things to Know

- ☐ Once you enter the Enterprise Bank application portal you will be asked if you have previously received a PPP loan. Based on your answer you will be directed to either a First Draw application or a Second Draw application.
- ☐ If you are a Second Draw PPP applicant, there is no requirement to first apply for forgiveness for your First Draw PPP loan that you've already received.
- ☐ Before applying for your Second Draw loan you must have used the full proceeds of your First Draw on qualifying expenses. If you have not used the full amount of your First Draw loan, the SBA will not permit you to apply for a Second Draw.

- ☐ **For First Draw customers only:** If your business has previously received an EIDL Loan (Economic Injury Development Loan) you will have the opportunity to add this into your PPP application amount and thus potentially have the EIDL loan forgiven.

#### Before you get started with your PPP loan application...

**Be sure to have the following information ready before you apply** through the Enterprise Bank portal. This will make the process much easier.

- ☐ Your business employer information number or taxpayer ID number
- ☐ If you are a Second Draw PPP client, have your First Draw PPP SBA loan number available (8 digits followed by a dash then 2 digits) and your First Draw PPP loan amount.
- ☐ Confirmation of your payroll figures which you will need to upload into the portal. These include **any** of the following...
  - 941 tax forms or third-party payroll records or tax returns for either 2019 or 2020 to calculate the monthly average payroll expense.
  - If you are self-employed your Personal Federal Tax Return Schedule C or 1099 for 2019 or 2020
- ☐ Verification that your business was in operation as of February 15, 2020. Bank statement or payroll records that confirm this date are best.
- ☐ If your PPP Loan Request is in excess of \$150,000 and you are thus required to prove a minimum 25% decline in revenues you can submit either of the following...
  - To prove an annual minimum decline of 25% from 2020 to 2019: A copy of your federal tax return for 2020 and 2019.
  - To prove a quarterly minimum decline of 25% from 1 quarter of 2020 to the same quarter of 2019: A quarterly profit and loss statement from any calendar quarter of 2020 (3/31/20, 6/30/20, 9/30/20 or 12/31/20) and a quarterly profit and loss statement for the same quarter of 2019.
- ☐ A schedule of all owners of your company, with addresses, social security and percentage ownership.

**At this point, if your business meets the SBA qualification, you're ready to apply for a PPP through the Enterprise Bank portal.**

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