



Enterprise Bank is available to assist our small business customers during these unprecedented economic times. We want to share important information below regarding your SBA loan.

### **INFORMATION ON SMALL BUSINESS DEBT RELIEF PROGRAM**

In 2020, as part of the U.S. Small Business Association's debt relief efforts under the CARES Act, the SBA automatically paid 6 months of the principal and interest payments due on SBA 7(a) and SBA Express Loans that are in regular servicing status.

The Economic Aid Act signed into law on December 27, 2020, authorized additional debt relief payments to SBA 7(a), SBA Express Loans and SBA 504 loan borrowers beyond the 6-month period prescribed in the CARES Act for Borrowers that had loans approved through September 27, 2020. The level of assistance varies based on when the loan was approved.

#### **How does my business take advantage of this Program?**

Enterprise Bank has identified loans qualifying for this Program. The principal and interest payments that are due on or after February 1, 2021, will be made by the SBA on or about the 25<sup>th</sup> of the month, without incurring late fees.

For loans receiving their second round of relief payments, these payments will continue for 2 months. Payments may continue for up to 5 months if the SBA determines that the business falls under one of the industries hardest hit by the COVID-19 pandemic.

For loans receiving their first round of relief payments, eligible loans will receive payments for 3 months.

You will continue to receive a regular bill during this Program, which will reflect payments being made on your behalf.

#### **If I received SBA Debt Relief Payments in 2020 under the CARES Act am I eligible for additional payments under the Economic Aid Act?**

Yes. Borrowers that received SBA Debt Relief Payments in the first round are eligible for the second round of SBA Debt Relief Payments.

#### **Will my business have to pay back any of the Debt Relief money?**

No. The SBA is making your payments on your behalf due to the Federal State of Emergency.

#### **Will I have to report the SBA Debt Relief Program as income on my taxes?**

No. The Bank was notified from the SBA on January 29, 2021 that Lenders are no longer required to file a Form MISC-1099 with the IRS regarding relief payments. If you have already received a MISC-1099 for those relief payments received in 2020, please confirm with your CPA or Tax Advisor whether it should be used when filing your annual tax returns.

### Can my business continue to make voluntary loan payments?

Yes. Any payments you make above and beyond your regular monthly payment will be applied first to any Escrow due for insurance or taxes, then to reduce the Principal Balance of your loan.

### What if my loan is set up on Auto Payments?

Automatic loan payments will be turned off during the term of the SBA Debt Relief Program. Payments will begin to automatically debit again after the Debt Relief payments have been made.

### What if my business has already received a Deferment through Enterprise Bank?

If you are already in a Deferment of Principal and Interest, the first payment under the SBA Debt Relief Program will be made when your loan begins to bill for Principal and Interest again. If you would like to cancel your Deferment, please contact your Account Officer.

Exception: If your Deferment was for Principal Only, you will be taken off your Deferment and put into the SBA Debt Relief Program, as it is more favorable to you. This does not preclude you from applying for a Deferment in the future, if needed.

If you have any questions about your loan payments or other financial needs, please contact your Account Officer. An employee name directory is available by dialing (978) 459-9000 or toll free at (877) 671-2265.

***THE INITIATIVES DESCRIBED ABOVE ARE LIMITED TO THE LEVEL OF AVAILABLE FUNDING PROVIDED BY CONGRESS.***