

ASTERA CREDIT UNION
 Paycheck Protection Program Updates 1/8/2021
 The Economic Aid to Hard Hit Small Businesses, Nonprofits, and Venues Act

LOAN TYPE	ELIGIBILITY REQUIREMENTS	ELIGIBLE EXPENSES OR COSTS Where noted, expenses are retroactive for all PPP Loans	NEW ENTITIES ELIGIBLE	MAXIMUM LOAN AMOUNTS
2ND Round PPP Loans	<ol style="list-style-type: none"> Must have received a PPP loan Must have used, or will use, the full amount of its First Draw PPP Loans, including any increase Must not employ more than 300 employees unless it satisfies the NAICS code beginning with 72 Must have a reduction of 25% or more in gross receipts in any quarter of 2020 compared to the same quarter of 2019. Defined gross receipts can be found in sections 26 U.S. Code § 6033 - Returns by exempt organizations U.S. Code US Law LII / Legal Information Institute <p>SIMPLIFIED REVENUE TEST: For loans of \$150,000 or less, the borrower may only submit a certification statement that it meets the revenue loss requirement at the time of application and provide proof of revenue loss at the time they submit a forgiveness application.</p>	<ol style="list-style-type: none"> Covered Operations Expenditure: Defined as a payment for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplied, inventory, records, and expenses <i>*Retroactive for all PPP*</i> Covered Property Damage Cost: Defined as cost related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation <i>*Retroactive for all PPP*</i> Covered Supplier Cost: Defined as an expenditure made by an entity to a supplier of goods for the supply of goods that are essential to the operations of the entity at the time at which the expenditure is made and is made pursuant to a contract, order or purchase order in effect at any time before the covered period with the respect to the applicable covered loan; or with respect to perishable goods, in effect before or at any time during the covered period with respect to the applicable covered loan <i>*Retroactive for all PPP*</i> Covered Worker Protection Expenditure: Defined as an operating or capital expenditure to facilitate the adaptation of the business activities of an entity to comply with requirements established or guidance issued by the DHSS, CDC or OSHA or any equivalent requirements 	<ol style="list-style-type: none"> Housing Cooperatives as defined in Section 216(b) of the IRS code FCC license holders and newspapers 501(c) Organizations IF: <i>*Does not receive more than 15% of receipts from Lobbying</i> <i>*Lobby activities do not comprise more than 15% of activities</i> <i>*Cost of lobbying did not exceed \$1MM during most recent tax year</i> <i>*Employees < 300 employees</i> Destination Marketing Organizations IF: Same exceptions for 501(c)6 	<p>Average total monthly payment for payroll costs incurred or paid by the borrower during 2019 or, at the election of the borrower 2020 multiplied by 2.5 up to a maximum of \$10 million for first time PPP loans, and \$2 million for second draw PPP loans</p> <ul style="list-style-type: none"> Seasonal Employers: At the election of the borrower, average total monthly payments for payroll costs incurred or paid by the borrower for any 12 week period between 2/15/19 and 2/15/20, multiplied by 2.5 New Entities: The quotient obtained by dividing: the sum of the total monthly payments by the borrower for payroll costs paid or incurred by the borrower as of the date on which the borrower applies for the 2nd draw PPP loan; multiplied by 2.5 NAICS 72 Entities (Accommodation and Food Services): At the election of the borrower, average total monthly payments for payroll costs incurred or paid by the borrower for any 12 week period between 2/15/19 and 2/15/20, multiplied by 3.5

		<p>established by a State or local government, beginning on 3/1/2020 and ending on the date on which the emergency in relation to COVID 19 is expired by federal officials. Costs may include: PURCHASE, MAINTENANCE, OR RENOVATION OF ASSETS THAT CREATE OR EXPAND A DRIVE-THR FACILITY; INDOOR/OUTDOOR OR AIR SYSTEMS, PHYSICAL BARRIER SUCH AS A SNEEZE GUARD, INDOOR/OUTDOOR COMBINED BUSINESS SPACE; ONSITE OR OFFSITE HEALTH SCREENING CAPABILITY; PPE AS DETERMINED BY THE ADMIN IN CONSULTATION WITH THE SECY OF HHS</p> <p><i>*Retroactive for all PPP*</i></p> <p>5. Group Insurance Costs: Description of eligible insurance costs included in payroll is updated by clarifying that group life, disability, vision, or dental insurance can be considered</p>		
EIDL Advance Deduction Repeal	<p>The Economic Aid Act Repealed the CARES Act Provision requiring SBA to deduct EIDL advance. Any EIDL Advance amounts previously deducted from a borrower's forgiveness amount will be remitted to the lender, together with interest to the remittance date.</p>	Retroactive for all PPP loans		
First Round PPP Borrowers	<p>Eligibility is based on the Consolidated First Draw PPP IFR, Frequently Asked Questions (FAQ's) and previously issued IFR's, however the Economic Aid Act overrides any conflicting guidance in the FAQs and the SBA will be revising the FAQs as quickly as feasible.</p> <p>Notable Differences:</p>	SEE SECOND ROUND ELIGIBLE COSTS ABOVE		

	<ol style="list-style-type: none"> 1. Borrowers do not have to meet the 25% reduction in gross receipts requirement 2. Maximum loan amount \$10,000,000 3. Maximum number of employees, 500 			
Increases to 1st Round PPP	<ol style="list-style-type: none"> 1. Requests must be submitted by 3/31/2021 2. Lenders must submit updated 1502 within 20 calendar days after a PPP loan increase is approved 3. Seasonal employers who received a PPP loan prior to 12/27/20 can receive an increase in their loan amount based on the revised calculation of maximum loan amount. 4. Other Eligible Borrowers: A borrower who: *returned all of PP loan; *returned part of a PPP loan may obtain a loan equal to the difference between the amount retained and the amount for which they are eligible; *did not accept the full amount of PPP loan for which it was eligible may obtain a loan equal to the difference between the amount they accepted and the amount for which they are eligible; *is eligible because of a revision to rules 			NAICS 72 Entities (Accommodation and Food Services): At the election of the borrower, average total monthly payments for payroll costs incurred or paid by the borrower for any 12 week period between 2/15/19 and 2/15/20, multiplied by 3.5