

BANK OF PONTIAC FUNDS 229 LOANS TOTALING NEARLY \$30 MILLION

On March 30, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This \$2 trillion relief package covered a number of areas including the Small Business Administration (SBA) Paycheck Protection Program (PPP) to assist small businesses with keeping their workforce employed during the COVID-19 pandemic and pay other expenses occurred during this difficult time.

Bank of Pontiac processed and funded 229 loans totaling nearly \$30 million. This money went to many small businesses in our local communities throughout Livingston and Grundy Counties. The Bank of Pontiac Loan Department has worked tirelessly to make this happen for our customers, non-customers and economy. We are eager to assist more small businesses once additional funds become available.

Once the program reopens, a minimum of \$30 billion will be set aside for community banks with less than \$10 billion in assets. The loan could be used for payroll and benefits, interest payments on mortgages, rent payments, health insurance and utility payments. The same qualifications will need to be met:

- Companies and nonprofits must have fewer than 500 total employees, including all affiliates, subsidiaries and companies under common ownership. Certain exceptions apply for small businesses in the food service sector, franchises and SBIC-financed businesses.
- You can apply for both an Economic Injury Disaster Loan (through the SBA) and a Payroll Protection Program Loan, but there may be no duplication in the use of funds.
- The maximum loan amount is 2.5 times your monthly payroll, up to \$10 million, with a maximum interest rate of 1%.
- A portion of the loan can be forgiven. Subject to certain restrictions, the portion of the loan eligible for forgiveness can include payments made during an eight-week period following your loan funding (the eight weeks cannot go beyond June 30, 2020) for the following: payroll and benefits, interest payments on mortgages, rent payments, health insurance, and utility payments.
- These will be unsecured loans that do not require personal guarantees.
- You may be able to defer payments up to 12 months.

If you're a small business owner, please know that Bank of Pontiac is here to support you throughout the loan process and we are proud to be your local community bank!



Bank of Pontiac

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