



2021 Paycheck Protection Program Loan Options

	1st Draw	2nd Draw	Modified 1st Draw
Date Available	Mon 1/11/21	Weds 1/13/21	TBD
MB&T Accepting	Yes, if MB&T Business Deposit Client as of 12/31/2020		Yes, if they received the original (first draw) PPP loan from MB&T
Eligibility	<ul style="list-style-type: none"> < 500 employees In operation as of 2/15/2020 Qualifying NAICS code Has not received a prior PPP loan 	<ul style="list-style-type: none"> < 300 employees In operation as of 2/15/2020 OR if a seasonal business, it was in operation for any 12 week period between 2/15/2019 and 2/15/2020 Has used all funds from first draw PPP loan; or will by the time second loan funds are disbursed 25% reduction in gross receipts / revenue in at least 1 quarter of 2020 vs same quarter in 2019 (note, can also use 2019 total revenue vs 2020 total revenue to demonstrate 25% decline) Qualifying NAICS code No lobbying firms No Chinese ownership / influence No political / politician ownership No public companies 1st draw loan cannot be under SBA review 	<p>FINAL ELIGIBILITY PENDING SBA GUIDANCE</p> <ul style="list-style-type: none"> Received a PPP loan in 2020 Could obtain additional funds that were not available the first time due to subsequent program changes
Ineligible Businesses	<ul style="list-style-type: none"> Financial businesses primarily engaged in the business of lending, such as banks, finance companies, and factors (pawn shops, although engaged in lending, may qualify in some circumstances); Passive businesses owned by developers and landlords that do not actively use or occupy the assets acquired or improved with the loan proceeds (except Eligible Passive Companies under § 120.111); Life insurance companies; Businesses located in a foreign country (businesses in the U.S. owned by aliens may qualify); Pyramid sale distribution plans; Businesses engaged in any illegal activity; Private clubs and businesses which limit the number of memberships for reasons other than capacity; Government-owned entities (except for businesses owned or controlled by a Native American tribe); Loan packagers earning more than one third of their gross annual revenue from packaging SBA loans; Businesses with an Associate who is incarcerated, on probation, on parole, or has been indicted for a felony or a crime of moral turpitude; Businesses in which the Lender or CDC, or any of its Associates owns an equity interest; Businesses which: <ul style="list-style-type: none"> (a) Present live performances of a prurient sexual nature; or (b) Derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature; Unless waived by SBA for good cause, businesses that have previously defaulted on a Federal loan or Federally assisted financing, resulting in the Federal government or any of its agencies or Departments sustaining a loss in any of its programs, and businesses owned or controlled by an applicant or any of its Associates which previously owned, operated, or controlled a business which defaulted on a Federal loan (or guaranteed a loan which was defaulted) and caused the Federal government or any of its agencies or Departments to sustain a loss in any of its programs. For purposes of this section, a compromise agreement shall also be considered a loss; Businesses primarily engaged in political or lobbying activities where more than 15% of revenue is generated from lobbying; and Speculative businesses (such as oil wildcatting). 		
Loan Amount	<ul style="list-style-type: none"> 2.5X payroll Up to \$10 million 	<ul style="list-style-type: none"> 2.5X to 3.5X payroll, depending on industry (Accommodation & Food services NAICS qualify for 3.5X) Up to \$2 million 	<p>TBD</p> <p>FINAL ELIGIBILITY PENDING SBA GUIDANCE</p>
Terms	<ul style="list-style-type: none"> 5 years 1% Covered Period can be chosen from any length between 8 or 24 weeks Deferral for 10 months after Covered Period ends Forgiveness allocation remains as 60% payroll / 40% non-payroll (see below for qualifying non-payroll expenses) 	<ul style="list-style-type: none"> 5 years 1% Covered Period can be chosen from any length between 8 or 24 weeks Deferral for 10 months after Covered Period ends Forgiveness allocation remains as 60% payroll / 40% non-payroll (see below for qualifying non-payroll expenses) 	<p>TBD</p> <p>FINAL ELIGIBILITY PENDING SBA GUIDANCE</p>
Use of Funds	<ul style="list-style-type: none"> Payroll, mortgage, rent and utility payments Non-payroll expanded from first round to now also include: <ul style="list-style-type: none"> Covered operations expenditures: software, cloud computing, and other human resources and accounting needs Covered property damage costs: costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance Covered supplier costs: expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to operations at the time at which the expenditure was made Covered worker protection expenditure: PPE and adaptive investments to help comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration. 	<ul style="list-style-type: none"> Payroll, mortgage, rent and utility payments Non-payroll expanded from first round to now also include: <ul style="list-style-type: none"> Covered operations expenditures: software, cloud computing, and other human resources and accounting needs Covered property damage costs: costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance Covered supplier costs: expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to operations at the time at which the expenditure was made Covered worker protection expenditure: PPE and adaptive investments to help comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration. 	<p>TBD</p> <p>FINAL ELIGIBILITY PENDING SBA GUIDANCE</p>
Documentation for loans ≤ \$150K	<ul style="list-style-type: none"> Payroll in 2019 or 2020 and documentation is required for ALL applicants. Examples include: <ul style="list-style-type: none"> Payroll Report (3rd party or Internal) 941's (to back up internally prepared report) 1099 Misc (Independent Contractor) Schedule C (self-employed) Schedule F (farming, ranching) Income and Expenses (sole prop) K-1's (partnership) 	<p>RECEIVED ORIGINAL PPP FROM MB&T</p> <ul style="list-style-type: none"> If 2019 was used in the first draw and is being used again, no documentation needed at time of application. Documentation will be needed for forgiveness. If using 2020 payroll, documentation is required at time of application. <p>RECEIVED ORIGINAL PPP FROM NON-MB&T BANK</p> <ul style="list-style-type: none"> Payroll documentation is required whether you are using 2019 or 2020 payroll <p>ALL 2nd DRAW LOANS:</p> <ul style="list-style-type: none"> Demonstrating a 25% reduction in gross receipts in at least 1 quarter of 2020 vs same quarter in 2019 (note, borrower can also use 2019 total revenue vs 2020 total revenue to demonstrate 25% decline). Documentation is <u>not required at time of application</u>, but must be submitted on or before forgiveness <ul style="list-style-type: none"> Tax Forms (annual) Quarterly Financial Statements Bank Statements 	<p>TBD</p> <p>FINAL ELIGIBILITY PENDING SBA GUIDANCE</p>
Documentation for loans ≥ \$150K	<ul style="list-style-type: none"> Payroll in 2019 or 2020 and documentation is required for ALL applicants. Examples include: <ul style="list-style-type: none"> Payroll Report (3rd party or Internal) 941's (to back up internally prepared report) 1099 Misc (Independent Contractor) Schedule C (self-employed) Schedule F (farming, ranching) Income and Expenses (sole prop) K-1's (partnership) 	<p>RECEIVED ORIGINAL PPP FROM MB&T</p> <ul style="list-style-type: none"> If 2019 was used in the first draw and is being used again, no documentation needed at time of application. Documentation will be needed at time of forgiveness. If using 2020 payroll, documentation is required at time of application. <p>RECEIVED ORIGINAL PPP FROM NON-MB&T BANK</p> <ul style="list-style-type: none"> Payroll documentation is required whether you are using 2019 or 2020 payroll <p>ALL 2nd DRAW LOANS:</p> <ul style="list-style-type: none"> Demonstrate a 25% reduction in gross receipts / revenue in at least 1 quarter of 2020 vs same quarter in 2019 (note, can also use 2019 total revenue vs 2020 total revenue to demonstrate 25% decline). Documentation <u>must be submitted at time of application</u>. <ul style="list-style-type: none"> Tax Forms (annual) Quarterly Financial Statements Bank Statements 	<p>TBD</p> <p>FINAL ELIGIBILITY PENDING SBA GUIDANCE</p>
Resources	<p>PPP 2nd Draw Interim Final Rules (IFR)</p> <p>PPP 2021 Economic Aid Complete Program Interim Final Rules (IFR)</p> <p>U.S. Treasury</p> <p>Small Business Administration</p> <p>MB&T PPP Resources</p>	<p>https://home.treasury.gov/system/files/136/PPP-IFR-Second-Draw-Loans.pdf</p> <p>https://home.treasury.gov/system/files/136/PPP-IFR-Paycheck-Protection-Program-as-Amended-by-Economic-Aid-Act.pdf</p> <p>https://home.treasury.gov/</p> <p>https://www.sba.gov</p> <p>https://montecito.bank/pppresources</p>	

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