

## 2020 CARES Act

### “Paycheck Protection Program”

To the Customers of First Texas Bank:

The federal government is stepping up to deal with the COVID-19 pandemic with unprecedented support through the estimated \$2.2 trillion CARES Act. The legislation is aimed at keeping businesses and households financially afloat. As of late afternoon on Friday, March 27<sup>th</sup>, the stimulus package was passed by both bodies of Congress and signed by President Trump.

The legislation provides almost immediate relief to many businesses through a government-guaranteed loan known as the **Paycheck Protection Program (PPP)**.

As an **SBA-Approved Lender**, **First Texas Bank** is your source for accessing this program. As soon as the details are finalized, we will activate the program and our Bankers will be ready to accept your application.

#### **A summary of facts as we know them about the Paycheck Protection Program:**

- PPP loans are 100% guaranteed by the SBA
- PPP is available to businesses that employ fewer than 500 people per physical location.
- Loan amount is limited to 2.5x the average monthly payroll cost for the 12-month period prior to the date of the loan. Some cost are excluded.
- Loan proceeds can be used for payroll, healthcare benefits, insurance premiums, mortgage or rent payments, and interest on debt that existed before February 15, 2020.
- A PPP loan can be forgiven based on certain conditions. The amount forgiven is directly connected to maintaining employees on payroll at their current rate of pay.
- PPP loan repayments, for any amount not forgiven, will be deferred for 6-12 months.

#### **Please gather the following information as you prepare to apply:**

- Supporting information for the prior 12-month average payroll, insurance and payroll tax expense. Use federal payroll reporting documentation. Separate out individual salaries that exceed \$100,000.
- Last 3 years of Federal Income Tax Returns
- Financial statements for YTD 2019 (Balance Sheet / Profit & Loss)
- Interim financial statements for 2020

Complete application details are pending and all of the information included in this letter must be verified during the application process. We are constantly tracking the status of the PPP as The CARES ACT shifts from legislation to readily available funds. Please contact your banker for support with the Payroll Protection Program. We look forward to assisting you.