



FREQUENTLY ASKED QUESTIONS RELATED TO THE PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program, part of the new CARES Act stimulus package, is a federal loan program aimed at helping small businesses who have been severely impacted by Coronavirus (COVID-19). This loan is to help businesses retain their workforce and assist with other operational expenses.

LOAN FEATURES

No payments on your loan for the first 6 months

Interest rate at 1% for 2 years

No collateral or personal guarantees are required

Apply for potential loan forgiveness after receiving the funds

FLEXIBLE USE

- Payroll expenses
- Mortgage interest
- Rent
- Utilities
- Interest on debt obligations incurred before February 15, 2020

WHAT IS THE PAYCHECK PROTECTION PROGRAM?

A. The Paycheck Protection Program is a federal loan program aimed at helping small businesses who have been impacted by Coronavirus (COVID-19) retain their workforce. The loan is an SBA 7(a) loan with the following terms:

- 1% fixed interest rate
- No payments for first 6 months
- 2-year term
- Up to 100% of the principal amount of the loan may be forgiven if you use the proceeds on qualifying expenses.

HOW IS THIS LOAN UNIQUE?

A. This loan program was created by the Federal Government in the wake of the Coronavirus (COVID-19) global health crisis. Another unique feature is that you won't have to make payments on your loan for the first 6 months.

HOW DO I APPLY FOR A LOAN?

A. This loan will be packaged as an SBA 7(a) loan, and businesses can apply through Cornhusker Bank.

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AM I ELIGIBLE FOR A LOAN?

A. Generally, small businesses that were in operation prior to February 15, 2020 with 500 or less employees are eligible to apply for this loan. Please contact us if you have questions regarding your eligibility

HOW IS THE LOAN AMOUNT DETERMINED?

A. We'll calculate your loan amount by taking your business's average monthly payroll and multiplying it by 2.5.

Your monthly payroll includes wages, tips, group health, retirement benefits and taxes but excludes the amount of compensation to individuals in excess of \$100,000. The maximum loan amount is \$10 million. There are other important details in calculating the average monthly payroll. We encourage you to reach out to us so we can answer your questions.

WILL I NEED TO PLEDGE COLLATERAL OR A PERSONAL GUARANTEE TO QUALIFY?

A. No.

HOW LONG WILL IT TAKE TO GET MY LOAN PROCEEDS?

A. Once the SBA releases details and guidance on the Paycheck Protection Program, we can approve your loan and disburse funds as fast as possible by ACH payment.

WHAT ARE THE APPROVED AREAS I CAN SPEND THE MONEY ON?

A. Approved uses of proceeds include:

- Payroll Costs
- Group health premiums
- Rent and utilities
- Interest payments on mortgages or debt incurred before 2/15/2020, does not include principal payments
- Retirement benefits
- State or local tax assessed on compensation
- Vacation, paid leave (family, medical, etc.)

IF I TAKE THIS LOAN NOW, CAN I GET ADDITIONAL SBA FUNDS IN THE FUTURE?

A. It is our understanding that it will not affect your future SBA loans or total dollars allowed from the SBA, but we are awaiting guidance from SBA. However, you are only allowed one Paycheck Protection Program Loan.

HOW DOES FORGIVENESS WORK?

A. Up to 100% of the principal amount of the loan may be forgiven if you use the proceeds on qualifying expenses. The forgiveness program is designed to support employment – if you don't maintain certain levels of employees or compensation then part of the loan will not be forgiven. The finer details of the forgiveness program are still being determined – we look forward to sharing more details and explaining the process better once we have the guidance from the SBA.

IF MY LOAN IS NOT FORGIVEN, HOW MUCH IS MY MONTHLY PAYMENT?

A. Any amount not forgiven will have an interest rate of 1% fixed for a period of 2 years. No payments are due until after the 6 month deferment period.

This information is accurate and updated as of April 3, 2020.