



April 1, 2020

Subject: SPECIAL ALERT: CARES Act Sample Letter for Your Borrowers

We know that you are carrying a lot on your shoulders right now, which is why we are proactively reaching out to you about the new Federal loan program, **CARES Act**, to help small businesses. In particular, the CARES Act expanded the SBA Section 7(a) loan program, also referred to as the "**Paycheck Protection Program**" (**PPP**), which aims to support small businesses. There are thousands of pages of documentation and we have reviewed it for our own use, and wanted to share our takeaways.

- **Why should you care?**
  - We recognize that not every financial institution is a licensed SBA lender, but we still feel it is valuable to give your customers a chance to participate in this aid program
  - We are encouraging all your small business borrowers who are impacted by COVID-19 to consider applying for a loan under this new program
- **What to do?**
  - Reach out to your small business borrowers that have under 500 employees
    - Included is a **sample letter** for your bank to use
  - Send a copy of **SBA application form** and **Fact Sheet** to these borrowers
- **When to start?** There are limited funds available so there is urgency for you and your customers to have them apply to this new program at the earliest acceptance date.
  - **Friday, April 3<sup>rd</sup>** for small businesses and sole proprietorships
  - **Friday, April 10<sup>th</sup>** for independent contractors and self-employed individuals
- **What does it cover?**
  - **Cash** to cover select business expenses (such as employee salaries and payroll support, rent or mortgage and utilities payments, insurance premiums)
  - 6 months of **deferred loan payments**
  - **Loan forgiveness** (a portion, or possibly all, of your loan may be forgiven)
- **Which borrowers are best candidates for PPP?** Since PPP is based on payroll expenses:
  - Businesses with many staff members
  - Businesses with high percent of salaries of their total expenses

We hope this proves useful for you.

Regards,

PCBB

[insights@pcbb.com](mailto:insights@pcbb.com) | (888) 399-1930

Additional Info: [COVID-19 Resource Center](#)