

UNION BANK
Paycheck Protection Program

January 2021

FIRST DRAW LOANS

Maximum Loan Amount:

- Lesser of \$10MM or 2.5x monthly payroll

Eligibility calculation period:

- Can use 2020 or 2019 payroll; borrowers who are not self-employed (sole props and independent contractors) can also use the 12-month period before the date on which the application is submitted.
- Seasonal employers: Determine maximum loan amount by using the employer's average monthly payroll for any 12-week period selected by the seasonal employer beginning February 15, 2019 and ending February 15, 2020.
- New businesses: May determine maximum loan amount by using either 1) the employer's average monthly payroll using the time period from January 1, 2020 to February 29, 2020 or 2) the average monthly payroll for all of 2020

REQUIRED DOCUMENTS NEEDED PER ENTITY TYPE:

C corporation and S corporation

- Form 941 and state quarterly wage unemployment insurance tax reporting from each quarter in year used (2020 or 2019)
- Payroll records (2020 or 2019)
- Evidence of any retirement and health insurance contributions if used in the calculation. Records from a retirement administrator and records from a health insurance company would be acceptable; applicant may also submit their IRS Form 1120 or 1120-S (business tax return) to evidence retirement and health insurance contributions.
- A payroll statement or similar documentation from the pay period that covered 2/15/20 to establish that the Borrower was in operation on 2/15/20.

*Non-profit organizations should submit the same documents listed above for corporations, but will submit IRS Form 990 (or 990-EZ) Part IX in lieu of IRS Form 1120/1120-S. For smaller organizations that did not file a Form 990 or 990-EZ, other documents may be relied upon.

Self-employed Borrowers/Independent Contractor (no employees)

- IRS Form 1040 Schedule C for the year used (either 2020 or 2019)
- IRS Form 1099-MISC (either 2019 or 2020) detailing nonemployee compensation received (box 7), IRS Form 1099-K, invoice, bank statement, or book of record that establishes that Borrower was self-employed in year used (2019 or 2020)
- A 2020 invoice, bank statement, or book of record to establish that the Borrower was in operation on 2/15/20.

*Farmers/ranchers with no employees have the same requirements as listed above for self-employed borrowers, but will submit Schedule F in lieu of Schedule C.

Self-Employed Borrowers/Independent Contractor (with employees)

- IRS Form 1040 Schedule C for the year used (either 2020 or 2019)
- IRS Form 941 and state quarterly wage unemployment insurance tax reporting from each quarter in year used (2020 or 2019)
- Payroll records (2020 or 2019)
- Evidence of any retirement and health insurance contributions if used in the calculation. Records from a retirement administrator and records from a health insurance company would be acceptable.
- A payroll statement or similar documentation from the pay period that covered 2/15/20 to establish that the Borrower was in operation on 2/15/20.

Self-Employed Farmers/Ranchers (with employees)

- IRS Form 1040 Schedule 1 and Schedule F for the year used (either 2020 or 2019)
- IRS Form 943 or quarterly 941s and state quarterly wage unemployment insurance tax reporting from each quarter in year used (2020 or 2019)
- Payroll records (2020 or 2019)
- Evidence of any retirement and health insurance contributions if used in the calculation. Records from a retirement administrator and records from a health insurance company would be acceptable.
- A payroll statement or similar documentation from the pay period that covered 2/15/20 to establish that the Borrower was in operation on 2/15/20.

Partnerships

- IRS Form 1065 (including K-1s) for either 2020 or 2019
- If the partnership has employees, form 941 and state quarterly wage unemployment insurance tax reporting from each quarter in year used (2020 or 2019)
- Payroll records (2020 or 2019), if applicable
- Evidence of any retirement and health insurance contributions if used in the calculation. Records from a retirement administrator and records from a health insurance company would be acceptable.

- If the partnership has employees, a payroll statement or similar documentation from the pay period that covered 2/15/20 to establish that the Borrower was in operation on 2/15/20.
- If the partnership does not have employees, an invoice, bank statement, or book of record to establish that the Borrower was in operation on 2/15/20.

Additional comments:

- If using 2020 to calculate loan amount, IRS forms are required regardless of whether you have filed a 2020 tax return with the IRS.
- A Limited Liability Company should follow the instructions that apply to its tax filing situation (sole proprietorship, partnership or corporation) to determine what documentation needs to be submitted.

The above listing is an overview of the documentation that will be needed with the submission of Borrower's PPP loan application. For more information on the PPP program eligibility and requirements, please visit www.sba.gov/ppp. Please also note that upon review of the information that you submit, the Bank may determine that additional information is needed.