



August 5, 2020

Dear Borrower,

We have gotten many questions over the past few weeks about the process for applying for loan forgiveness of your Paycheck Protection Program (PPP) loan. The Small Business Administration (SBA) has recently announced a platform that banks will be able to use to submit loan forgiveness applications. This system is tentatively to “go live” on August 10. This platform’s functionality is not yet known and will need to be tested by the first banks and borrowers trying to process the first forgiveness applications. While your PPP note agreement probably has your first payment due between October 1, 2020 and December 31, 2020, all PPP loan payments were automatically extended for an additional 10 months; therefore, there is time.

We are also monitoring proposed legislation (H.R. 7777) that may automatically forgive a PPP loan of \$150,000 or less by filling out a more simplified form. I am hopeful this legislation will pass soon. If passed, it may cause your already completed forgiveness application to be unnecessary and you may have to start again with the new form. Due to the uncertainty surrounding the platform, the proposed legislation in Congress, and the fact that your first loan payment will not be due for several months, I encourage you to hang on to your forgiveness application at this time until we are able to provide you with more complete and accurate information.

Please continue to document how you are spending your PPP funds. If you have already exhausted your PPP funds, review your current documentation to ensure its completeness. You may also visit the [US Treasury website](#) for ongoing details including the current version of [Loan Forgiveness Application Form EZ](#) and related [Loan Forgiveness Application Form EZ Instructions](#) or the [Loan Forgiveness Application Form](#) and [Loan Forgiveness Application Form Instructions](#) for transactions not qualifying for the EZ form. Again, due to the pending legislation, these applications may change.

Visit our website at <https://firstservicebank.com/covid-19> for other COVID-19 or PPP loan updates.

Thank you and please contact me if you have any questions.

In your service,

First Service Bank
1-800-669-2517