

## NOTICE TO ALL PAYCHECK PROTECTION PROGRAM (“PPP”) BORROWERS

The Paycheck Protection Program Flexibility Act of 2020 (PPPFA), signed into law by President Donald Trump on June 5, 2020, amended the Paycheck Protection Program (PPP) to give borrowers more freedom in how and when loan funds are spent while retaining the possibility of full forgiveness.

The PPPFA extends the deferment period for all PPP loans from 6 months to 10 months. This extension period is automatic and borrowers are granted the extension without the need to modify existing loan documents. As a result, Enterprise Bank has given **immediate effect** to the deferral extension notwithstanding anything contrary in your Promissory Note or Business Loan Agreement that you signed with Enterprise Bank.

Under the original PPP, the deferral period was a six month period starting at the end of the Borrower’s Covered Period, as defined in the PPP. The new extension extends the borrower’s deferral period to the date that the SBA remits the Borrower’s loan forgiveness amount to the lender. Your “loan forgiveness” period is the 24-week period beginning on the date your PPP loan was disbursed; however, if your PPP loan was made before June 5, 2020, you may elect to have your loan forgiveness period start from the date your PPP Loan was disbursed. If you submit to Enterprise Bank a loan forgiveness application within ten months after the end of your “loan forgiveness period”, you will not have to make any payments on the loan before the date on which the SBA submits the forgiveness amount to Enterprise Bank. Enterprise Bank will notify you when we receive the SBA payment.

Borrowers who do not apply for forgiveness will have 10 months from the program’s expiration date to begin making payments.

In addition, the new law establishes a minimum maturity date of five years for any PPP loan with a remaining balance after forgiveness. The Bill also extends the covered period for which a borrower may use PPP funds for certain expenses while remaining eligible for forgiveness. The bill also raises the non-payroll portion of a forgivable covered loan amount from 25% to 40%.

Enterprise Bank recognizes that COVID-19 has negatively impacted almost every borrower to some degree. Navigating the ever changing PPP landscape has become increasingly difficult as the laws and regulations governing the PPP are modified and amended. Enterprise Bank is committed to following the law and affording our borrowers every opportunity under the law to obtain full forgiveness. Congress continues to negotiate various PPP provisions and as a result, the laws governing PPP Loans may change yet again. Enterprise Bank is here to help. If you have any questions regarding the status of your PPP Loan, the deferral period and how the extension impacts your loan, please contact your Relationship Manager.