

US Small Business Administration Paycheck Protection Program Loan

OVERVIEW

OneSouth Bank appreciates your business, and it is our goal to keep you informed of developments related to the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) signed into law March 27, 2020. In recent developments, on December 27, 2020, the Consolidated Appropriations Act (the CAA) was signed into law, which expands certain provision of the CARES Act. Title III of the CAA, titled the Economic Aid Act, provides for a second round of lending under the Paycheck Protection Program administered by the Small Business Administration (SBA). This act extends the SBA's authority to guarantee initial PPP loans through March 31, 2021 and provides SBA authority to guarantee PPP second draw loans through March 31, 2021 (collectively, referred to as "PPP Loans"). The Paycheck Protection Program (PPP) is intended to provide loans to those businesses impacted by the challenging economic environment resulting from the Coronavirus- driven health crisis.

OneSouth Bank supports the federal government's efforts to help American small businesses keep their workers paid and employed via the Paycheck Protection Program. We encourage borrowers to review the details of the PPP by visiting the U.S. Small Business Administration website at www.sba.gov.

To apply for the PPP through OneSouth Bank, please submit the following Paycheck Protection Program Package.

- Completed Paycheck Protection Program Application Form; (SBA Form 2483 and/or Paycheck Protection Program Second Draw Application Form (2483-SD))
- Completed OneSouth Bank Beneficial Ownership Form
- Completed Checklist
- Completed Affiliate List if applicable



FIRST DRAW LOAN ELIGIBILITY:

- You are eligible for a PPP First Draw loan if you have fewer than 500 employees whose principal place of residence is in the US or are a business that operates in a certain industry and meets the applicable SBA employee-based size standards for that industry, and you are:
 - ▶ A small business concern as defined in section 3 of the Small Business Act (15 USC 632)
 - ▶ A 501(c) (3), 501(c) 6, a tax-exempt Veterans organization, a tribal business concern, and housing cooperatives, destination marketing organizations and eligible news organizations
- To be eligible, you must have been in business on February 15, 2020, not be permanently closed, and either are an eligible self-employed individual, independent contractor, sole proprietorship with no employees, or had salaried employees for whom you paid salaries and payroll taxes or paid independent contractors as reported on a Form 1099-MISC.

FIRST DRAW LOAN AMOUNTS & TERMS:

- The maximum loan amount is 2.5 times your average monthly 2019 or 2020 payroll costs, up to \$10 million.
- The loan purpose is to cover certain operating expenses for the period beginning on the date the lender disburses the PPP loan and ending on any date selected by the borrower that occurs during the period beginning on the date that is 8 weeks after the disbursement date and ending on the date that is 24 weeks after the disbursement date, including payroll costs, healthcare costs, mortgage interest, rent, utility payments, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection costs.
- Business established prior to February 15, 2020 are eligible
- No collateral is required
- The guarantee percentage is 100%
- Payroll costs including salaries, wages, tips, commissions, retirement benefits, severance pay, state and local payroll taxes, will be considered in the calculation of the loan amount. For independent contractors or sole proprietors, wage, commissions, income, or net earnings from self-employment or similar compensation will be used to calculate the loan amount.
- The loan maturity is five years
- No personal guaranty required
- Interest rate is 1% per annum
- Unsecured
- No prepayment fee
- No SBA or lender fee
- Non-eligible salary and wages include:
 - ▶ Salary payments in excess of \$100 thousand per employee
 - ▶ Compensation of employees living outside the U.S.

SECOND DRAW LOAN ELIGIBILITY:

- You are eligible for a PPP Second Draw loan if you were eligible for and previously received a PPP First Draw Loan;
- Have or will use the full previously received loan amount only for eligible expenses before the PPP Second Draw Loan is disbursed;
- Have no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020 or for the fiscal year 2020 compared to fiscal year 2019.
- OneSouth Bank requires that a forgiveness application be submitted to the SBA for any first draw PPP loan prior to approval of a second draw request.

SECOND DRAW LOAN AMOUNTS & TERMS:

- The maximum loan amount is 2.5 times your average monthly 2019 or 2020 payroll costs, up to \$2 million; for borrowers in the Accommodation and Food Services sector (NAICS 72), the maximum loan amount is 3.5 times average monthly 2019 or 2020 payroll costs, up to \$2 million
- All other terms from the First Draw Loan apply

USE OF FUNDS:

- The proceeds of a PPP loan may be used for:
 - ▶ Payroll costs
 - ▶ Group health care benefits, paid sick, medical or family leave, and insurance premiums
 - ▶ Mortgage interest payments (not principal payments)
 - ▶ Rent payments
 - ▶ Utility payments
 - ▶ Interest payments on other debt obligations that were incurred before February 15, 2020
 - ▶ Refinancing an SBA EIDL loan made between January 31, 2020 and April 3, 2020
 - ▶ Covered operations expenditures
 - ▶ Covered property damage costs
 - ▶ Covered supplier costs
 - ▶ Covered worker protection expenditures

LOAN FORGIVENESS:

- Loan recipients will be eligible for loan forgiveness on the portion of the loan used as prescribed by the SBA program to cover the following expenses over the eight to twenty-four week period following the disbursement date of the loan:
 - ▶ Payroll costs
 - ▶ Rent payments on leases dated before February 15, 2020
 - ▶ Utility Payments under service agreements dated before February 15, 2020
 - ▶ Mortgage Interest on debt incurred before February 15, 2020
 - ▶ Interest on other debt incurred prior to February 15, 2020
 - ▶ Covered operations expenditures
 - ▶ Covered property damage costs
 - ▶ Covered supplier costs
 - ▶ Covered worker protection expenditures
- No more than 40% of the forgiven amount may be attributable to non-payroll costs.
- For the portion of the loan that does not qualify for forgiveness, the loan maturity will be 5 years with a fixed interest rate of 1% with no prepayment penalty.
- To apply for forgiveness, borrower must provide: documentation of payroll expense over the period to include payroll tax filings, bank records sufficient to demonstrate the qualifying payroll amount, cancelled checks, and documentation of payments for allowable purposes such as rent, utility payments, mortgage interest, interest on other debt incurred prior to February 15, 2020, covered operations expenditures, property damage costs, supplier costs and worker protection expenditures.

DEFERMENT:

- If you submit to your lender a loan forgiveness application within ten months after the end of your loan forgiveness covered period, you will not have to make any payments of principal or interest on your loan before the date on which SBA remits the loan forgiveness amount on your loan to your lender (or notifies your lender that no loan forgiveness is allowed). However, interest will continue to accrue on PPP loans during the deferment period.



Please Complete and Return this Checklist with Your Application

Information Required for Paycheck Protection Program Application

Completed/Provided

- Completed Paycheck Protection Program Loan Application SBA FORM 2483-C _____
- Date Business Established (mm/dd/yy) _____
- Copy of Driver’s License and a Second Form of ID such as a Social Security Card or Birth Certificate _____
- Second Draw Loan: Financial Information showing 25% reduction in gross receipts Quarter _ 2020 and Quarter _ 2019 OR Fiscal Year 2019 and Fiscal Year 2020 _____
- Only one set of the following is required:
 - Quarterly financial statements for the entity. The Applicant must sign and date the first page of the financial statement and initial all other pages. If the financial statements do not specifically identify the line item(s) that constitute gross receipts, the Applicant must annotate which line item(s) constitute gross receipts. _____
 - Quarterly or monthly bank statements for the entity showing deposits from the relevant quarters. The Applicant must annotate, if it is not clear, which deposits listed on the bank statement constitute gross receipts (e.g., payments for purchases of goods and services) and which do not (e.g., capital infusions). _____
 - Annual IRS income tax filings of the entity (required if using an annual reference period). If the entity has not yet filed a tax return for 2020, the Applicant must fill out the return forms, compute the relevant gross receipts value, and sign and date the return, attesting that the values that enter into the gross receipts computation are the same values that will be filed on the entity’s tax return. _____
- PPP First Draw Loan Amount _____
- First 2 Pages of 2019 and/OR 2020 Tax Return _____
- For Self Employed Borrowers with employees: You must supply your 2019 or 2020 (whichever you used to calculate your loan amount) IRS Form 1040, Schedule C; Form 941 (or other tax forms or equivalent payroll processor records containing similar information); and state quarterly wage unemployment insurance tax reporting forms from each quarter in 2019 or 2020 (whichever you used to calculate your loan amount) or equivalent payroll processor records, along with evidence of any retirement and health insurance contributions, if applicable. A payroll statement or similar documentation from the pay period that covered February 15, 2020 must be provided to establish you were in operation on February 15, 2020. _____
- For Self-Employed Borrowers without Employees: You must provide the 2019 or 2020 (whichever you used to calculate your loan amount) IRS Form 1040, Schedule C with your PPP loan application to substantiate the applied-for PPP loan amount and a 2019 or 2020 (whichever you used to calculate your loan amount) IRS Form 1099-MISC detailing non-employee compensation received (box 7), invoice, bank statement, or book of record that establishes you are self-employed. If using 2020 to calculate your loan amount, this is required regardless of whether you have filed a 2020 tax return with the IRS. You must provide a 2020 invoice, bank statement, or book of record to establish you were in operation on or around February 15, 2020. _____
- If you are refinancing an EIDL made between 1/31/20 AND 4/3/20, please provide EIDL loan number and Refinance EIDL amount. _____

Other documentation may be requested to properly document the amount of the loan request.



Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
 Revised March 18, 2021

OMB Control No.: 3245-0417
 Expiration Date: 9/30/2021

AN APPLICANT MAY USE THIS FORM ONLY IF THE APPLICANT FILES AN IRS FORM 1040, SCHEDULE C, AND USES GROSS INCOME TO CALCULATE PPP LOAN AMOUNT

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual)	DBA or Tradename (if applicable)		Year of Establishment (if applicable)
Business Legal Name		NAICS Code	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN, ITIN)	Business Phone
		Primary Contact	Email Address
Total Amount of Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	Number of Employees (including owners and affiliates, if applicable; may not exceed 300 unless "per location" exception applies):	
\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020		

If you do not have any employees (other than owners), complete this table:

A. Your gross income amount from 2019 or 2020 IRS Form 1040, Schedule C, line 7	\$	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33):	\$	x 2.5 (or x 3.5 for NAICS 72 applicants) (may not exceed \$2,000,000):	\$
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If you have employees (other than owners), complete this table:

A. Your 2019 or 2020 IRS Form 1040, Schedule C, line 7 amount, minus the sum of line 14, line 19, and line 26:	\$	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33):	\$	C. Average Monthly Payroll for Employees (not including owners)	\$
Add B and C:	\$	x 2.5 (or x 3.5 for NAICS 72 applicants) (may not exceed \$2,000,000):		\$	

Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs (including proprietor expenses, equal to business expenses plus owner compensation)	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain): _____
PPP First Draw SBA Loan Number:				

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):		Reference Quarter (e.g., 2Q 2019):	
	Gross Receipts:	\$	Gross Receipts:	\$

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address



**Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name		Principal Position	
Select Response Below:			
Veteran	<input type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed		
Gender	<input type="checkbox"/> Male; <input type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input type="checkbox"/> White; <input type="checkbox"/> Not Disclosed		
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed		

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Is the Applicant (if an individual) or any owner of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____		
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____		
6. Is the United States the principal place of residence for the owner(s) of the Applicant and all employees included in the Applicant's payroll calculation above?		
7. Is the Applicant a franchise?		
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____		



**Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location, or (4) if an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs not more than 300 employees per physical location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes (including payroll and other proprietor expenses, which is business expenses plus owner compensation, as defined in the interim final rule posted on March 3, 2021) as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one (the terms “payroll” and “payroll costs” as used in the below certifications include proprietor expenses (business expenses plus owner compensation)):

_____ The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

_____ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

_____ The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.

_____ The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.

_____ The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

_____ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.

_____ The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.

_____ The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this loan application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.



**Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

- _____ The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

- _____ The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

- _____ The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People’s Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People’s Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People’s Republic of China.

- _____ The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

- _____ The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

- _____ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

- _____ I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Date

Print Name

Title



Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income must use this form. An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use SBA Form 2483-SD. An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must use SBA Form 2483-SD.

Instructions for completing this form:

For purposes of reporting Year of Establishment, applicants may enter “NA”.

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable. For purposes of calculating an Applicant’s maximum payroll costs, an Applicant may multiply its average monthly payroll costs by 3.5 only if the Applicant is in the Accommodation and Food Services sector and has reported a NAICS code beginning with 72 as its business activity code on its most recent IRS income tax return.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). For NAICS 72 and Internet-only news and periodical publishers assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, applicants may not exceed 300 employees per physical location. Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of calculating Average Monthly Payroll for Employees (box C), Applicants must use the average monthly payroll for 2019 or 2020 for employees (not including the owner), excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. The payroll year used must be the same as the tax year used for the gross income calculation (box A in either table). For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses without 12 months of payroll costs but that were in operation on February 15, 2020, average monthly payroll may be calculated based on the number of months in which payroll costs were incurred, excluding costs over \$100,000 on an annualized basis for each employee, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee.

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and wages, commissions, income, or net earnings from self-employment or similar compensation. This includes proprietor expenses, which means businesses expenses plus owner compensation.

If the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule C, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of reporting Number of Employees, each spouse should be counted. For purposes of determining which table to use to calculate Loan Request Amount, if the Applicant has no employees other than the married couple, complete the table labeled “If you do not have any employees other than yourself, complete this table.” For purposes of calculating gross income, enter the sum of gross income (Schedule C, line 7) from both spouses. For purposes of calculating the Loan Request Amount, the amount entered in box B in either table is capped at \$8,333.33.

In determining whether the Applicant experienced at least a 25% reduction in gross receipts, for loans above \$150,000, the Applicant must identify the 2020 quarter meeting this requirement, identify the reference quarter, and state the gross receipts amounts for both quarters, as well as provide supporting documentation. For loans of \$150,000 and below, these fields are not required and the Applicant only must certify that the Applicant has met the 25% gross receipts reduction at the time of application; however, upon or before seeking loan forgiveness (or upon SBA request) the Applicant must provide documentation that identifies the 2020 quarter meeting this requirement, identifies the reference quarter, states the gross receipts amounts for both quarters, and supports the amounts provided. For all loans, the appropriate reference quarter depends on how long the Applicant has been in operation:

- For all Applicants other than those satisfying the conditions set forth below, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the 2020 Quarter and Reference Quarter fields and, as required documentation, must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- For Applicants not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- For Applicants not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- For Applicants not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.



Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Gross receipts includes all revenue in whatever form received or accrued (in accordance with the Applicant's accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered "gross income" plus "cost of goods sold" and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms. Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer's request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of an applicant must be aggregated with gross receipts of its affiliates.

For a sole proprietorship, the sole proprietor is considered the owner of the Applicant. For a limited liability company that has only one member and that is treated as a disregarded entity for federal income tax purposes and files Schedule C, the member is considered a sole proprietor and the owner of the Applicant. If the Applicant is treated as a qualified joint venture for federal income tax purposes (the only members of the joint venture are a married couple who file a joint return and each file a Schedule C), both spouses are considered sole proprietors and owners of the Applicant.

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - The self-employed individual, independent contractor, or sole proprietor.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant ("key employee").
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position: self-employed individual, independent contractor, sole proprietor, or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.



Paycheck Protection Program
Second Draw Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

Customer Identification Requirements

In accordance with Section 326 of the USA PATRIOT Act all financial institutions are required to verify the identity of every person who seeks to open an account or become a signatory on an account with the institution. All persons are subject to the identity verification requirements even though they may be well known to OneSouth Bank.

For the purpose of the regulation, an “account” includes every formal banking relationship that entails ongoing services, dealings, or transactions. Some examples are a deposit account, loan account, or safe deposit box rental.

If you request to open an account or become a signatory on an account with OneSouth Bank and OneSouth Bank has not previously verified your identity under the new regulatory requirements, OneSouth Bank will request documentary verification of your identity, such as driver’s license and social security card and/or we will verify your identity through other non-documentary methods. Similar identification requirements apply to business entities such as corporations and partnerships.

In all cases protection of our customers’ identity and confidentiality is OneSouth Bank's pledge to you.



RESOURCES:

Use of Funds:

Covered operations expenditures, including “payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses.”

Covered property damage costs, which are “costs related to property damage and vandalism or looting due to public disturbances in 2020 that were not covered by insurance or other compensation.”

Covered supplier costs, including expenditures made by a borrower to a supplier of goods for the goods that were essential when the expenditure was made and was made pursuant to a contract or purchase order.

Covered worker protection and facility expenditures to account for business modifications to comply with COVID-19-related regulatory guidance and worker personal protective equipment.



Addendum A- Affiliate List
Paycheck Program Application

Borrowers Legal Business Name:

Borrowers DBA:

Borrowers TIN:

Is the Business, or any owner (20% or more), also an owner of any other business? Does the business, or any owner (20% or more), have common management with any other business? If yes, list all Affiliates and describe the relationship below.

Affiliate Name:	Describe relationship to borrower or owner: (common management or percentage ownership)

Signature of Authorized Representative of Business (Borrower)

Date

Print Name

Title