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Crest Savings Bank's Commercial Loan Department is committed to helping our customers navigate through this challenging time. Over the last few weeks, we have worked closely with customers who have experienced direct financial losses as a result of the closure of non-essential businesses.

We have also worked tirelessly to stay informed of the loan products and relief programs offered by the U.S. Small Business Administration (SBA). We submitted our application to the SBA and plan to provide Paycheck Protection Program (PPP) loans to our customers. We are currently finalizing the administrative aspects of the program. Please check our website and social media for our announcement of the beginning of the application period. We look forward to assisting you with your PPP loan in the coming days.

PPP Program at a Glance:

Paycheck Protection Program (PPP) Eligibility for Borrowers

Borrowers are broadly eligible if they have 500 or fewer employees, or are certain businesses that meet SBA size standards. Additionally, 501(c)(3) nonprofits, 501(c)(19) veterans organizations, and certain tribal business concerns qualify for PPP loans. Borrowers may also be sole proprietors, independent contractors, or self-employed. Borrowers must have been in operation on February 15, 2020, and employed either salaried employees subject to payroll taxes or paid independent contractors; keep in mind there are special rules that permit seasonal businesses to participate. Further, borrowers must certify they meet the criteria above, were impacted by current economic uncertainty, and they will use the funds for allowable uses defined in 'Loan Terms' below. Borrowers must also provide the relevant documentation as part of this certification. Finally, borrowers must certify the information they provide is accurate.

Loan Forgiveness

After disbursement of the loan, a borrower is eligible for loan forgiveness subject to PPP guidelines. Not more than 25% of the loan forgiveness request maybe attributable to non-payroll costs. A borrower will apply to a lender by submitting all the relevant paperwork, at which time a lender will have up to sixty days to approve or deny the application for forgiveness.

Loan Terms

These first-come, first-served loans are offered until June 30, 2020, or until the program runs out of funds. Loans are capped at the lesser of 250% of a borrower's average monthly payroll costs, or \$10 million. Payroll costs include, but are not limited to, salary, paid leave, medical, and healthcare. Further, salary for employees making more than \$100,000 is capped at that level for the calculation of loan size. All loans have a 1% interest rate and a two-year term. Loans are 100% guaranteed by the SBA. E-signatures or e-consents may be used. Loan payments may be deferred for up to 6 months.



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PPP loans may be used to pay for payroll costs, mortgage interest obligations, rent obligations, utilities, and any other interest payment on debt obligations accrued before February 15, 2020. SBA requires 75% of the loan to be used for payroll costs, while the remaining 25% can be used for the other expenses. Funds used for purposes other than those outlined above must be repaid by the borrower.

SBA will not collect any fees from either the borrower or the lender.

Required Documentation

Please complete the application and have the following information ready to submit when the application period begins:

We will need documentation supporting your certification that, as of or around February 15, 2020, you had employees for whom you paid salaries and payroll taxes (or paid independent contractors), or you are an independent contractor. Please note, for seasonal businesses, we will consider whether a seasonal borrower was in operation on February 15, 2020 or for an 8-week period between February 15, 2019 and June 30, 2019.

- 2019 IRS Quarterly 940, 941 or 944 payroll tax reports.
- Payroll reports for a twelve-month period (ending on your most recent payroll date), which will show the following information:
 - Gross wages for each employee, including officer(s) if paid W-2 wages.
 - Paid time off for each employee
 - Vacation pay for each employee
 - Family medical leave pay for each employee
 - State and local taxes assessed on an employee's compensation
- 1099s for independent contractors for 2019.
- Documentation showing total of all health insurance premiums paid by the company owner(s) under a group health plan.
 - Include all employees and the company owners.
- Document the sum of all retirement plan funding that was paid by the company owner(s) (does not include funding that came from the employees out of their paycheck deferrals).
 - Include all employees, including company owners.
 - Include 401K plans, Simple IRA, SEP IRAs.

The application information will be posted on our site at crestsavings.bank

Timing will be dependent on your accurate completion and submission of information to Crest Savings Bank and volume of requests. Once Crest Savings Bank approves your loan, the SBA registers it and an executed promissory note is delivered to Crest Savings Bank, funds can be disbursed as fast as possible by wire transfer or ACH payment directly into your Crest Savings business deposit account.



Nancy E. Cleaver
Senior Vice President/Chief Lending Officer