



Thank you for allowing us to assist you with your Paycheck Protection Program (PPP) loan. We are committed to helping navigate these unprecedented times and next steps as it relates to PPP funding.

Here are some important things to keep track of as you use your loan.

- Ensure PPP funds are used only for allowable uses.
- Work closely with tax professionals to maximize your forgivable amount.
- Maintain proper documentation to substantiate costs.

The PPP SBA Final Rule and PPP Frequently Asked Questions resources may be helpful in understanding program details, requirements and FAQs. For more information regarding the SBA PPP program, please visit the [Small Business Administration](#) and their resource page.

Specifically, we wanted to share the following guidance as it is time sensitive.

39. Question: Will SBA review individual PPP loan files?

Answer: Yes. In FAQ #31, SBA reminded all borrowers of an important certification required to obtain a PPP loan. To further ensure PPP loans are limited to eligible borrowers in need, the SBA has decided, in consultation with the Department of the Treasury, that it will review all loans in excess of \$2 million, in addition to other loans as appropriate, following the lender's submission of the borrower's loan forgiveness application. Additional guidance implementing this procedure will be forthcoming. The outcome of SBA's review of loan files will not affect SBA's guarantee of any loan for which the lender complied with the lender obligations set forth in paragraphs III.3.b(i)-(iii) of the Paycheck Protection Program Rule (April 2, 2020) and further explained in FAQ #1.15 There is an amnesty period to return the money that **ends on May 7, 2020** if a business decides that it would like to do so.

Further, "5. Limited Safe Harbor With Respect to Certification Concerning Need for PPP Loan Request Consistent with section 1102 of the CARES Act, the Borrower Application Form requires PPP applicants to certify that "current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant." Any borrower that applied for a PPP loan prior to the issuance of this regulation and repays the loan in full by May 7, 2020 will be deemed by SBA to have made the required certification in good faith. The Administrator, in consultation with the Secretary, determined that this safe harbor is necessary and appropriate to ensure that borrowers promptly repay PPP loan funds that the borrower obtained based on a misunderstanding or misapplication of the required certification standard."

40. Question: Will a borrower's PPP loan forgiveness amount (pursuant to section 1106 of the CARES Act and SBA's implementing rules and guidance) be reduced if the borrower laid off an employee, offered to rehire the same employee, but the employee declined the offer?

Answer: No. As an exercise of the Administrator's and the Secretary's authority under Section 1106(d) (6) of the CARES Act to prescribe regulations granting de minimis exemptions from the Act's limits on loan forgiveness, SBA and Treasury intend to issue an interim final rule excluding laid-off employees whom the borrower offered to rehire (for the same salary/wages and same number of hours) from the CARES Act's loan forgiveness reduction calculation. The interim final rule will specify that, to qualify for this exception, the borrower must have made a good faith, written offer of rehire, and the employee's rejection of that offer must be documented by the borrower. Employees and employers should be aware that employees who reject offers of re-employment may forfeit eligibility for continued unemployment compensation.

We will continue to send additional information and updates as they come to us. We also invite you to send us your questions so that we can find the answers to questions that you might have. Please send your questions to loanassistance@cbtc.com. In many cases, we are still waiting on final guidance ourselves but we will do our best to keep you all informed.

The information contained herein is for general information use only, is subject to change without notice, and should not be considered legal advice.