



Thank you for obtaining a loan under the in the Payroll Protection Program (PPP) from CNB Bank. It is our pleasure to be of service to you during these difficult times.

A key appeal of the PPP is potential loan forgiveness. However, forgiveness is not automatic. Any amounts that are not forgiven must be repaid over the two-year term of your loan.

The terms for forgiveness of your loan under the PPP are governed by Section 1106 of the CARES Act as modified by rules issued by the U. S. Department of Treasury and administered through the Small Business Administration (SBA). We cannot yet provide you with detailed direction on the actions you must take and documentation you must provide to have your loan forgiven. Below are links to resources you can access to obtain further information regarding the forgiveness program:

- HR 748 CARES Act: <https://www.congress.gov/bill/116th-congress/house-bill/748/text#toc-H4D5728D599DE43C1B10376E596A41BCE>
- SBA website: <https://www.sba.gov/>
- U.S. Department of the Treasury: The CARES Act Provides Assistance to Small Business website: <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

While we cannot provide you specific instructions, we can offer suggestions to help you prepare for the forgiveness application process. These suggestions outline some basic practices. Your circumstances may require additional activities.

- Maintain PPP funds in a separate checking account and pay potentially qualifying expenses from that account, to make it easier to demonstrate how the funds were spent;
- Maintain records of potentially forgivable expenses beginning on the day we notify you that the loan proceeds are available to you and continue for 8 weeks. (Keep in mind that to be forgiven, expenses must be incurred and paid in the 8-week period after the loan is funded.)
- Maintain a ledger or spreadsheet to maintain detailed descriptions of the potentially forgivable expenses; and
- Maintain a filing system to separate invoices and statements supporting claims for potentially forgivable expenses.

We recommend that you consult with your attorney or accounting professional for advice on taking advantage of the CARES Act loan forgiveness program. We also recommend that you continue to monitor the U.S. Treasury and SBA websites for updates on the loan forgiveness program.

We are right here if you need anything.

All the best,

The CNB Bank Team