



April 10, 2020

We are pleased to have assisted you with obtaining your Paycheck Protection Program loan.

One of the primary benefits of the program is a loan forgiveness provision that is tied to how you use the funds of the loan. The summary of the forgiveness benefit was outlined in your loan application:

I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

To assist you with understanding what qualifies as payroll costs, we have included this helpful information from the initial guidance from the SBA:

Payroll costs consist of compensation to employees 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; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

This list of payroll costs is not exhaustive but is provided to assist you in understanding the types of compensation that qualifies as payroll costs. To learn more information about qualifying payroll costs for forgiveness purposes, as well as non-payroll costs, you may visit the SBA website at:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>

We recommend that you keep very accurate records of the funds you received and how they were distributed. We will be asking you for your records in about two months, at which time we will assist you in submitting a request to the SBA for loan forgiveness.

You may receive other reminders from us as we learn more information from the SBA on the program and how we can assist you with the forgiveness process.

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We truly appreciate the opportunity to serve you. We are living in very interesting economic times. We stand united to help you with your banking relationship now and in the future.

Cordially,

A handwritten signature in black ink, appearing to read 'Brad Weber', with a long horizontal flourish extending to the right.

Brad Weber
Chief Lending Officer