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**NVE Bank is accepting applications for the SBA Second Draw PPP Loan Program**

**Is your business eligible to submit an application under NVE Bank’s Program?**

- If you have an existing PPP loan with NVE Bank you are eligible to apply.
- If you have an existing PPP loan with another institution but your business checking account in the same name as the PPP loan is open and in good standing with NVE Bank you are eligible to apply.
- If you do not meet the criteria listed above, you are not eligible to apply at this time at NVE Bank. Please call to be put on a call back list if NVE expands it’s participation in the program in the future.

**Businesses Applying for Their Second PPP Loan**

Businesses that received a PPP loan in the first round of funding have an opportunity to apply for additional funds through a Second Draw loan.

**Program Details**

Below is an outline of the eligibility and requirements for a Second Draw Loan. The full Interim Final Rule can be found by clicking [here](#).

Information in the table below is as of January 8, 2021 and is subject to change.

<b>Program Details</b>	<b>Second Draw Loan</b>
<b>Maximum Amount</b>	\$2 million See Loan Amount Calculation for details.
<b>Term</b>	5 years
<b>Rate</b>	1% on amount not forgiven
<b>Payment Deferral</b>	10 months following Covered Period, or 16 months maximum
<b>Employee Size</b>	Employ no more than 300 employees
<b>Eligible Entities</b>	<p>In order to receive a Second Draw Loan, businesses that received a PPP First Draw Loan are required to have used or will use the full amount of their first PPP loan for authorized purposes on or before the expected disbursement date.</p> <ul style="list-style-type: none"> <li>• Any small business concern that meets SBA’s size standards (either the industry based sized standard or the alternative size standard)</li> <li>• Sole proprietors, independent contractors, and self-employed persons</li> <li>• Any business with a NAICS Code that begins with 72 (Accommodations and Food Services) that has more than one physical location and employs less than 300 per location</li> <li>• Any business, 501(c)(3) non-profit organization, 501(c)(19) veterans organization, or Tribal business concern (sec. 31(b)(2)(C) of the Small Business Act) with the greater of: <ul style="list-style-type: none"> <li>• 300 employees, or</li> <li>• That meets the SBA industry size standard if more than 300</li> </ul> </li> <li>• 501(c)(6) business leagues and “destination marketing organizations” who do not receive more than 15% from lobbying and whose lobbying activities did not exceed \$1 million in the most recent tax year ending prior to February 15, 2020.</li> </ul>



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	<ul style="list-style-type: none"> <li>• Businesses that have temporarily closed or suspended operations are eligible.</li> </ul>
<b>Ineligible Entities</b>	<ul style="list-style-type: none"> <li>• Companies receiving a grant under the Shuttered Venue Operator Grant program are ineligible.</li> <li>• Publicly traded companies, private equity firms and hedge funds and businesses in bankruptcy are ineligible. Private equity portfolio companies are eligible if they meet affiliation rules or have a waiver to those rules and meet the economic uncertainty/loan necessity certification.</li> <li>• Businesses that have permanently closed are not eligible.</li> </ul>
<b>Loan Amount Calculation</b>	<ul style="list-style-type: none"> <li>• 2.5x the average monthly payroll costs in the one year prior to the loan or the 2019 or 2020 calendar year.</li> <li>• Seasonal employers may calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020. A seasonal employer is an eligible recipient which: (1) operates for no more than seven months in a year, or (2) earned no more than 1/3 of its receipts in any six months in the prior calendar year.</li> <li>• Entities in the Accommodation and Food Services industries (NAICS code 72), may receive up to 3.5x average monthly payroll costs.</li> </ul>
<b>Revenue Reduction Test</b>	<p>Demonstrate at least a 25% reduction in gross receipts in any calendar quarter of 2020 relative to the same 2019 quarter, or for full year 2020 versus full year 2019 if the borrower was in existence prior to January 1, 2019. Applications submitted after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020. There are other provisions for businesses that have not been opened for all of 2019 or 2020. <a href="#">Refer to pages 21-22 of the Interim Final Rule for Second Draw Loan</a> for more details and scenarios.</p>
<b>Covered Period Options</b> The Covered Period is the 8-week or 24-week period beginning on the PPP loan disbursement date.	<p>You may choose between an 8 or 24-week Covered Period.</p>
<b>Use of Proceeds</b>	<p>During the 8 or 24 weeks following receipt of the loan, you must ensure funds are used according to the following guidelines:</p> <p>At least 60% must be used for payroll costs, which include costs related to the continuation of group health care benefits during periods of paid sick, medical or family leave and insurance premiums.          No more than 40% may be used to pay:</p> <ul style="list-style-type: none"> <li>• Covered mortgage obligations</li> <li>• Covered rent obligations</li> <li>• Covered utility payments</li> <li>• <b>Covered operations expenditures:</b> Payment for any software, cloud computing and other human resources and accounting needs.</li> </ul>



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	<ul style="list-style-type: none"> <li>• <b>Covered property damage costs:</b> Costs related to property damage due to public disturbances that occurred during 2020 not covered by insurance.</li> <li>• <b>Covered supplier costs:</b> Expenditures to a supplier pursuant to a contract, purchase order or order for goods in effect prior to taking out the loan that are essential to the recipient’s operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.</li> <li>• <b>Covered worker protection expenditure:</b> Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent state and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.</li> </ul>
<b>Application Window Ends</b>	March 31, 2021
<b>Payroll/Non-Payroll Split</b>	60% must be spent on payroll costs, 40% on non-payroll costs in order to receive full forgiveness. See use of proceeds above.

**Second Draw Loan Application Form:** [SBA Form 2483-SD \(3/21\)](#)

**Second Draw Loan Application Form for Schedule C filers:** [SBA Form 2483-SD-C \(3/21\)](#)

**How do I submit my Application Form and Supporting Documents?**

Submit the completed application and documentation to NVE by requesting a link to our secure portal: <https://app.botdoc.io/card/commlbanking>

**What Documentation Will I Need to Provide?**

**S-Corp, C-Corp, Non-Profits, Tribal Organizations, Partnership, and LLC**

Form 941 (or other tax forms containing similar information) and state quarterly wage unemployment insurance tax reporting forms from each quarter in 2019 or 2020 (whichever was used to calculate payroll), as applicable, or equivalent payroll processor records, along with evidence of any retirement and employee group health, life, disability, vision and dental insurance contributions, must be provided. A partnership must also include its IRS Form 1065 K-1s.

**Sole Proprietor, Self Employed and/or File a Form 1040 Schedule C with No Employees**

You must provide the 2019 or 2020 (whichever you used to calculate loan amount) Form 1040 Schedule C with your PPP loan application to substantiate the applied-for PPP loan amount and a 2019 or 2020 (whichever you used to calculate loan amount) IRS Form 1099-MISC detailing nonemployee compensation received (box 7), invoice, bank statement, or book of record that establishes you are self-employed. If using 2020 to calculate loan amount, this is required regardless of whether you have filed a 2020 tax return with the IRS. You must provide a 2020 invoice, bank statement, or book of record to establish you were in operation on or around February 15, 2020.

**Sole Proprietor, Self Employed and/or File a Form 1040 Schedule C with Employees**

You must supply your 2019 or 2020 (whichever you used to calculate loan amount) Form 1040 Schedule C, Form 941 (or other tax forms or equivalent payroll processor records containing similar information) and state quarterly wage unemployment insurance tax reporting forms from each quarter in 2019 or 2020 (whichever you used to calculate loan amount) or equivalent payroll processor records, along with evidence of any retirement and health



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insurance contributions, if applicable. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation on February 15, 2020.