



Federal Credit Union

Dear Valued Member,

First and foremost, on behalf of the Commercial Lending Team and all of Atlantic Federal Credit Union, I would like to take a minute to extend a sincere "thank you" for your membership and the trust you have placed in our financial institution during these uncertain times. Secondly, I would like to thank you for your patience through the entire Paycheck Protection Program (PPP) process; what a ride it has been and continues to be!

As you may have heard, On Friday, June 5, 2020, the Paycheck Protection Program Flexibility Act was signed into law by the President. This will allow businesses more time and flexibility to keep their employees on the payroll. While more detailed information is available at: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>, we wanted to provide our business members with a summary of the changes as we know you are anxious to begin the "forgiveness" process. Please see the following excerpts of the guidance:

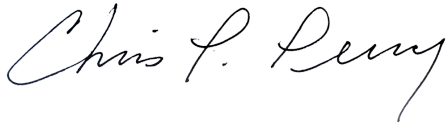
- Extend the covered period for loan forgiveness from eight weeks after the date of loan disbursement to 24 weeks after the date of loan disbursement, providing substantially greater flexibility for borrowers to qualify for loan forgiveness
- Lower the requirements that 75 percent of a borrower's loan proceeds must be used for payroll costs and that 75 percent of the loan forgiveness amount must have been spent on payroll costs during the 24-week loan forgiveness covered period to 60 percent for each of these requirements
- Increase to five years the maturity of PPP loans that are approved by SBA (based on the date SBA assigns a loan number) on or after June 5, 2020.
- Extend the deferral period for borrower payments of principal, interest, and fees on PPP loans to the date that SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period).
- In addition, August 8, 2020 remains the last date on which a PPP loan application can be approved. As of July 29th, there is roughly \$130B available for businesses.
- The Economic Injury Disaster Loan (EIDL) application portal has reopened for all eligible small businesses. If your business has already applied and has an application number that begins with a 3 you should NOT reapply. Those applications are in process, but if you have not applied and feel an EIDL loan would be helpful you should fill out an online application by visiting: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>. Just remember, the EIDL ADVANCE amount will be deducted from the borrower's PPP forgiveness amount. You do NOT have to take an advance if you do not want to worry about that, but you need to be sure to indicate on your application that you do not want an advance.

Following the June 5th communication from the SBA and Treasury Department, the SBA provided Lenders with updated PPP loan forgiveness documents and guidance on Wednesday, June 16, 2020. On July 23rd lenders were notified by the SBA that the SBA has partnered with a financial services technology provider to make available a secure SaaS platform (the PPP Forgiveness Platform) to accept loan forgiveness decisions,

supporting documentation, and requests for forgiveness payments. The PPP Forgiveness Platform is available only to PPP Lenders. The PPP Forgiveness Platform will go live and begin accepting Lender submissions on August 10, 2020, subject to extension if any new legislative amendments to the forgiveness process necessitate changes to the system. At this time, AFCU will not be accepting any PPP Forgiveness Applications. We will notify you when the SBA and AFCU are accepting applications.

We can't thank you enough for your loyalty and continued patience through these challenging times. As always, please don't hesitate to reach out to our commercial team at commercial_loans@atlanticfcu.com if you have additional questions.

Warm regards,
Chris

A handwritten signature in black ink that reads "Chris P. Perry". The signature is written in a cursive style with a large, flowing "P" and "Perry".

Vice President of Commercial Lending
Atlantic Federal Credit Union