



January 11, 2021

NEW PAYCHECK PROTECTION PROGRAM INFORMATION

At the end of December, 2020, a new Coronavirus Relief Bill was signed into law. This bill includes new funding to the Small Business Administration (SBA) for the Paycheck Protection Program (PPP) that offers SBA loans to help businesses keep their workforce employed during the COVID-19 crisis.

The Paycheck Protection Program officially reopened on Monday, January 11, however first to certain community development institutions. The program will open to all remaining local lenders “shortly thereafter.” **We are waiting for the SBA to release the date when we can submit applications, which we are hopeful could be as early as next week.**

As with the first round of PPP, Mercantile Bank is committed to supporting our customers through this process. We are working on an electronic solution that will streamline the application submission. While waiting to apply, here is a list of information that you can start to gather to begin your application:

- Number of employees.
- Email addresses for the primary signer and/or owners that make up 20% ownership of the organization.
- Financial records for your business to calculate the average monthly payroll for 2019, 2020 or the 12-month period prior to application.
- If the borrower is applying for a second draw PPP loan, documentation to support at least a 25% reduction in gross receipts in any quarter of 2020 as compared to the same quarter of 2019.

We will continue to share updates via email with you as they become available. As usual, please consult with your CPA, payroll provider and legal counsel. Additional information can be found on the Treasury’s website <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses> and the new applications can be found at:

- 1st Draw <https://home.treasury.gov/system/files/136/PPP-Borrower-Application-Form.pdf>
- 2nd Draw <https://home.treasury.gov/system/files/136/PPP-Second-Draw-Borrower-Application-Form.pdf>

Please reach out to your lender/branch manager or contact a branch near you with any questions.

Sincerely,

MERCANTILE BANK OF MICHIGAN

