

SBA & PPP LOAN GUIDELINE UPDATES

HOSTED BY
 **SUNBELT**®

BUSINESS ADVISORS,
GREATER BAY AREA

WITH GUEST SPEAKER

SCOTT CISNEROS
OF UNION BANK



Sunbelt, Greater Bay Area SBA & PPP Loan Updates

About Sunbelt Business Advisors

- **Sunbelt's Business Listing Database, ~ \$3 Billion**
- **More High Value Listings (\$1M+) than any other Brokerage**
- **Largest Proprietary Listing and Buyer Database**
- **Proven Processes for over 40 Years**
- **We are here for you - Serving California 20+ years**
- **Experienced Advisors- Business Owners & Executives**
- **Align to Your Unique Business Value**



UnionBank

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Presentation to Sunbelt via Webinar

February 25th. 2021

UNION BANK, SBA LOANS

Scott Cisneros | Background

VP/SBA Commercial Loan Officer

- **Over 15 years of Banking industry Experience**
 - 10 Years working in SBA Lending
- **SBA Commercial Loan Officer with Union Bank for 2 years**
- **Union Bank is the #1 7(a) SBA Lender in California.**
 - Scott funded \$20M in loans in 2020
- **Goal is to be a resource for borrower education**
 - Reviews policy updates daily
 - Source: SBA's SOP (Standard Operating Procedure)

UNION BANK, SBA LOANS

SBA Loan Update under CARES ACT

7(a) & 504 Loan Update

- **Loans approved on/before 9/27/2020 and fully disbursed on/after 9/28/2020**
 - **6 months of loan payment by SBA**

- **Loan approved before 3/27/2020**
 - **Except for loans made under Community Advantage Pilot Program**
 - **2 months of loan payment by SBA**
 - **May cover past due amount**
 - **Monthly payment capped at \$9,000**
 - **For borrowers in certain industries, SBA will make additional 3 months of loan payment**

UNION BANK, SBA LOANS

SBA Loan Update under CARES ACT

7(a) & 504 Loan Update (cont'd)

- **Loan approved beginning 2/1/2021 & ending 9/30/2021**
 - **3 months of loan payments by SBA + Waiving the guarantee fee.**
 - **Subject to availability of funds**

UNION BANK, SBA LOANS

SBA Loan Update under CARES ACT

Community Advantage Loans & Microloans

- **Loan approved before 3/27/2020**
 - **5 months of loan payments by SBA**
 - **May cover 2 months of past due amount**
 - **Monthly payment capped at \$9,000**

UNION BANK, SBA LOANS

SBA Loan Update under CARES ACT

Other Benefits under CARES ACT II

- **Guaranty fee waived**
- **SBA guaranty increased to 90%**
- **Lenders are willing to lend more aggressively**
 - Increased guarantee

UNION BANK, SBA LOANS

Paycheck Protection Program

PPP Program FAQ

- **When to start**

- ✓ SBA starts to accept 2nd round of PPP applications on 1/13/2021

- **Eligible Use of Funds**

- ✓ Payroll, mortgage interest, rent, utilities, group health insurance cost
- ✓ Worker protection costs related to COVID-19
- ✓ Uninsured property damage costs caused by looting or vandalism during 2020
- ✓ Certain supplier costs and expenses for operations

UNION BANK, SBA LOANS

Paycheck Protection Program

PPP Program FAQ

- **Maximum Loan Amount**

- ✓ 2.5x average monthly 2019 or 2020 payroll costs up to \$2 million
- ✓ For borrowers in the Accommodation and Food services, 3.5x average monthly 2019 or 2020 payroll costs up to \$2 million

UNION BANK, SBA LOANS

Paycheck Protection Program

PPP Program FAQ

- **Who May Qualify**

- ✓ Previously received a First Draw PPP Loan and will or has used the full amount only for authorized uses
- ✓ Has no more than 300 employees; and
- ✓ Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020

UNION BANK, SBA LOANS

Paycheck Protection Program

PPP Program FAQ

- **How and When to Apply**

- ✓ Apply between 1/13/2021 and 3/31/2021
- ✓ Application through participating banks

- **Amount of Forgiveness**

- ✓ Payroll costs over 24-week period starting from disbursement of the loan
- ✓ May elect to use the 8-week period if received SBA loan number before June 5, 2020

UNION BANK, SBA LOANS

Lending Guideline Updates



Thank You!



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THANK YOU FOR JOINING US!

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