

EB clients, friends, and staff,

As a follow up to yesterday's email regarding Enterprise Bank's pre-application process for the new SBA Paycheck Protection Program (PPP), we have amended our pre-application worksheet and loan amount calculator now that we have received a proposed SBA application form for the new program which is on our website at www.enterprisebankpgh.com/covid-19. Please note per the recent guidance from SBA as detailed in the instructions to the SBA application form (SBA Form 2483), the average monthly payroll calculation for non-seasonal businesses that were in operation during the period 2/15/19 thru 6/30/19 will be based upon CALENDAR YEAR 2019 and not the 12 month period prior to application. As such, we have amended our loan amount calculator accordingly. We have also eliminated the need to provide any information in our worksheet that is already required on the SBA application form itself.

The average monthly payroll costs based on a CALENDAR YEAR 2019 calculation should be much easier for businesses to evidence to the Bank and SBA than a trailing 12 month calculation, as the supporting documentation can be in the form of the quarterly Form 941's (Employer's Quarterly Federal Tax Return, sample form on our website at www.enterprisebankpgh.com/covid-19) which provides information on the number of employees receiving compensation and the total compensation paid. You will also need to provide W-2's for 2019 for any individual employees with annual compensation in excess of \$100,000 as the PPP program excludes compensation in excess of that amount from certain calculations as concerns the loan and forgiveness amounts.

While we understand that SBA will not begin accepting PPP applications until Friday of this week (4/3), the Bank is now ready to accept pre-application information from clients and prospects for the new SBA Paycheck Protection Loan Program (PPP). On our website at <https://www.enterprisebankpgh.com/covid-19> is the proposed SBA PPP application form (subject to change) along with an Excel Workbook which includes a PPP Loan Amount Calculator tab and an Instructions tab. These two items will need to be submitted to your Relationship Manager at Enterprise Bank along with the following:

- If you were in operation during the period 2/15/19 and 6/30/19 and are choosing the calendar year 2019 average payroll cost calculation method, provide copies of your Form 941 (Employer's Quarterly Federal Tax Return) for the four quarters ending 3/31/19, 6/30/19, 9/30/19, and 12/31/19, along with 2019 W-2's for any individual employee who received compensation in excess of \$100,000 for the year.
- If you were in operation during the period 2/15/19 and 6/30/19 and are choosing the average payroll cost calculation method for seasonal businesses or if you are a newer business and are choosing the average payroll cost calculation method for new businesses based on January and February 2020 payroll costs, please provide supporting payroll documentation for those periods as well as for any individual employee's compensation during those periods that would have annualized to greater than \$100,000 and that support the loan amount you are requesting and certifying in the SBA application.

Also On our website at <https://www.enterprisebankpgh.com/covid-19> is a Coronavirus Emergency Loans Small Business Guide & Checklist that was created by the U.S. Chamber of Commerce which can be used as a reference for those completing our pre-application process.

If you need assistance in completing the pre-application information, please reach out to your Enterprise Bank Relationship Manager.

Please note that that we are first and foremost working to provide PPP loans to existing clients of the Bank. If any of you are not existing Enterprise Bank clients, but want us to consider providing PPP financing to your business, we would be happy to consider that, but only after we have met the needs of our existing client base from a timing perspective, and only to the extent that new prospects wish to move their entire banking relationship to us as part of providing the PPP financing. Further, the Bank will evaluate the value of new overall relationships from a credit risk perspective outside of PPP before considering whether to bring them on as a new client of the Bank and providing the corresponding PPP financing. As we are a relationship driven Bank, we are not willing to provide SBA PPP loans as a one off transaction to non-clients. If any new PPP prospects are not willing to move their overall relationship to us as part of us providing PPP financing, they should reach out to their existing bank for assistance.

Please reference www.enterprisebankpgh.com/covid-19 for all information related to Enterprise Bank's resources for COVID-19 affected businesses.

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“We’re more than just a bank, because you’re more than just a customer”