

Beginning April 3, Business clients may be eligible for financial relief through the federal Paycheck Protection Program that is being introduced as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The Paycheck Protection Program is a federal relief program established by Congress and implemented by the U.S. Treasury Department and the Small Business Administration (SBA) with rules, requirements, protocols and processes that all participating banks, including Bank of America, must follow.

**Under the CARES Act, the federal Paycheck Protection Program includes the following components:**

- The program will be available to businesses with 500 or fewer employees to help with payroll, rent, utilities, healthcare costs and more.
- Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. The loan amount is capped at \$10 million.
- Loans will be forgiven up to the loan amount for a borrower's payroll, rent, mortgage, and utility costs incurred and paid during an eight-week period after a loan is originated.
- Loan forgiveness will be reduced to the extent of a) any reduction in employee headcount during this period (as compared to the prior year), and b) any reduction in pay of an employee by more than 25% (as compared to their prior year compensation). Borrowers that rehire workers will not be penalized for paying them less when they are rehired.
- The SBA also expanded Emergency Economic Injury Disaster Loans.

In order to ensure an orderly flow of these government-provided funds, small businesses that plan to apply should do so with their current business loan provider.

Bank of America business lending relationships include small business credit cards, conventional business loan or lease, business lines of credit, business auto loans, practice solutions loans, trade and asset-based loans. Clients with these existing relationships have the established accounts and underwriting verifications in place to allow Bank of America to help provide the quickest access to the relief funds and help the U.S. government prevent fraud in the process.

Applications will be submitted online only; and Bank of America clients must have digital access via our CashPro platform or Small Business Online Banking platform, and have a Demand Deposit Account (DDA) as of Feb. 15, 2020.

Eligible clients who plan to apply for the Payment Protection Program loan should prepare to apply by taking the following steps:

- Review requirements listed on the U.S. Treasury website <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>. These include:
  - 2019 Payroll – total payroll for full year 2019, by employee, as reported to the IRS.
  - 2019 Independent Contractor Costs – Listing of 1099's-MISC for 2019 independent contractors, by person, as reported to the IRS. (Note: Do NOT include 1099's for services)
  - Payroll report as of Feb. 15, 2020 or closest date after that date, by employee
  - Other information.

After completing the application process, you will receive online confirmation of the submission.

Thank you for your business. Please contact me with any questions.

Best,

**Lydia Mansoor**

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