

Important Forgiveness Update

Regarding Your Paycheck Protection Program Loan

 Enterprise Bank

Membr FDIC

June 23, 2021

Dear Paycheck Protection Program (PPP) Customer,

We are writing to inform you, as a client who received a PPP loan this year (in 2021), either as a Second Draw or in some cases a First Draw, that we will begin the process of accepting forgiveness applications within the next few weeks at which time we will be sending PPP clients an invitation to apply. The email invitation will come from the following address, ebinfo_cllsnoreply@ebtc.com. Please do not apply directly through our Enterprise Bank website. All 2021 PPP clients will receive their invitations to apply for forgiveness by mid-September of this year.

As you prepare to apply for forgiveness, we wish to point out a few important notes in order to assist you.

- **Proof of 25% gross receipts decline:** Per SBA requirements, all **Second Draw PPP** clients (meaning those whose 2021 PPP loan was the second that they received) are required to confirm a 25% decline in gross receipts. Those clients who received a Second Draw PPP loan of \$150,000.00 and over have already provided this confirmation and thus there is nothing that needs to be done in this regard when applying for forgiveness. However, those clients who did receive Second Draw PPP loans of \$150,000.00 or less were not required to confirm this revenue decline at the time of their application but must confirm it as part of their forgiveness application. This is most commonly done through the submission of financial statements:
 - 2019 and 2020 federal tax returns to confirm a 25% year over year gross receipts decline.
 - Internally-prepared quarter-end income statements to confirm a 25% quarter-over-quarter gross receipts decline. Please bear in mind that these must be calendar end quarters (3/31, 6/30 or 9/30) and you must use the same calendar end quarter for 2019 and 2020.
 - In all cases the SBA requires clients to sign and date all submitted financial statements. We have found this to be the most common error when clients submit financial statements leading to a delay in their forgiveness application so please make sure to sign and date these financials.
- **Eligible Expenses for Forgiveness Inclusion:** All clients who received PPP loans in 2021, either First Draw or Second Draw, in excess of \$150,000.00 will be

required to list the expenses for which PPP loan proceeds were used. A minimum of 60% of the requested loan forgiveness amount must be expended on employee payroll. For a list of other eligible expenses this link to the SBA homepage provides additional detail: [PPP loan forgiveness \(sba.gov\)](https://www.sba.gov/loans/ppp-forgiveness).

- **Strategies for Success:** Please [click here](#) to find our review of helpful hints when completing your forgiveness application.

As always, we are grateful for your business and should you have any questions regarding the PPP forgiveness process, please contact your Enterprise Bank Account Officer. Thank you.

Sincerely,

Your Enterprise Bank PPP Team