



## Paycheck Protection Program FAQ's

- **What businesses qualify for a loan under the Paycheck Protection Program?**
  - Businesses with up to 500 employees
  - Hospitality businesses with multiple locations that have no more than 500 employees per location
  - Nonprofit organizations
- **Do independent contractors qualify under this program?**
  - Qualifying independent contractors and sole proprietors are eligible to receive these loans.
- **How much of a loan can you get?**
  - The total amount of payroll costs you had in 2019, divided by 12, multiplied by 2.5
- **What documents do we need?**
  - Payroll Documents for the last 12 months
  - List of Employees as of 2/15/2020

Avg. Monthly Payroll: \_\_\_\_\_ Number of Employees: \_\_\_\_\_  
+Avg. Monthly Health Insurance: \_\_\_\_\_ (Including Affiliates as of 2/15/20)  
+Avg. Monthly Payroll Taxes: \_\_\_\_\_  
\$Total: \_\_\_\_\_ x 2.5 = Loan Amount  
*Total Average Monthly Payroll Cost Multiplied by 2.5 = Loan Amount*

- **Who is considered to be an employee?**
  - Full-time, part-time, or employees that are employed on another basis are all considered the same.
- **What can the funds be used for? (Only during the time period 02/15/2020- 06/30/2020)**

In order to get the loan forgiven, you can only use the funds on the expenses listed below

  - Payroll Costs
  - Costs related to healthcare benefits
  - Rent/Lease Payments
  - Utilities
  - Interest on pre-existing debt
- **What happens if I don't use the entire loan I am approved for?**

You will not be responsible for the unused portion of the loan.
- **How is the loan going to be forgiven?**

The purpose of the stimulus bill is to keep employees paid through 2/15/2020 - 6/30/2020, and for the loan to be forgiven, the funds must be used as such. Borrowers are eligible for loan forgiveness 8 weeks after the date the loan is booked. During the 8 weeks, we will need proof of what the funds are being applied towards. This would include:

  - Payroll Invoices
  - Utility Bills
  - Rent Receipts
  - Interest Expense Receipts
- **What happens if SBA doesn't cover 100% of the loan?**

If after the borrower receives loan forgiveness there is still an outstanding amount to be paid, the remaining amount will be paid over 2 years with a .5% Interest rate. Again, still subject to change with guidelines.
- **How do I Apply?**

Go to [www.isbtexas.bank](http://www.isbtexas.bank) fill out an online application. If you have a paper copy of the application, send your application with the requested information to [customerservice@isbtexas.bank](mailto:customerservice@isbtexas.bank). You can even drop the application off at any of our ISB Drive-ups in Perryton or Amarillo.
- **What if I am not an ISB Customer?**

After filling out our online loan application, a new business account application will be E-mailed to you where you will be given further instructions on opening an account with us.

- **How and when will we get paid back?**

Processing fees will be based on the balance of the financing outstanding at the time of final disbursement:

- Loans \$350,000 and under: 5.00%
- Loans greater than \$350,000 to \$2 million: 3.00%
- Loans greater than \$2 million: 1.00%

Lenders may not collect any fees from the applicant. The SBA shall remit to the lender an amount equal to the amount of forgiveness, plus any interest accrued through the date of payment.

- **How is the amount of forgiveness dependent upon the number of employees?**

The amount of loan forgiveness will be reduced, but not increased, by multiplying the total amount of covered costs by the forgiveness reduction based on either the reduction of employees or pay.

The amount of forgiveness can be reduced by dividing:

The average number of FTE employees per month by the average number of full-time equivalent employees per month beginning on February 15, 2019 and ending on June 30, 2019 or the period beginning January 1, 2020 and ending on February 29, 2020.

- **Can a customer be eligible to receive loans under the PPP and the EIDL programs?**

If a borrower received an EIDL loan between January 31, 2020 and the date on which PPP loans are made available, and if the EIDL loan was for a different purpose than PPP loans, then a borrower may receive a PPP loan.

- **In order to be eligible for a loan under the program, does a borrower need to be current on any pre-existing debt?**

The only time being past due is an issue is if they have loans from the SBA.

- **Can 2 companies with separate EIN's with the same ownership structure apply as one entity since they are considered affiliates?**

In the case of affiliates, we aggregate the number of employees in order to determine size eligibility. However, each applies for support separately.

- **Do we need the customer to sign some sort of negative impact affidavit? How do we handle this?**

Certification is part of the application.

- **What will we need to advance on the loans?**

Businesses seeking loan forgiveness shall submit to the lender an application that should include:

(1) Documentation verifying the number of full-time equivalent employees on payroll and pay rates for the covered period.

This could be either:

(A) Payroll tax filings reported to the Internal Revenue Service

(B) State income, payroll, and unemployment insurance filings

(2) 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;

(3) a certification from an eligible representative that the documentation presented is true and correct and that the funds were used for only covered costs.

(4) Any other documentation the SBA deems necessary

- **What payroll taxes can be included in the calculation to determine loan amount?**

Only payroll tax that can be included are state taxes.

Specifically, the taxes that cannot be included are:

- Internal Revenue Code Chapter 21 - The costs of Social Security and Medicare taxes
- Internal Revenue Code Chapter 22 - The costs of taxes under the Railroad Retirement Tax Act
- The costs of federal income tax required to be deducted under IRC Chapter 24.