

Paycheck Protection Program (PPP) FAQ

Wave 2 for 2021

Created 1/14/2021

Membership Requirements

Q: Do borrowers have to be a Kinecta member to apply for a PPP Loan?

A: Yes, borrowers would have to apply and be approved for a **Business Membership** prior to loan funding. However, approval for membership does not mean the PPP loan application is approved. The process for PPP loan approval will be the same and comply with the requirements of the SBA. Visit our Business Membership page for more information: <https://www.kinecta.org/business/business-membership>

Q: What if I am a consumer member of Kinecta will I need to open another membership?

A: Yes, you will need to open a **Business Membership**. Visit our Business Membership page for more information: <https://www.kinecta.org/business/business-membership>

Repayment & Forgiveness Questions

Q: Will I have to re-pay my PPP loan? The date is approaching.

A: According to PPP program guidelines, all PPP loans have up to 16 months from funding date to apply for forgiveness and payments are not due during this period.

Q: Who do I reach out to with my PPP forgiveness questions?

A: SBA@kinecta.org

Q: How does loan forgiveness work?

A: The PPP loan can be forgiven as long as borrower used the funds for eligible expenses during the Covered Period, proceeds are properly allocated to payroll costs, and employee and compensation levels are maintained per SBA guidelines. Borrowers must apply for forgiveness and provide supporting documents for funds used for eligible expenses.

Q: What is the status of my PPP forgiveness application?

Part A: If your loan is under \$150,000 & applying for PPP Forgiveness:

A: Due to the changes of the more recently approved Bill, we will not be opening our portal to any new forgiveness applications of \$150,000 or less until the SBA releases the revised application. Once we receive the revised application, we will need to update our system with the changes.

If you have already received an application link through our portal, please do not submit your application and wait for us to send you the new one-page online application. The SBA must establish a one-page simplified forgiveness form within 24 days of the Act, which would be on or around January 20, 2021.

Part B: If your loan is over \$150,000 & applying for PPP Forgiveness:

A: Due to high volume, we are working in batches. When your web-based application is ready for completion, you will receive two emails from info@applyforppp.com with a secure PIN and link which will allow you to enter all of the information and upload all required documents.

Q: If my loan was partially forgiven and now the new Bill states that EIDL loans will no longer be deducted from the PPP Forgiveness, how do I apply for the remainder of the loan to be forgiven?

A: No action is required yet. Please continue to make payments according to the terms of the loan and if any additional outstanding balance is forgiven, SBA will reach out to the lenders.

Q: I have concerns of filling something out wrong. Will I get my loan forgiven?

A: The application will autofill once you receive the two emails (one with PIN, one with a special link). We have a dedicated team who will review your submission and will contact you by email through our portal for assistance with corrections or amendments.

Q: Can I email someone directly for assistance with my forgiveness application?

A: In order for us to effectively manage volume, all communication needs to go through our portal. Please be sure to respond via the portal.

2nd Draw of PPP Loans

Kinecta will provide information about our participation in Round 2 of new PPP loan originations after we have analyzed requirements and developed a portal to accept applications. Thank you for your patience.

Q: When can I apply for the PPP 2nd Draw? I am a current borrower for the 1st PPP Loan with Kinecta.

A: SBA has not opened the portal for all lenders as of yet. In addition, we are working with our vendor to streamline the process and open the link for our portal. You will receive a link as soon as it becomes available.

Q: I am not currently a Business Member of Kinecta. Can I apply for the 2nd PPP Draw (my first PPP was with another lender)?

A: All applicants are required to become a Business Member first. Visit our Business Membership page for more information: <https://www.kinecta.org/business/business-membership>.

Note that the SBA has not opened the portal for all lenders as of yet. In addition, we are working with our vendor to streamline the process and open the link for our portal. New business members will receive a link as soon as it becomes available.

Q: Can my first PPP loan be outstanding and apply for the PPP 2nd draw:

A: Yes, you may have two loans. However, you must have used all of the funds from the 1st PPP loan as per the program. The 2nd draw application may be submitted for Lender and SBA review.

Q: How long will it take to receive funds?

A: 10 days from SBA approval date.

Q: If an individual has another company, can they apply for a loan for that one, too?

A: Yes. However, relationships between businesses could affect whether businesses qualify, and SBA Affiliation Rules may apply.

Q: What determines how much a borrower can receive?

A: See guidance on the application as there are parameters. In general, the maximum loan amount for a Second Draw PPP Loan is equal to the lesser of 2.5 months of the borrower's average monthly payroll costs or \$2 million except as otherwise specified in the program guidelines.

For additional details and up-to-date information please visit the following links:

- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>
- <https://home.treasury.gov/news/press-releases/sm1230>