



Eastside Recovery Hub Webinar Series

www.OneEastside.org

Don't Miss Out on This Round of Forgivable PPP Loan Funding
Updates to the Paycheck Protection Program (PPP)
Increases Access for Small Businesses in Need

February 25, 2021 | 2:00pm – 5:00pm

Disclaimer: To the best of our knowledge, this information was correct as of the time of this webinar. Given the fluidity of the situation, and rapidly changing guidelines, be aware that some of this information may have changed. Please visit the SBA website for updated information at www.sba.gov.



OneEastside

Stronger together.

Eastside Recovery Hub Webinar Series

www.OneEastside.org

KRISTINA HUDSON

Executive Director
OneRedmond



Hosted By



Supporting
Regional
Eastside
Partners



Business Advisors
Confidential, No Cost,
One-on-One Technical Assistance



Mari Wruble, mariw@oneredmond.org

<https://wsbdc.org/contact-an-advisor/>



Michael Reis

<https://re.startup425.org/>

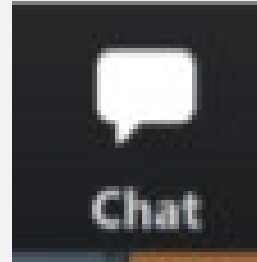


OneEastside

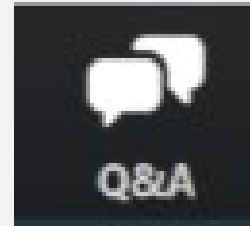
Stronger together.

Eastside Recovery Hub Webinar Series

www.OneEastside.org



Need technical help during
the webinar?
Use the **Chat Box**



Questions for the
Speakers?
Use the **Q&A Box**



Recording will be available
following the webinar

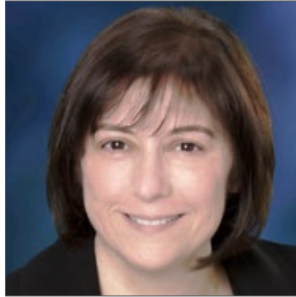
Featured Speakers



Joel Nania

Manager, Spokane Branch Office

U.S. Small Business Administration (SBA)



Janie Sacco

Marketing & Outreach, Seattle District Office

U.S. Small Business Administration (SBA)



Walter McLaughlin

Senior Vice President & SBA Manager

Banner Bank



Roland Chaiton

SVP | Sr. Loan office | Director Strategic Initiatives

Business Impact NW



OneEastside
Stronger together.

Eastside Recovery Hub Webinar Series

www.OneEastside.org

JOEL NANIA

Manager
Spokane Branch Office
U.S. Small Business
Administration (SBA)





Where We Are

Congress intended this round of COVID-19 economic aid funding to support the hardest-hit small businesses and those in underserved segments, including women, minorities and veterans.

The SBA is committed to ensuring the programs are launched as quickly as possible to deliver critical economic aid to America's small businesses and other eligible entities.



SBA COVID-19 Economic Aid Funding Options

Loan Programs



Paycheck
Protection
Program
(PPP)



Debt Relief on
SBA 7(a), 504
and Microloans



Economic
Injury Disaster
Loan (EIDL)
and
Targeted EIDL
Advance

Grant Programs



Shuttered
Venue
Operators
Grant (SVOG)

2021 PPP Program Update

Data as of February 21, 2021

- **Washington State 2021**
 - \$3.45 Billion – 1st & 2nd Draw Loans
 - 35,798 Total Loans
 - 11th most nationwide by state in dollars
- **Total Nationwide 2021**
 - \$140 Billion - 1st & 2nd Draw Loans
 - 1,918,663 Total Loans

2021 PPP Program Update

Data as of February 21, 2021

Loan Size by numbers of loans nationwide:

71.7% \$50,000 or less

12.0% \$50,000 to \$100,000

6.0% \$100,000 to \$150,000

89.7% Total \$150,000 and less



OneEastside
Stronger together.

Eastside Recovery Hub Webinar Series

www.OneEastside.org

JANIE SACCO

Marketing & Outreach Specialist
Seattle District Office
U.S. Small Business
Administration (SBA)



This Week's Updates to Paycheck Protection Program

- The Biden-Harris administration has established a 14-day PPP application period for businesses and nonprofits with fewer than 20 employees.
Started Wed, February 24 at 6:00am and ends Tues, March 9 at 2:00pm
- Sole proprietors, independent contractors, and self-employed individuals will receive increased financial support via a revised loan calculation formula using gross receipts rather than net income -- Line 7 of IRS 1040 Schedule C (rather than line 31)
- Removal of restrictions that prevented small business owners with prior non-fraud felony convictions. 1st & 2nd Draw PPP loan can now be processed for those with most other felony convictions.



SBA.gov/PPP

This Week's Updates to Paycheck Protection Program

- Eliminate federal student loan debt delinquency and default as disqualifiers for PPP. Removal of Hold-Error Codes that would have prevented loan processing.
- Ensure access for non-citizen small business owners who are lawful U.S. residents by clarifying that they may use Individual Taxpayer Identification Numbers (ITINs) to apply. Small business owners with tax IDs of nine digits and beginning with “9” are now eligible.
- Businesses with PPP applications already submitted that have existing Hold-Error Codes that can be cleared, will continue to be processed.



2021 Paycheck Protection Program Top Takeaways

- Expanded PPP eligibility and how funds can be used
- A borrower can now select a covered period to be **between 8 and 24 weeks**
- Second Draw PPP loan option for hardest hit small businesses
- Allows for deduction of expenses covered with forgiven PPP loan debt on federal taxes
- Updates simplified forgiveness form to include PPP loans of up to \$150,000 (86% of PPP loans submitted in 2020)
- No longer subtracts EIDL Advance from PPP loan forgiveness amount



SBA.gov/PPP



Information Current as of 2/25/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

What is a First Draw PPP Loan?

For eligible applicants that did not receive a PPP loan prior to Aug. 9, 2020

- PPP loan eligibility now includes additional types of entities
- Covered eligible expenses are expanded
- Borrowers can set the covered period to use PPP loan proceeds to be any length between 8 and 24 weeks after disbursement
- Certain borrowers may request an increase to their original PPP loan amount
- Must have been in business by Feb. 15, 2020
- Must apply **on or before March 31, 2021**, or until Congressional appropriations are exhausted



SBA.gov/PPP



Information Current as of 2/25/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

First Draw PPP Loan Eligibility

Must comply with size standards, eligibility criteria & certain limitations

Newly Eligible

- Housing cooperatives
- Destination marketing organizations
- Certain 501(c)(6) organizations such as Chambers of Commerce
- Eligible news organizations

Still Eligible

- Sole proprietors, independent contractors, self-employed individuals
- Business entities (e.g., partnerships, corporations, LLCs)
- 501(c)(3) non-profit organizations
- 501(c)(19) Veterans organization
- Tribal businesses



SBA.gov/PPP

What is a Second Draw PPP Loan?

For borrowers that previously received a PPP loan, have 300 employees or less, and suffered a 25% reduction in gross receipts

- For most borrowers, the maximum loan amount of a Second Draw PPP loan is 2.5x average monthly 2019 or 2020 payroll costs, up to \$2 million.
- For borrowers in the Accommodation and Food Services sector (NAICS 72), the maximum loan amount for a Second Draw PPP loan is 3.5x average monthly 2019 or 2020 payroll costs, up to \$2 million.
- Second Draw PPP loan applicants must submit the information on **SBA Form 2483-SD** (Borrower Application) when applying to their lender.



SBA.gov/PPP

Second Draw PPP Loan Eligibility

**Must have previously received a First Draw PPP loan
and covered periods cannot overlap**

Additional Eligibility Criteria

- Has used or will use the full First Draw PPP loan amount only for eligible expenses before the Second Draw PPP loan is disbursed
- Has no more than 300 employees
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.



SBA.gov/PPP

PPP Loan Application Process



1. Find a PPP Lender

- SBA.gov/LenderMatch
- SBA.gov/PaycheckProtection/find
- Contact SBA Resource Partner: SBA.gov/local-assistance

2. Complete Application

- Include all supporting documentation
- Get help from SBA Resource Partner: SBA.gov/local-assistance

3. SBA Issues Loan

- Lender submits application electronically to the SBA for compliance check & loan number

March 31, 2021 (or when appropriated funding is exhausted) is the final deadline for lenders to submit PPP loan applications to the SBA



SBA.gov/PPP

Information Current as of 2/25/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

PPP Loan Terms / Maturity

If the PPP loan is not 100% forgiven

PPP loans have:

- A fixed interest rate of 1% that is non-compounding and non-adjustable
- **No requirement for collateral or personal guarantees**
- No fees or prepayment penalties
- A five-year maturity (for those before June 5, 2020, it's two years; borrowers can ask their lender to extend to five years)
- Payments start once borrower knows how much of the PPP loan will be forgiven; lender will notify the borrower
- If borrowers do not apply for forgiveness, payments start 10 months after the last day of the covered period



SBA.gov/PPP



Information Current as of 2/25/21 – Visit www.sba.gov/CoronavirusRelief for the most up-to-date information.

PPP Loan Forgiveness

**Borrowers must apply for PPP loan forgiveness through their lender;
lenders submit lender forgiveness decisions to the SBA**

Updates per the Economic Aid Act

- EIDL Advances are no longer deducted from PPP loan forgiveness payment
- Expenses paid with PPP loan funds are federally tax deductible; **consult the IRS** for details on this
- Expanded forgivable expenses are permissible for any unforgiven PPP loan
- **New:** simplified forgiveness application for PPP loans \$150,000 and under

Per the CARES Act

- Forgiven PPP loans are not federally taxable income



SBA.gov/PPP



PPP 1st Draw SBA Form 2483 (Rev 1/8/21)

Paycheck Protection Program Borrower Application Form Revised January 8, 2021

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable) Second Time Clothes		Year of Establishment (if applicable) 2015	
Business Legal Name June's Closet, LLC		NAICS Code 431100		Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) 235 <u>Burberry Lane</u> Apple, Washington 99232		Business TIN (EIN, SSN) 91-4567891		Business Phone (509) 234-5678	
		Primary Contact June Jones		Email Address jjones234@gmail.com	
Average Monthly Payroll:	\$5,000.00	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:		\$12,500.00	Number of Employees: 5.00
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest		<input checked="" type="checkbox"/> Covered Operations Expenditures	
	<input checked="" type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Covered Supplier Costs		<input checked="" type="checkbox"/> Covered Worker Protection Expenditures	
				<input type="checkbox"/> Other (explain):	

Continued Form 2483 (Rev 1/8/21)

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
June Jones	Managing Member	100	111111111	2425 Apple Way, Apple WA 99232

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → <input type="text" value="JJ"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <input type="text" value="JJ"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Is the franchise listed in the SBA's Franchise Directory? If yes, enter the SBA Franchise Identifier Code here: <input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Continued Form 2483 (Rev 1/8/21) Page 2



Paycheck Protection Program Borrower Application Form Revised January 8, 2021

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than 300 employees; (4) if NAICS 72, employs no more than 500 employees per physical location; (5) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (6) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

Continued Form 2483 (Rev 1/8/21) Page 2

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by initialing next to each one:

JJ

The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

JJ

Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

JJ

The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

JJ

I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.

JJ

The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))).

JJ

The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.

JJ

The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

JJ

The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

JJ

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

JJ

I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Continued Form 2483 (Rev 1/8/21) Optional Demographic

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
June Jones		Managing Member
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	2
Gender	M=Male; F=Female; X=Not Disclosed	F
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	4
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	N

Disclosure is voluntary and will have no bearing on the loan application decision

PPP 2nd Draw SBA Form 2483-SD



Paycheck Protection Program Second Draw Borrower Application Form

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One: <input checked="" type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable) Nicole's Candle Shop		Year of Establishment (if applicable) 2019	
Business Legal Name Nicole Johnson			NAICS Code 831500		
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) 787 Quince Street Seattle WA 98124			Business TIN (EIN, SSN) 45-1299074		Business Phone (206) 565-7891
			Primary Contact Nicole Johnson		Email Address njohnson81@gmail.com
Average Monthly Payroll:	\$ 10,000.00	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$25,000.00	Number of Employees (including affiliates, if applicable; may not exceed 300):	3.50
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Covered Supplier Costs	<input checked="" type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain):	
PPP First Draw SBA Loan Number:	97665888-88				
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	4Q 2020	Reference Quarter (e.g., 2Q 2019):	4Q 2019	
	Gross Receipts:	\$50,000.00	Gross Receipts	\$150,000.00	

PPP 2nd Draw SBA Form 2483-SD

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Nicole Johnson	Sole Proprietor	100	345526798	111 Drury Lane, Seattle WA 98124

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → <u>NJ</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → <u>NJ</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: <u></u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

PPP 2nd Draw SBA Form 2483-SD – Page 2



Paycheck Protection Program Second Draw Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

PPP 2nd Draw SBA Form 2483-SD – Page 2

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

NJ

The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

NJ

Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

NJ

The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.

NJ

The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.

NJ

The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

NJ

I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.

NJ

The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.

NJ

The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.

NJ

The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings

PPP 2nd Draw SBA Form 2483-SD – Page 3

NJ

provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

NJ

The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

NJ

The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.

NJ

The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

NJ

The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

NJ

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

PRINT NAME

Signature of Authorized Representative of Applicant

Nicole Johnson

Print Name

01/13/21

Date

Sole Proprietor

Title

Where to Get Additional Information & Support Resources

- SBA Website for PPP info & FAQs - www.sba.gov/PPP
- Use these links for more information on:
 - ✓ How to Calculate First Draw Loan Amount:
<https://www.sba.gov/document/support-how-calculate-first-draw-ppp-loan-amounts>
 - ✓ How to Calculate Second Draw Loan Amount:
<https://www.sba.gov/document/support-second-draw-ppp-loans-how-calculate-revenue-reduction-maximum-loan-amounts-including-what>
- Treasury Website for PPP info & Rules - <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

Local Resources

- Our SBA network of local resource partners are able to assist you with gathering the required information you will need to apply for the various relief programs. Find a partner online: <https://www.sba.gov/local-assistance>
- A local Lender list is available at www.smallbizhelpwa.com.
- Washington Statewide relief coordination, resources, technical assistance and training events at www.smallbizhelpwa.com.
- One-on-One Small Business Development Center (SBDC) advising it available by emailing washington@wsbdc.org or calling (833) 492-7232.

Resources Non-English Speakers

- The SBA website at SBA.gov can be converted to 108 additional languages with the “Translate” button.
- SBA COVID Resources in other languages:
<https://www.sba.gov/page/coronavirus-recovery-information-other-languages>
- Washington State Commerce Technical Assistance for non-English speakers, and underserved communities can be found at:
<https://www.commerce.wa.gov/serving-communities/technical-assistance-from-trusted-community-messengers/>
- City of Seattle assistance – including bilingual language support (Spanish, Vietnamese, Korean, Cantonese, Mandarin, Amharic, Somali)
<http://www.seattle.gov/office-of-economic-development/covid-19/sba-disaster-loan-assistance> call (206) 684-8090.

Stay Connected

SBA Links & Contacts



Subscribe to SBA's e-newsletter: www.sba.gov/updates



Follow the SBA on Twitter: [@SBASeattle](https://twitter.com/SBASeattle)



Email: infosdo@sba.gov



Call: (206) 553-7310



www.sba.gov/coronavirusrelief - all economic aid options

www.sba.gov/ppp - Paycheck Protection Program



OneEastside

Stronger together.

Eastside Recovery Hub Webinar Series

www.OneEastside.org

WALTER MCLAUGHLIN

Senior Vice President &
SBA Manager
Banner Bank



About Banner Bank



- Serving the West since 1890
- Headquartered in Washington State
- About 170 locations in four western states: Washington, Idaho, Oregon and California
- \$15 billion in assets
- 12th largest publicly-traded bank on the West Coast
- Rated as a Bauer Financial 5-Star Institution
- **Eight-time Washington State SBA award winner since 2012**

PPP Opportunity



- 1st Draw: \$10 million maximum; 2nd Draw \$2 million maximum
- 500 employees (First Draw), 300 employees (Second Draw), including affiliates unless there is a waiver
- Loan amount based on 2.5x average monthly payroll (salaries capped at \$100,000) for most businesses; 3.5x for NAICS codes starting with 72 (Second Draw only)
- Payroll includes employer-paid group health, life, disability, retirement
- Farmers/Ranchers and Sole Proprietors can use gross revenues in payroll calculations (capped at \$100,000). Sole prop rule change effective early March
- Must use at least 60% for salaries/wages; 40% for eligible non-payroll covered expenses
 - Lease/rent
 - Utilities
 - Covered “mortgage” interest
 - Supplier costs, worker protection, property damage from 2020 civil unrest

Biden-Harris Administration updates further addressed waste, fraud, and abuse across all federal programs

- Unlike the previous round of the PPP, loan guaranty approval is now contingent on passing SBA fraud checks, Treasury's Do Not Pay database, and public records. SBA also conducts manual loan reviews for the largest loans along with a random sampling of other loans.
- Creating streamlined processes to resolve issues as quickly as possible, while still ensuring taxpayer dollars are spent wisely.
- Hold Codes applying to loans from 2020 and must be cleared before loan forgiveness is provided.
- Compliance Check Error Codes apply to PPP loans for 2021. Most of these apply to 2nd Draw PPP loans.
- SBA resolves – Hold Codes resulting from franchise review, ineligible business size, business address/location is vacant, Cannabis entity, debarred business, defaulted on SBA loan in last 7 yrs., payday lender, affiliation issue, duplicate tax ID, foreign country related, lobbying entity.

Common PPP Errors and Issues



- 2nd Draw: 25% revenue reduction in any one quarter of 2020 as compared to the same quarter in 2019 – **including** affiliates

Affiliates self-identified by borrower

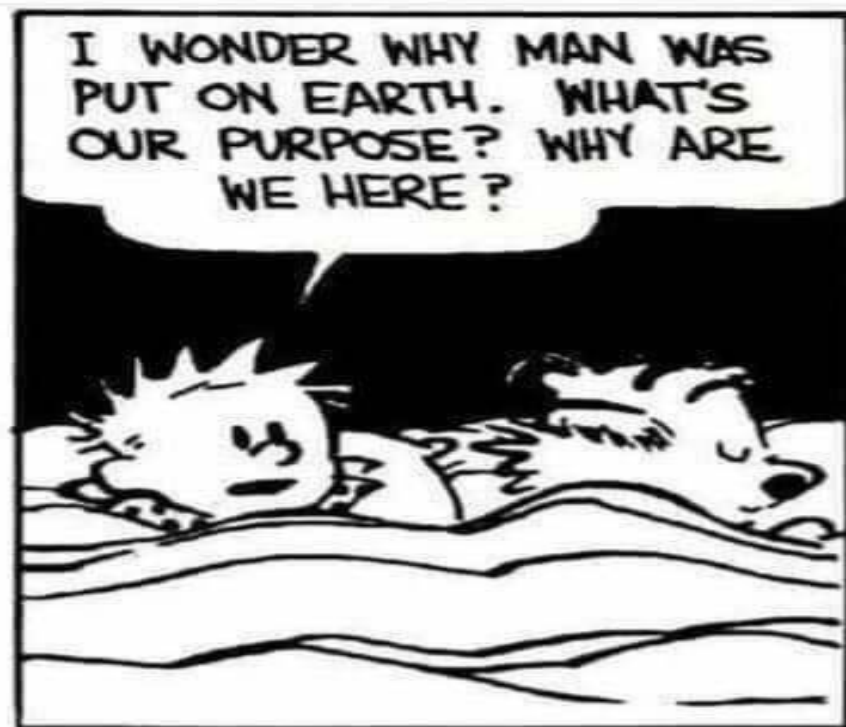
- Revenue reduction must be documented via quarterly P&L, bank statements, or tax returns if the entire year shows at least a 25% reduction. Sign, date and initial each page.
- Loan calculations cannot include ineligible items (worker's comp, FICA, etc.) and must be performed correctly to ensure full forgiveness
- 1099s not considered payroll unless fishing vessel operation
- Correct business name, TIN/SSN mismatches
- Proof business was in operation on 2/15/20

PPP Errors and Issues (continued)



- Answering a question incorrectly (employees domiciled in US, bankruptcy)
- Prior loss to the government
- Entity showing as inactive via SOS records
- Not disclosing franchise relationship
- Ineligible business type
- Not uploading all necessary documents
- Not keeping good records on how loan amount was calculated, or funds spent
- Not working with the right lender







OneEastside

Stronger together.

Eastside Recovery Hub Webinar Series

www.OneEastside.org

ROLAND CHAITON

SVP, Senior Loan Officer &
Director Strategic Initiatives
Business Impact NW



About Business Impact NW

We are a nonprofit Community Development Financial Institution (CDFI) dedicated to serving underbanked entrepreneurs. We provide coaching, classes, and access to capital to community small businesses, with an emphasis on working with traditionally underserved populations – entrepreneurial low/moderate income earners, women, BIPOC, veterans, immigrants or members of the LGBTQ+ community.



Our History

- Business Impact NW has been serving the community since 1997
- Founded as Seattle Economic Development Fund and previously known as Community Capital Development.
- We are a certified, rated, and regulated financial institution.
- We are not a U.S. or state government agency.



Mission & Objective

- Business Impact NW's objective is to provide financial and technical support to entrepreneurs in economically marginalized communities who would not otherwise have access to financial services.
- Our lending guidelines are more flexible than traditional banks because of our community impact mission.
- While careful in our decision-making process, Business Impact NW is able to take considered risks on underserved small businesses in order to achieve this mission.



Programs

- Our loan department offers lending services in Washington State and Oregon.
- We offer business support services (training, coaching and classes) in Washington State, Oregon, Idaho and Alaska through various technical assistance programs, including our Washington Women's Business Center (WBC) and Veterans Business Outreach Center (VBOC).
- Our head offices are located in Seattle, WA.



COVID-19 Resources

- Business Coaching Sessions for one-on-one help with COVID-19 resilience and recovery
- Webinars with information on all the resources available and what you need to access them
- Live Online Question and Answer Sessions about COVID-19 resources
- Bridge Loans, payment abatement and interest-only options for current lending clients
- Paycheck Protection Program Loans, which are forgivable and open to all small businesses who qualify.

PPP Key Steps

- Find a Lender
- Familiarize yourself with application
- Gather Documents
- Do calculations
- Understand and initial Self Certifications
- Upload required documents
- Submit application

Reach out to a SBA Resource for Guidance!

Lenders

- Not all accepting applications
- Check with your commercial banker
- **SBA Lender Match/Lender Finder**



Business Impact NW Lending

To apply with Business Impact NW, please register for our waiting list at: <https://airtable.com/shrYNcMeU5mnRWyYh>

We also encourage you to schedule a one-on-one coaching session with a Business Impact NW coach to assist you as needed. Sign up for services at: <https://businessimpactnw.org/grow-your-business/coaching/>

Information Needed to Fill in Application

Business Info – legal name, address, names of owners & TIN

NAICS Code - <https://www.naics.com/search/>

Year of Establishment – SOS or NA if self-employed or IC

EIN Number on tax documents

Loan Amount

- “Average Monthly Payroll” Use 2019 or 2020 figures up to \$100k divide by 12 and times by 2.5
- Payroll reports, (Federal 941,940 and State), self-employment income documents, insurance invoices/receipts/bank statements (health, vision, life), retirement benefits

Number of Employees Payroll reports. Use 1 if self-employed.

SECOND DRAW: Revenue Reduction of 25% or greater in 2020 relative to 2019. Use tax or financial statements. May leave blank if loan request under \$150k, but still need to do calculation and certification.

Documents Needed to Submit

Check with your lender

Loan Amount (Proof of Payroll/Owner Compensation)

- IRS Form 1040 Schedule C (self-employment income), IRS Form 1099-MISC
- IRS Form 1065 (including K-1s)
- IRS Form 1120 or 1120-S
- IRS Form 941, 940
- State quarterly wage unemployment insurance tax reporting
- Insurance/benefits - invoices/receipts/bank statements (health, vision, life, retirement)

Establish you were in operation and had employees - February 15, 2020

- A payroll statement or similar documentation from the pay period
- IRS Form 1099-K, invoice, bank statement, or book of record establishing you were self-employed in 2019 and a 2020 invoice, bank statement, or book of record establishing you were in operation on February 15, 2020.

Second Draw

- Quarterly Financial Statements
- Quarterly Bank Statements
- Annual Federal Tax Filings

Documents Needed to Submit

Additional:

- Copy of Driver's License for Owners
- Entity Formation Documents
- Bank Information and Voided Check

Prepare for Forgiveness

- Deposit funds in separate account
- Know what expenses are forgivable:
 - Payroll costs
 - Rent or mortgage interest
 - Utilities
 - Operations software
 - Property damages
 - Necessary supplier costs
- Keep good records of expenses paid with PPP funds



Covid Response Team

Sign up for services and make an appointment:

wbc@businessimpactnw.org

Business Impace NW Loan Department

lending@businessimpactnw.org

Q & A



Janie Sacco, SBA

SBA Message Line: (206) 553-7310

Email: janie.sacco@sba.gov



Walter McLaughlin, Banner Bank

Ph: (425) 806-2881

Email: wmclaughlin@bannerbank.com



Roland Chaiton, Business Impact NW

Ph: (206) 324-4330 ext. 111

Email: rolandc@businessimpactnw.org



OneEastside

Stronger together.

Eastside Recovery Hub

www.OneEastside.org

Hosted By



Supporting
Regional
Eastside
Partners





Eastside Recovery Hub Webinar Series

www.OneEastside.org

Don't Miss Out on This Round of Forgivable PPP Loan Funding
Updates to the Paycheck Protection Program (PPP)
Increases Access for Small Businesses in Need

February 25, 2021 | 2:00pm – 5:00pm

Disclaimer: To the best of our knowledge, this information was correct as of the time of this webinar. Given the fluidity of the situation, and rapidly changing guidelines, be aware that some of this information may have changed. Please visit the SBA website for updated information at www.sba.gov.