

# PPP Updates and Loan Forgiveness

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# PPP Origination and History

- CARES Act (Coronavirus Aid, Relief, and Economic Security)
  - April 3, 2020 – April 16, 2020
  - \$349 Billion (Round One)
- Paycheck Protection Program and Health Care Enhancement Act (PPPHCEA)
  - April 27, 2020 – June 30, 2020
  - \$310 Billion (Round Two)
- Paycheck Protection Program Flexibility Act of 2020 (PPPFA)
  - Extended to August 8, 2020
  - Added 24 weeks of forgiveness
  - Modified PPP guidelines (75%/25% to 60%/40%)
  - Modified PPP maturity date from 2 years to 5 years for repayment
- Total PPP funds approved by Congress \$659 Billion

# PPP Totals By Round

## Round One

4/3/20 - 4/16/20

Total Number of Loans	1,661,367
Total Dollars of Loans	\$342,277,999,103
Average Loan Size	\$206,022
Total Number of Lenders	4,975

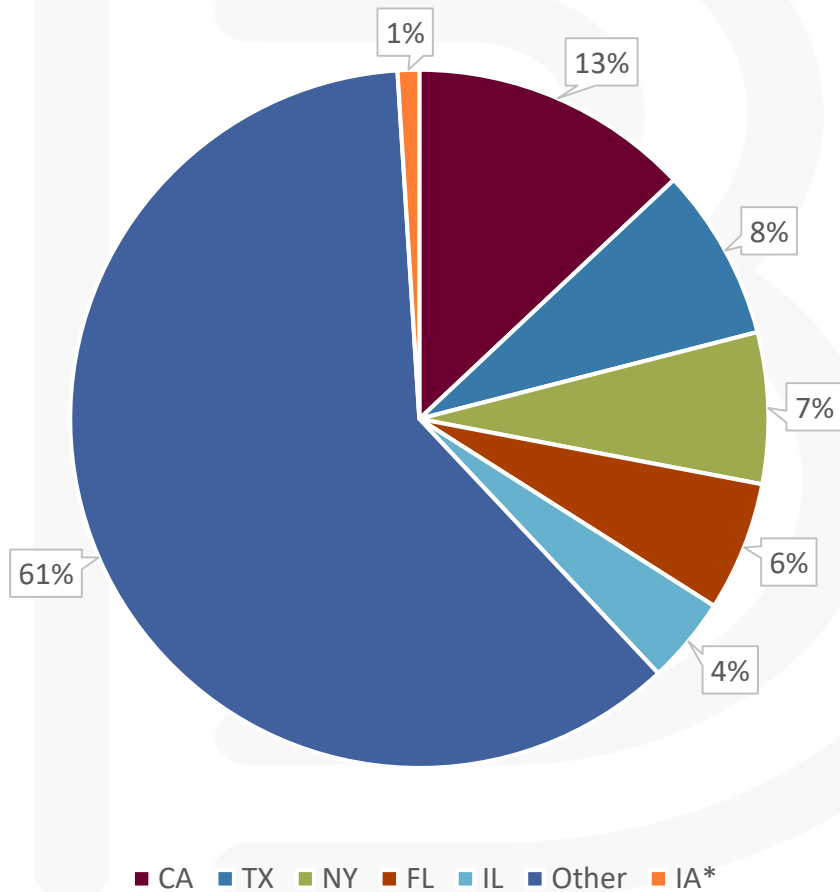
## Round Two (started on 4/27/20)

4/3/20 - 8/8/20

Total Number of Loans	5,212,128
Total Dollars of Loans	\$525,012,201,214
Average Loan Size	\$100,729
Total Number of Lenders	5,460

Approximately \$134 billion in PPP allocated funds remaining

# PPP Loans Top 5 States



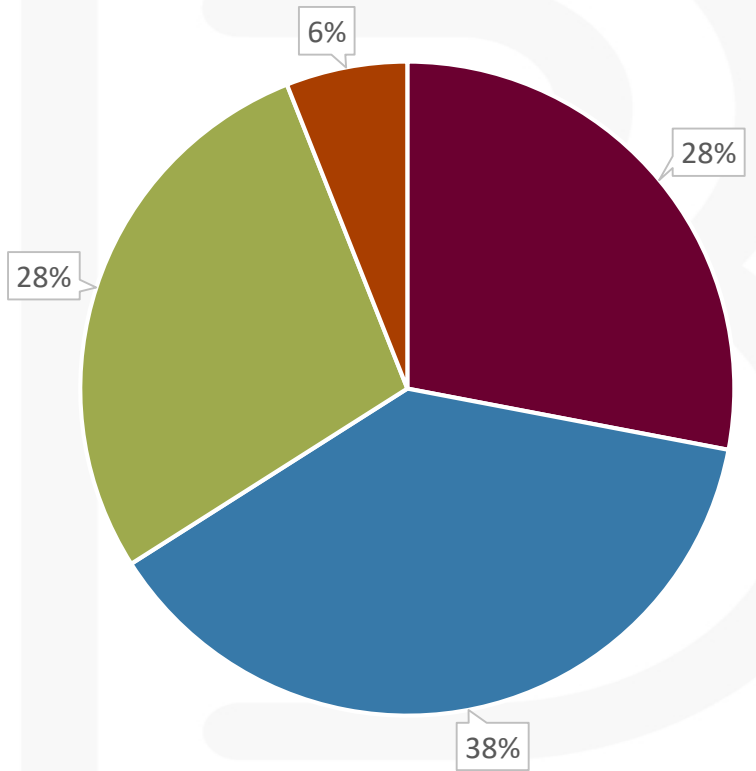
State	Total \$ Loans	# of Loans	Average Loan Size
CA	\$68,644,418,670	623,360	\$110,120
TX	\$41,326,454,268	417,276	\$99,039
NY	\$38,699,947,686	348,870	\$110,929
FL	\$32,251,422,436	432,893	\$74,502
IL	\$22,849,324,883	225,409	\$101,368
IA*	\$5,091,039,492	59,100	\$86,142

\* Iowa is not in the Top 5

# PPP Loans Top 5 Industries

Industry	Total \$ Loans	Percentage	# of Loans	Average Loan Size
Health Care and Social Assistance	\$67,802,899,625	13%	532,775	\$127,264
Professional and Technical Services	\$66,806,585,368	13%	681,111	\$98,085
Construction	\$65,070,483,743	12%	496,551	\$131,045
Manufacturing	\$54,101,623,487	10%	238,494	\$226,847
Accommodation and Food Services	\$42,477,369,498	8%	383,561	\$110,745

# PPP Loans by Size



■ < \$150,000      ■ \$150,100 to \$1,000,000  
■ \$1,000,100 to \$5,000,000    ■ > \$5,000,100

Loan Size	Approved \$	# of Loans	% of Loans
< \$150K	\$147,477,537,518	4,552,452	88%
\$150K to \$1M	\$198,341,359,743	577,476	11%
\$1M to \$5M	\$146,072,167,432	77,466	1%
> \$5M	\$33,121,136,431	4,734	<1%

# PPP Loan Forgiveness

- PPP loan forgiveness key timelines
  - 8 weeks (56 days after loan was closed)
  - 24 weeks (168 days after loan was closed)
- PPP funds guidelines
  - Up to 60% of the funds for payroll expenses
  - Up to 40% of the funds for other expenses
    - Rent, mortgage, utilities, and loan interest
- PPP SBA forms
  - Form 3508 (all non self-employed, independent contractor or sole proprietor)
  - Form 3508EZ (all self-employed, independent contractor or sole proprietor)



# What's Next for PPP???

- Legislative Proposals
  - **P4 Proposal** – Democratic proposal would allow additional PPP funding for borrowers who already have received one PPP loan, and would create carve-outs for borrowers and lenders in underserved markets.
  - **HEALS Act** – Republican proposal would include some fixes to PPP such as streamlined forgiveness, a variation on an additional PPP funding opportunity, and a new long-term loan product for a narrow portion of borrowers.
  - **HEROES Act** – Democratic proposal would provide several PPP fixes and several provisions that would enhance the regular 7(a) loan program and make it a better tool to assist small businesses during these difficult times.
  - **RESTART Act** – Republican and Democratic proposal would propose a new loan product that would build on the existing PPP infrastructure to specifically help those businesses that have seen revenue decline, would allow borrowers with a greater number of employees than allowed for PPP to be eligible, and would permit some portion of these loans to be forgiven based on revenue losses

# FAQs and Links

- **SBA PPP FAQs**

- <https://www.sba.gov/sites/default/files/2020-08/Final%20PPP%20FAQs%20%28August%2011%2C%202020%29-508.pdf>

- **SBA PPP Loan Forgiveness FAQs**

- <https://www.sba.gov/sites/default/files/2020-08/PPP%20--%20Loan%20Forgiveness%20FAQs%20%28August%2011%2C%202020%29-508.pdf>

- **SBA PPP Form 3508**

- <https://www.sba.gov/sites/default/files/2020-06/PPP%20Loan%20Forgiveness%20Application%20Instructions%20%28Revised%206.16.2020%29-508.pdf>

- **SBA PPP Form 3508EZ**

- <https://www.sba.gov/sites/default/files/2020-06/PPP%20Forgiveness%20Application%203508EZ%20%28%20Revised%2006.16.2020%29%20Fillable-508.pdf>

- **SBA PPP Form 3508EZ Checklist**

- <https://www.sba.gov/sites/default/files/2020-06/PPP%20Loan%20Forgiveness%20Application%20Form%20EZ%20Instructions%20%28Revised%2006.16.2020%29-508.pdf>

# SBA 7a vs SBA 504

	SBA 7a	SBA 504
<b>Total Project Size</b>	\$5,000,000	\$12,500,000
<b>Loan Proceeds</b>	<ul style="list-style-type: none"> <li>• Expand, acquire or start a business</li> <li>• Purchase or construct real estate                             <ul style="list-style-type: none"> <li>• Refinance existing debt                                     <ul style="list-style-type: none"> <li>• Buy equipment</li> </ul> </li> <li>• Provide working capital</li> </ul> </li> <li>• Leasehold improvements                             <ul style="list-style-type: none"> <li>• Purchase inventory</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Purchase existing building</li> <li>• Land acquisition and ground-up construction</li> <li>• Expansion of existing building                             <ul style="list-style-type: none"> <li>• Finance building improvements</li> <li>• Purchase equipment</li> </ul> </li> </ul>
<b>Prepayment Penalties</b>	3 year (5%, 3%, 1%)	10 year (1 years interest)
<b>Equity Requirements</b>	Minimum 10%	Minimum 10%
<b>Maximum Amortizations</b>	Up to 25 years	Up to 25 years
<b>Rate Options</b>	Fixed or Variable	Fixed
<b>Loan Guarantees</b>	50%, 75%, 85% or 90%	40%



**Questions?**

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