



**AMERICAN
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BANK**
OF MT. PLEASANT



Second Draw PPP Loans

American National Bank is proud to partner with our business customers in participating in the SBA Paycheck Protection Program. We are sending you this email along with the SBA Form 2483-SD Application attached (*Second Draw Application*) and additional information regarding eligibility requirements for Second Draw Paycheck Protection Program Loans.

Eligibility: To be eligible for a Second Draw PPP loan you must have spent the full amount of the First Draw PPP loan on eligible expenses, have less than 300 employees, and experienced at least a 25% reduction in revenue in 2020 relative to 2019.

Revenue Reduction Calculation: The revenue reduction can either be calculated on a quarterly basis or annual basis as follows:

Quarterly: To calculate the revenue reduction, you must compare your quarterly gross receipts for one quarter in 2020 with your gross receipts for the corresponding quarter of 2019. For example, a borrower with gross receipts of \$50,000 in the second quarter of 2019 and gross receipts of \$30,000 in the second quarter of 2020 has experienced a revenue reduction of 40 percent between the quarters and is therefore eligible for a Second Draw PPP loan.

Annual: If you were in operation for all four quarters of 2019 you are considered eligible if you experienced a reduction in annual receipts of 25 percent or greater in 2020 compared to 2019 and you submit copies of your annual tax forms substantiating the revenue decline.

Revenue Reduction Documentation:

- Annual tax forms
- Quarterly financial statements
- Bank statements
- Documents are required at application time for loans greater than \$150,000.
- Documents are required at forgiveness application time for loans less than \$150,000.

Loan Amount Calculation:

- 2.5X monthly average payroll
- 3.5X monthly average payroll for NAICS number starting with a 72.
- Can use year 2019 or 2020 payroll information.

Loan Documentation (payroll verification):

- No new documentation needed if using 2019 as calculation year.
- Same documents required at application as First Draw Loans (941s or tax returns to verify payroll) if 2020 is used as calculation year.
- Same documents required for Schedule C and farmers as First Draw Loans (tax form Schedule C or F)

Terms:

- 1% interest
- 5-year maturity
- No payments for 16 months
- Covered period either 8 weeks or 24 weeks.



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If you have any questions, please do not hesitate to contact us:

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