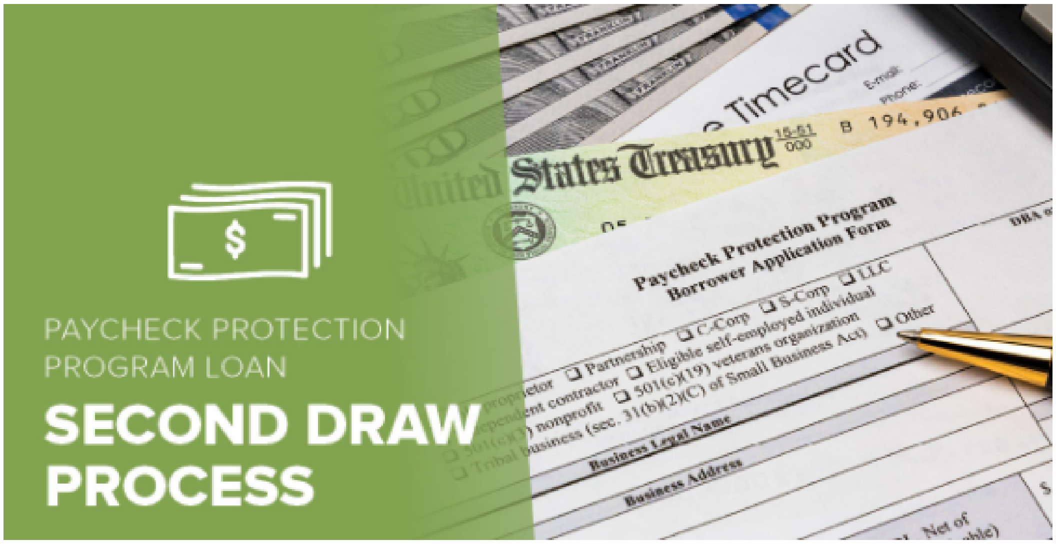
HONOR CREDIT UNION



Dear Business Members,

We wanted to share an update with you regarding the Paycheck Protection Program second draw process. Through February 28th, 2021, approximately $156 billion of the $284 billion in available funding has been approved by the SBA. We are continuing to submit new applications for both borrowers taking advantage of the program for the first or second time. If you are interested in applying, please reach out to your Community Assistant Vice President to get your application started.

On Monday, February 22nd, President Biden announced changes to SBA's coronavirus relief programs to ensure equity among applicants with 20 employees or less.

In addition to the 14-day exclusive period the SBA also announced four additional changes to open the PPP to more underserved small businesses than ever before. **As of 3/4/2021 the SBA released updated guidance on the following changes:**

- Allow sole proprietors, independent contractors, and self-employed individuals to receive more financial support by revising the PPP's funding formula for these categories of applicants;
    - The primary change relates to borrowers now being able to use their gross income with some provisions related to Schedule C filers that have employees.
    - Applicants that plan to apply that report more than $150,000 in gross income on Schedule C will be subject to additional scrutiny from the SBA as this threshold has been eliminated from the Safe Harbor provisions based on loan necessity. These borrowers are still eligible to use the net income calculation as part of their eligibility.
- Eliminate an exclusionary restriction on PPP access for small business owners with prior non-fraud felony convictions, consistent with a bipartisan congressional proposal;
- Eliminate PPP access restrictions on small business owners who have struggled to make student loan payments by eliminating student loan debt delinquency as a disqualifier to participating in the PPP; and
- Ensure access for non-citizen small business owners who are lawful U.S. residents by clarifying that they may use Individual Taxpayer Identification Number (ITIN) to apply for the PPP.

These updated changes added **two additional forms** for new applicants. Once these are available in our portal, we will send additional communication for any interested applicants. Applicants will be directed to work with the Community Assistant Vice President nearest them to begin this process.

A copy of the SBA's updated ruling can be found by clicking here.

For your convenience, we have created a PPP Resource page on our website for you to reference throughout this process. On this page you will find a PPP Round 2 Required Documentation Checklist along with a list of frequently asked questions and links to PPP related sites such as the Treasury Department and Small Business Administration. We will also post all PPP email communications (in case you missed any) from Honor along with information regarding additional COVID relief programs currently available in Michigan.

Required Document Checklist

Frequently Asked Questions

Please be advised that the Small Business Administration has continued to provide ongoing clarifications and guidance since the inception of the PPP loan program, and it is subject to change as directed and required by the SBA. As always, please feel free to contact the Honor Team Member you've worked with throughout this process should you have any questions.

Thanks for being a member.

Scott DeFries
VP of Business Services