

Traditional SBA 7(a) Loan Application Requirements along with Possible Additional Information Needed to apply for a Paycheck Protection Program (PPP) Loan, as of March 28, 2020

Under the Coronavirus Aid, Relief and Economic Security (CARES) Act the Federal Government and Secretary of Treasury are charged with the administration of the PPP Loan program. The Treasury has 30 days after enactment (yesterday 3-27-2020) to provide the official application forms. Based our conversations with several certified SBA lender's in the Wichita area the financial institutions hope to receive guidance from the Treasury the week of April 6th to hopeful begin the administration of the PPP Loan program.

In an effort to secure your position in line for the \$350 Billion of funding under the PPP Loan program we highly encourage our clients and friends to make application with a certified SBA lender of your choice in advance of the official PPP Loan forms being available.

KSHD has merely interpreted the provisions set forth in the CARES Act regarding the PPP Loan application process, knowing that the Act will model the PPP Loan program based on the SBA's 7(a) program. KSHD provides the below information to assist clients and friends in determining an applicant's *estimated* loan amount and the type of information we believe will be requested by a financial institution to process such PPP Loan. Following is *our best guess* of the possible information that might be needed to apply for a PPP Loan. KSHD makes no assurances that the below or attached is a comprehensive listing of everything necessary in a PPP Loan application process and we also make no representations as to the likelihood that an applicant's loan request will be ultimately awarded or forgiven.

1. 3 years of business tax returns including all schedules and attachments – signed
2. Current profit and loss statement and balance sheet – signed
3. 1 year of profit and loss projections – signed
4. Borrower Information Form 1919 completed by anyone owning 20% or more of the business as well as anyone in charge of day-to-day business operations regardless of ownership interest – (see the attached SBA form 1919)
5. SBA Notices to Applicant – (see the attached SBA NOTICES TO APPLICANT form)
6. Legal Entity Beneficial Ownership Certification Form with copy of Driver's License(s) – (see the attached BENEFICIAL OWNERSHIP form)
7. List of every employee, with indication of status (FT, PT, etc.) per location including full legal name, address, SSN, and pay rate, including documentation to verify the number of full-time equivalent (FTE's) employees on payroll for each month of 2019 and through February 29, 2020 (see Excel spreadsheet attached).
 - a. Payroll tax filings reported to the Internal Revenue Service for 2019; and
 - b. State income, payroll, and unemployment insurance filings for 2019;
8. Payroll expenses for period of February 15, 2019 through June 30, 2019 or January 1, 2020 through February 29, 2020 by location to be documented via:
 - a. Payroll tax filings reported to the IRS; and
 - b. State income, payroll, and unemployment insurance filings
9. Cancelled checks, payment receipts, transcripts of accounts, or any other documentation verifying payments on covered mortgage obligations, payments on covered lease obligations, and utility bills for February 15, 2019 – June 30, 2019 or January 1, 2020 through February 29, 2020
10. If a franchise –
 - a. Copy of fully executed Franchise Agreement; and
 - b. Copy of fully executed SBA Franchise Addendum – either the Form 2462 OR the negotiated addendum
11. A certification from the borrower indicating that the documentation presented is true and correct and the amount for which forgiveness is requested was used to retain employees, make interest payments on a covered mortgage obligation, make payments on a covered rent obligation, or make covered utility payments (prepare and sign an affidavit with this language); and
12. Any other documents the Certified SBA Lender determines necessary

Note: Since there is no collateral and no personal guarantee that is required for the covered loan we assume that the SBA 7(a) Lender will waive the normal requirements for a Personal Tax Return or Personal Financial Statement. Also, to document the forgivable portion of the loan the applicant may need to provide payroll and other documentation, including cancelled checks, payment receipts, transcripts of accounts, or other documents verifying payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments.