

SBA Relief Programs for Businesses – COVID 19

Paycheck Protection Program,
Economic Injury Disaster Loan Program

This information is being provided as a resource for our clients. All information herein is based on our current understanding of the terms and conditions applicable to the Program as set out in the Congressional Act, and is subject to further interpretation and clarification as regulations and guidance are issued by various regulatory agencies, including the SBA. All statements herein are subject to and qualified by the detailed eligibility requirements and terms and conditions as contained in the CARES Act and any implementing regulations and guidance.

Due to very high demand, we are only able to submit Paycheck Protection Program applications from current business clients with active deposit accounts.

Info current as of April 7, 2020



Paycheck Protection Program

Part of the CARES Act, the Paycheck Protection Program is an expansion of the SBA 7a program featuring increased dollar amount of loans guaranteed, increased guarantee percentage up to 100%, and expanded eligible entities. Applicants must have been substantially affected by COVID-19.

- **As of April 3, 2020**, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.
- **Starting April 10, 2020**, independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other certain expenses through existing SBA lenders.

WHAT YOU WILL NEED TO APPLY – Program will be open until 6/30/20 or until funds made available for this purpose are exhausted.

We recommend you collect the following documentation to support your application:

To Calculate Loan Amount	<ul style="list-style-type: none">• Payroll reports for 2019 and 2020 year to date showing the following by employee and/or officers:<ul style="list-style-type: none">• Gross wages, paid time off, paid vacation, pay for family medical leave• State and local taxes (form 940, 941, or 944)• 1099's for independent contractors (if applicable)• Completed 2019 tax return OR 2019 year-end Profit and Loss Report and Balance Sheet• Documentation Showing:<ul style="list-style-type: none">• Funds received in the form of an Economic Injury loan since 1/31/20.• Payments for group health care benefits including premiums paid in 2019 to 2020 year to date.• Payment of any retirement benefits paid in 2019 and 2020 year to date.
Forgiveness Documentation (Loan forgiveness of all or a portion of any loan will be subject to determination at a later date based on submission of required information and certifications.)	<ul style="list-style-type: none">• Quarterly IRS forms 940, 941, or 944 for the following dates:<ul style="list-style-type: none">• 3/31/19 and 6/30/19• 3/31/20 and 6/30/20• Documentation in the form of canceled checks, payment receipts, and bank statements showing payment of the following items from 2/15/20 to 6/30/20:<ul style="list-style-type: none">• Mortgage Interest, rent payments, utilities• ADDITIONAL DOCUMENTATION MAY BE REQUIRED

Due to the limited amount of money and high demand, there is no guarantee that this money will be made available to all that apply. The amount that may be forgiven is limited and subject to certain requirements; make sure you follow the final guidance. Due to high demand, it is also important to make sure you provide all information necessary for a complete application.

Hancock Whitney Bank, Member FDIC, Equal Housing Lender.



Paycheck Protection Program Summary

Amount	Loans can be for up to 2.5X your average monthly payroll costs from the last year, subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee.
Eligibility Requirements	All businesses – including nonprofits, veterans’ organizations, Tribal business concerns, sole proprietorships, self-employed individuals, and independent contractors – with 500 or fewer employees can apply. Businesses in certain industries can have more than 500 employees if they meet applicable SBA employee-based size standards for those industries (click HERE for additional detail). For this program, the SBA’s affiliation standards are waived for small businesses (1) in the hotel and food services industries; or (2) that are franchises in the SBA’s Franchise Directory; or (3) that receive financial assistance from small business investment companies licensed by the SBA. Additional guidance may be released as appropriate.
Eligible Usage	<ul style="list-style-type: none"> • Payroll costs including salaries, paid sick leave, medical leave and employer paid medical insurance (Some exceptions apply; see next page) • Interest payments on any on any other debt obligations that were incurred prior to 2/15/20. • Payment of rent on any lease in force prior to 2/15/20. • Payment on any utility for which service began before 2/15/20.
Loan Forgiveness	<p>The following are eligible for loan forgiveness:</p> <ul style="list-style-type: none"> • Payroll costs (during the eight weeks following the loan origination date) • Mortgage interest (but only if the mortgage was in place before 2/15/20) • Rent (but only if the lease was in place before 2/15/20) • Utility payments (during the 8 weeks following the loan origination date) • The amount of forgiveness may also be subject to reduction if your workforce head count is less during the relevant period (2/15/20 – 6/30/20) as opposed to the previous year. <ul style="list-style-type: none"> • If you have already laid off employees, you will not be penalized if you hire them back. • Similar reductions of the amount of loan forgiveness may also be triggered if you reduced your employees’ compensation during the relevant period when compared to the same period last year. Again, if you have already laid off employees, you will not be penalized if you hire them back. • Employers will need to fill out paperwork to establish the amount of the loan forgiveness. • Any amounts remaining after forgiveness must be repaid no later than 10 years after being borrowed. • Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs.

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Paycheck Protection Program Summary (cont.)

Loan Forgiveness Covered Period	Eight-week period after the Paycheck Protection Program loan is in place for which eligible expenses (as discussed in the Loan Forgiveness section on page 3) can be submitted for loan forgiveness.
Interest Rate	1%
Maturity	Loans will have a two-year term. There are no prepayment penalties or fees.
Documentation	<ul style="list-style-type: none">• Payroll tax filings reported to the Internal Revenue Service• State income, payroll, and unemployment insurance filings• Financial statements verifying payment on debt obligations incurred before the covered period; and• Additional documentation may be required
Collateral	Unlike traditional SBA Loans, no collateral is required to secure the loan and no personal guarantees required.
Compensation Limits	Compensation for an individual employee in excess of an annual salary of \$100,000 (as prorated for the covered period) is not eligible for loan forgiveness.
Other Details	If you use PPP funds for unauthorized purposes, SBA will direct you to repay those amounts. If you knowingly use the funds for unauthorized purposes, you will be subject to additional liability such as charges for fraud. If one of your shareholders, members, or partners uses PPP funds for unauthorized purposes, SBA will have recourse against the shareholder, member, or partner for the unauthorized use.
How to Apply	<p>Hancock Whitney clients should contact their banker or make an appointment at their most convenient financial center.</p> <p>You will need to complete the Paycheck Protection Program loan application and submit the application with the required documentation to an approved lender that is available to process your application by June 30, 2020. Click HERE for the application.</p>

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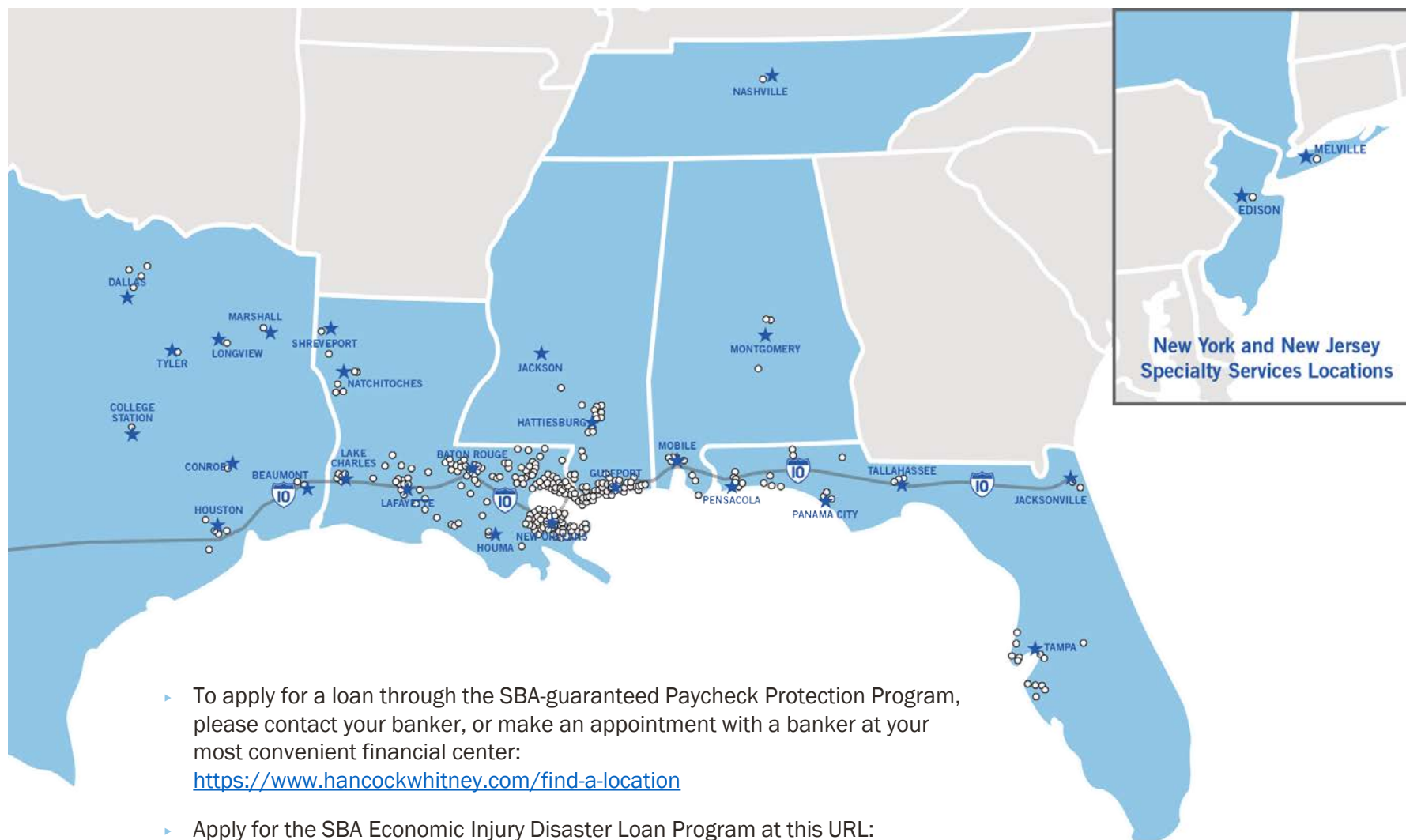
SBA Economic Injury Disaster Loan Program

If your business is not a heavy user of payroll, the SBA Economic Injury Disaster Loan Program may be a better fit.

The SBA Economic Injury Disaster Loan Program incorporates a traditional U.S. Small Business Administration loan with increased eligibility for businesses and private, nonprofit organizations with no more than 500 employees.

Loan Size	<ul style="list-style-type: none">Up to \$2,000,000Small businesses have the opportunity for an immediate advance of \$10,000, which according to the SBA, will be made available within three days of applying for the loan.
Eligibility	Small businesses and non-profits affected by the coronavirus in presidential and SBA-declared disaster areas (<i>list is updated regularly</i>).
Interest Rate	<ul style="list-style-type: none">2.75% for nonprofits3.75% for small businesses
Term Length	Up to 30 years.
Usage	Accounts payable, fixed debts, payroll, and other bills.
Documentation	Most recent tax returns, a personal financial statement and a schedule of liabilities that lists all current debts. Traditionally EIDL loans would require a personal lien such as on a home. In this case, personal guarantees have been modified and sometimes eliminated.
How to Apply	<ul style="list-style-type: none">Apply directly through the SBA online at https://www.sba.gov/disaster-assistance/coronavirus-covid-19Alternatively, call SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or email disastercustomerservice@sba.gov.
More information	https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources
Note	<ul style="list-style-type: none">These loans are issued by the SBA and <i>not</i> Hancock Whitney.If you received an SBA EIDL loan from January 31, 2020 through April 3, 2020, you can apply for a PPP loan as long as the EIDL loan was used for different purposes than the PPP loan. If your EIDL loan was not used for payroll costs, it does not affect your eligibility for a PPP loan. If your EIDL loan was used for payroll costs, your PPP loan must be used to refinance your EIDL loan.

Hancock Whitney Locations



- ▶ To apply for a loan through the SBA-guaranteed Paycheck Protection Program, please contact your banker, or make an appointment with a banker at your most convenient financial center:
<https://www.hancockwhitney.com/find-a-location>
- ▶ Apply for the SBA Economic Injury Disaster Loan Program at this URL:
<https://www.sba.gov/disaster-assistance/coronavirus-covid-19>



Your Dream. Our Mission.