CARES Act

Paycheck Protection Program

Forgiveness Preparation Package

Date: 06/03/2020

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Dear SBA Paycheck Protection Program Borrower,

The Farmers National Bank of Emlenton appreciates the opportunity to service your Paycheck Protection Program loan. As we are approaching the timeframe for submitting application packages to the SBA requesting loan forgiveness, we wanted to take the opportunity to provide you, the borrower, with additional information.

Farmers National Bank is currently working on an online internet portal where the application and corresponding supporting documentation would be uploaded for Bank review. When the time comes to begin processing these requests through the secure portal, you will receive a personal invitation via email to complete and submit your application package. We believe this will make the process more efficient for borrowers and the Bank in reviewing these requests.

In order to assist you with preparing for the forgiveness application process, we are providing some additional resources and Farmers National Bank employees contact information. Please find attached a PPP Forgiveness checklist of items that will be required (if applicable) to be submitted along with your application. A contact sheet of Farmers National Bank employees has been provided to assist you with specific questions regarding the Forgiveness application process.

As you may be aware, there is additional pending legislation in Congress that includes recommended changes to the Paycheck Protection Program. If approved, this new legislation would directly impact the loan forgiveness portion of the program. Therefore, we are awaiting the outcome on this legislation prior to proceeding with accepting forgiveness applications.

We respectfully request that you not submit applications or supporting documentation to the Bank at this time but await further details and instructions on how and when these should be uploaded for processing.

It is our goal to keep you informed on the process established for the forgiveness application receipt and ultimate submission to the SBA for approval. We look forward to assisting you with the forgiveness phase of the Paycheck Protection Program.

Warm Regards,

Robert A. Vernick

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Senior Vice President/Chief Lending Officer

The Farmers National Bank of Emlenton
612 Main St • Emlenton, PA 16373
p: 724.867.2311 • f:724.867.9326
www.farmersnb.com

Paycheck Protection Program Forgiveness Documentation Checklist

In order to be considered for Paycheck Protection Program loan forgiveness, the SBA requires the following checklist of payroll information be collected for the 8-week period following PPP fund disbursement to your business/organization. We are providing this information to assist you in preparing for application submission, however, please do not upload any documentation to Farmers National Bank currently. At the appropriate time, you will be invited to submit your application and supporting documentation to the Bank.

Payroll Expense Verification:

- ☐ Copies of payroll reports for each pay period's gross wages
    - Include Paid Time Off ("PTO"): vacation, sick, and other PTO
- ☐ Copies of payroll tax reports filed with the IRS, State and Local Taxing Authorities
    - Include IRS Form 940/941, State Income Tax and Unemployment Tax Filing Reports
- ☐ Documentation evidencing the health insurance premiums paid by the Company under a group health plan, including owners of the company (if applicable)
    - Monthly invoices are sufficient as long as it clearly identifies the employer's portion of the premium
- ☐ Documentation of all retirement plan funding by the employer (if applicable)
    - Copies of workpapers, schedules and remittances of the retirement plan administrator should be furnished
- ☐ For Single Member LLC's or Sole Proprietors (if applicable)
    - ☐ Copy of bank statements illustrating the account whereby PPP loan funds were deposited / housed and the transfer of the same to the sole member's / proprietor's personal account

Other Eligible Expenses:

- ☐ Business Rent or Lease Payments (if applicable)
    - ☐ Copies of all fully executed lease agreements for real estate and / or tangible personal property along with proof of payment (i.e. copy of cancelled check, auto-draft from designated bank acct, etc.)
- ☐ Business Mortgage Interest Payments (if applicable)
    - ☐ Copies of all statement(s) of interest paid on debt obligation(s) incurred prior to February 15, 2020 indicating payment amounts and proof of payment during the testing period.
    - ☐ Copies of the promissory note and / or loan statement on each note whereby PPP loan funds were used to pay the monthly interest amount

- Business Utility Payments (if applicable)
    - Copies of the utility bill(s) invoices from February 2020 and those paid with loan funds
    - Copies of receipts, cancelled checks, bank statements or other evidence of utilities paid with PPP loan funds

Optional Full-Time Employee (FTE) Documentation

The following are optional documents which can be provided to the SBA to verify average FTE count but if not provided must be retained in the business records to be furnished upon SBA request.

- Copies of documentation showing average number of full-time employees from 2/15/2019 to 06/30/2019
- Copies of documentation showing average number of full-time employees from 2/15/2020 to 06/30/2020
- Seasonal employer requirements
    - Copies of documentation showing average number of full-time employees per month from 2/15/2019 to 06/30/2019
    - Copies of documentation showing average number of full-time employees per month from 01/01/2020 to 02/29/2020

    Or

    - Copies of documentation showing average number of full-time employees per month from any consecutive 12-week period between 05/01/2019 to 09/15/2019

SBA Economic Injury Disaster Loan Program Verification

- Copies of the bank statement(s) illustrating the direct deposit of EIDL funds (if applicable)

Farmers National Bank Employee Contact Sheet

Based Upon the County Your Business Resides In, Please Contact the Below for Questions Regarding the Forgiveness Submission Package Requirements and Any In-Process Forgiveness Package Requests:

1.) **Clearfield, Elk, Jefferson or Mercer County**

Drew Nedzinski – VP/Commercial Loan Officer
Email: anedzinski@farmersnb.com
Phone: 814.591.3844

2.) **Allegheny, Crawford or Hancock (WV) County**

Randall LaBrie – VP/Commercial Loan Officer
Email: rlabrie@farmersnb.com
Phone: 412.377.2668

3.) **Clarion or Venango County**

Rob Foust – SVP/Senior Commercial Loan Officer
Email: rfoust@farmersnb.com
Phone: 724.290.6230

4.) **Butler County**

Bob Pater – VP/Commercial Loan Officer
Email: rpater@farmersnb.com
Phone: 724.841.4847

5.) Outside of Any of the Above County Designations

Rick Grejda – VP/Senior Commercial Portfolio Manager
Email: rgrejda@farmersnb.com
Phone: 844.882.6429

Contact the Below Regarding Locating Forgiveness Package or Uploading the Documents for Electronic Transfer

LeaAnn Baucom – Client Relationship Advisor
Email: lbaucom@farmersnb.com
Phone: 814.797.1235

Samantha Swigart – Retail Banking Administrator
Email: sswigart@farmersnb.com
Phone: 724.867.2311 ext. 0430

Contact the Below for Questions Regarding Forgiveness Eligibility or Eligibility Amount

Joshua Fye – VP/Sr Commercial Loan Officer
Email: jfye@farmersnb.com
Phone: 814.221.1559

Robert Vernick – SVP/Chief Lending Officer
Email: rvernick@farmersnb.com
Phone: 724.991.9047