

Greetings,

Many of us at United Community Bank are gearing up for the forgiveness phase of the PPP loans. Some of you have just completed week four of the eight-week period since you received funding from the PPP loan.

We will be starting to request documentation from our PPP customers next week. Some of the documents that we request may include payroll records, utility statements, rent payments, mortgage interest expense, etc. This will help prepare us to submit the request for forgiveness to the SBA as soon as possible. You will receive an email from United Community Bank that will give you the opportunity to “drag and drop” files into a secure portal that will remit and send back to us.

If possible, please convert any documents to a PDF document before submitting. We hope this process simplifies and streamlines how we request documents from you.

As a reminder we have our [Small Business Resource Page](#) where you can find information regarding past newsletters and information on small business loans. For further up to date information please visit the US Treasury website [here](#) and the SBA “Frequently Asked Questions Page” [here](#).

I have added a couple more questions below that we have received additional guidance on this week. Stay tuned for more information!

Agencies Add a New Question and Answer to Their PPP Guidance Document

The U.S. Treasury and the SBA added one new Question and Answer to their PPP Guidance Document. Question #46 is yet another question related to the borrower’s certification that “[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”

The question is, “How will SBA review borrowers’ required good-faith certification concerning the necessity of their loan request?” The answer is very good news for the vast majority of PPP borrowers. The agencies have announced a safe harbor. Every borrower whose loan is less than \$2 million will be deemed to have made the certification in good faith. The agencies have determined that the safe harbor is appropriate because borrowers with loans under \$2 million are less likely to have other sources of liquidity, and these borrowers need economic certainty as they retain or rehire employees. Also, the SBA has limited resources, so focusing their certification review on larger loans will likely yield higher returns.

The agencies restated that the SBA will review loans of \$2 million and higher. If SBA determines that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request, SBA will seek repayment of the outstanding PPP loan balance and will inform the lender that the borrower is not eligible for loan forgiveness. If the borrower repays the loan, the SBA will not pursue administrative enforcement or referrals to other agencies based on its determination with respect to the certification concerning necessity of the loan request. SBA’s determination concerning the certification regarding the necessity of the loan request will not affect SBA’s loan guarantee.

The PPP loan data released last Friday showed that 0.31% of loans were \$2 million or greater. Therefore, the vast majority of PPP borrowers will be covered by this newly announced safe harbor.

Agencies Add Another Question and Answer to Their PPP Guidance Document

Late Wednesday, the U.S. Treasury and the SBA added one additional Question and Answer to their PPP guidance document. Question #47 extended the date by which businesses that determine that they really do not "need" their PPP loan can repay the loan under the Safe Harbor. The original date for repaying a loan in this situation was May 7th. That date was extended to May 14th, and late Wednesday the agencies extended the date again, to May 18th. This extension is intended to give borrowers a chance to review Question #46, which the agencies added to the guidance document Wednesday morning.