

EB clients, friends, and staff,

Because our historical financing focus has included financing businesses in distress, Enterprise Bank is well suited and remains willing to work with you and your business thru this crisis with resources that include the following:

Payment relief on existing conventional and government guaranteed loans for our existing client base

New conventional and/or SBA guaranteed financing for new and existing clients who are being adversely affected by the current health and financial/economic crisis. If your business was on solid financial footing prior to the current crisis, we are still willing and able to bring on new relationships and provide financing to businesses who are not currently clients of the Bank. Flexible loan structures that reflect the current uncertainties of the business environment. Rapid response times on financing requests for new and existing clients, due our relatively flat underwriting structure where our Relationship Managers who are the ones directly interacting with you are the same individuals that underwrite your loan request. We have weekly loan committee meetings so most loan requests can be formally decisioned in a week or less. Enterprise Bank issues legally binding loan commitments rather than “terms sheets” or “proposals” to give you the comfort that if your loan is approved and you comply with the terms of the approval, your funding is guaranteed.

As many of you know, your Relationship Manager at the Bank has a personal vested financial interest in the performance of your loan and the corresponding success of your business, so we are here to work with you to make the best BUSINESS DECISIONS possible in this trying time. While many of our peers in commercial banking may begin to contract their lending activities in a time like this, we here at Enterprise are and will continue to support the small business community in our market area and are not afraid to provide new funding or amend existing loans when BUSINESS DECISIONS warrant.

In addition to the Bank's own efforts, below are links to the latest and most comprehensive info we have on financial resources that are available to small businesses in our region to assist them thru this difficult time:

<https://www.sba.gov/disaster-assistance/coronavirus-covid-19>

<https://www.sba.gov/page/guidance-businesses-employers-plan-respond-coronavirus-disease-2019-covid-19>

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

At the federal level, the primary financial resource that will be made available to small businesses around the country will be long term, low interest Economic Injury Disaster Loans (EIDL's)

provided directly by the U.S. Small Business Administration (SBA). These loans will be available in amounts up to \$2MM for businesses located in States with formal federal disaster declarations which at present include PA and OH, and which eventually is expected to be nationwide. Unless further amended by proposed legislation and stimulus efforts related to the COVID-19 outbreak, the current structure of these EIDLs will be as follows:

- 30 year term
- 75% fixed interest rate for for-profit businesses and 2.75% for non-profits
- No application fees or prepayment penalties
- While interest will accrue during first year, all payments are deferred for one year from date of closing
- Personal guaranties required for any 20% or more owners
- Best available collateral positions required on loans greater than \$25k but will take subordinate lien position(s) behind existing debt. Please consider, however, longer term effects of the required SBA collateral liens on business and personal assets, as future subordinations or releases by SBA to accommodate future financing needs are not a given.
- Strictly to be used for working capital and covering short term obligations including ongoing payments on existing debts, but not overall refinancing of anything other than short term debt or bridge loans. No fixed asset purchases.
- Primary underwriting for loan requests up to \$500,000 will be based on credit scoring, with more comprehensive underwriting and analysis process on loans between \$500k and \$2MM program maximum.
- Does not count against SBA 7(a) maximum combined guarantee(s) to any one Borrower or its affiliates of \$3.75mm.
- Loan amount is based primarily on six months of gross profit of the Borrower.

The SBA at present is expecting to be able to approve EIDL loan applications within three days of a completed application and to disburse within 30 days of approval, but this is likely to change based on anticipated application volume. All applications are to be submitted online thru <https://sba.gov/disaster>. **PLEASE NOTE THAT YOU ARE NOT REQUIRED TO ACCEPT/TAKE AN SBA EIDL LOAN EVEN IF YOU ARE APPROVED, AND THERE ARE NO FEES OR OBLIGATIONS REQUIRED TO APPLY. AS SUCH, YOU MAY WANT TO ERROR ON THE SIDE OF CAUTION AND APPLY FOR AN SBA EIDL IF YOUR BUSINESS IS BEING ADVERSELY AFFECTED, EVEN IF OTHER RESOURCES BECOME AVAILABLE IN THE FUTURE THAT ARE BETTER SUITED TO YOUR SITUATION.**

To assist with any funding delays under the SBA EIDL program, SBA will soon be providing guidance to its participant lenders including us here at Enterprise Bank, on providing SBA guaranteed bridge loans up to \$25k to assist small businesses with their most immediate cash needs in anticipation of their receipt of SBA EIDL funding which can refinance bridge financing provided by the Bank. We do not yet have details on this program but will share them with you all as soon as available.

In addition, SBA has and will be amending many of its loan servicing policies to allow more flexibility for the Bank to work with existing SBA borrowers, including providing payment deferrals on a temporary basis. Along those lines, we encourage any existing Bank loan clients, whether their loans are SBA guaranteed or not, to reach out to their Enterprise Bank Relationship Manager directly if they need financial assistance during this difficult time.

And please forward this information to your own contacts who may be in need.

Thank you.

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