



CITY FEDERAL CREDIT UNION

City FCU

SBA PPP Program

Borrower Forgiveness Process

The SBA PPP Program intent is **FORGIVENESS OF THE LOANS**. This means that it is stimulus aid for the borrower and not meant to be repaid if used for the outlined purposes and the appropriate documentation is submitted.

Loan Details and Forgiveness

The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

What documentation do lenders need for loan forgiveness requests?

Answer – The borrower submits documents that support the request for loan forgiveness and the borrower attests that they have accurately verified the payments for eligible costs.

SBA Form 2484 asks lenders to certify that they have complied with paragraphs 3. b(i)-(iii) of the interim final rule, have obtained and reviewed the required borrower application (SBA Form 2483) and supporting documents, and will retain the documents on file.

This loan has a maturity of 2 years and an interest rate of 1%.