

NOTICE OF TERMS OF FORGIVENESS OF DEBT

Under the SBA Paycheck Protection Program, you are required to utilize at least 75% of the funds received for payroll costs. The remaining 25% may be used for rent, utilities or interest on a commercial mortgage (principal or prepayments on the mortgage are excluded)

From the Interim Final Rule related to the CARES Act (‘ Act’) provisions published April 2, 2020:

While the Act provides that borrowers are eligible for forgiveness in an amount equal to the sum of payroll costs and any payments of mortgage interest, rent, and utilities, the (SBA) Administrator has determined that the non-payroll portion of the forgivable loan amount should be limited to effectuate the core purpose of the statute and ensure finite program resources are devoted primarily to payroll.

The (SBA) Administrator has determined in consultation with the (Treasury) Secretary that 75 percent is an appropriate percentage in light of the Act’s overarching focus on keeping workers paid and employed. Further, the Administrator and the Secretary believe that applying this threshold to loan forgiveness is consistent with the structure of the Act, which provides a loan amount 75 percent of which is equivalent to eight weeks of payroll (8 weeks / 2.5 months = 56 days / 76 days = 74 percent rounded up to 75 percent). Limiting non-payroll costs to 25 percent of the forgiveness amount will align these elements of the program, and will also help to ensure that the finite appropriations available for PPP loan forgiveness are directed toward payroll protection

Within 10 weeks of receiving funds, or sooner if the proceeds are utilized for a purpose deemed eligible (payroll, rent, utilities, or interest on a commercial mortgage), in order to apply for loan forgiveness you should contact your Greenville Federal Credit Union Commercial Loan Team and provide documentation to support these expenses. Greenville Federal Credit Union in no way is responsible for the decision for forgiveness, but is acting as your agent in making application to the Administrator and Secretary.

Inaccurate or non-factual information or documentation provided for this loan application may negatively impact the amount of the reduction of the loan that is forgiven.

As a recipient of funds from Greenville Federal Credit Union provided in accordance with the Paycheck Protection Program, I acknowledge the information in this Notice and agree to be bound by these terms.

Each owner of the business should sign this form

Applicant: _____

Date: _____

Authorized Representative: _____

Authorized Representative: _____

Authorized Representative: _____