



Preparing for PPP Second Draw Loans

Details of the new legislation are subject to change based on guidance issued by the SBA. Atlantic Capital will do its best to update the website as new information becomes available. We encourage you to consult your tax, accounting, legal, and other advisors regarding how the program applies to your particular circumstances. Do not rely solely on information provided by Atlantic Capital for your financial decisions.

Who will be able to apply for a PPP Second Draw Loan through Atlantic Capital Bank?

- Existing business deposit and/or loan clients of Atlantic Capital Bank and qualify based on the new legislation. Please note that the existing deposit or loan client must be in the exact name and taxpayer identification number as the entity which will apply for a PPP loan.

When will the next round of Paycheck Protection Program (PPP) funds be made available?

- As of January 9, 2021, the SBA has released some of the Interim Final Rules (IFR) related to the COVID-19 Relief bill that became law on December 27, 2020. They have announced that PPP will re-open on January 11 for Community Financial Institutions (CFI). Atlantic Capital is not a CFI and we are still waiting on a specific date when the program will re-open for Atlantic Capital and the majority of lenders.

What is a Community Financial Institution (CFI)?

- A CFI is one of four types of lenders.
 - Community Financial Development Institution (CDFI)
 - Minority Depository Institution (MDI)
 - Community Development Corporation (CDC)
 - Microlender Intermediary

Who will be eligible for a Second Draw PPP Loan?

- Certain businesses that previously received a PPP loan and have used or will use the full amount of the first PPP loan prior to the disbursement of the PPP Second Draw Loan.
- Eligible entities include businesses, certain non-profit organizations, sole proprietors, independent contractors, self-employed individuals, seasonal employers, housing cooperatives, veterans' organizations, tribal businesses, and small agricultural cooperatives.
- Employ 300 or fewer employees per physical location
- Have had a revenue reduction of at least 25% in gross receipts in 2020 relative to 2019.
- The business was in operation on February 15, 2020 and remains open or has not permanently closed.
- Visit the SBA website for further eligibility requirements.

How is the loan amount determined?

- For most borrowers, the maximum loan amount of the Second Draw PPP loans is 2.5 times the average monthly 2019 or 2020 payroll costs up to \$2 million.

- For businesses in Accommodations and Food Services industries (NAICS code 72), a second draw loan may be available in an amount of 3.5 times the average monthly 2019 or 2020 payroll costs up to \$2 million.
- Seasonal employers may calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020.
- Other employer-provided group insurance benefits are included in payroll costs. This includes life, disability, vision, or dental insurance.
- Visit the SBA website for additional calculation exceptions.

How can I get ready?

- Locate your PPP First Draw SBA Loan Number (this can be found at the top of Page 1 on your Atlantic Capital PPP SBA Note).
- Obtain your payroll records for 2019 and 2020. Most payroll providers have reports that will provide the information needed.
- Gather name, address and TIN of each owner that holds 20% or more of the equity in the business.
- If the applicant or any owner of the applicant has ownership or common management (including a management agreement) with any other business, then those businesses will need to be provided on the PPP Second Draw Application Form. Be prepared to provide the company names, TINs (if available) and describe the relationship.
- Refer to the attached PPP Origination – Acceptable Documents Checklist.

How do I apply?

- Atlantic Capital Bank's PPP loan requests are only processed via its online application portal. When we are ready to accept applications an invitation link will be sent to the email address of record for the first round PPP loan.
- Missing documentation will result in a delay in processing applications.

Resources

- U.S. Small Business Administration [Paycheck Protection Program \(sba.gov\)](https://www.sba.gov)
- U.S. Department of the Treasury [The CARES Act Provides Assistance to Small Businesses | U.S. Department of the Treasury](https://www.treasury.gov)
- Georgia Small Business Development Centers [Home | University of Georgia Small Business Development Center \(georgiasbdc.org\)](https://www.georgiasbdc.org)
- For Small Business Development Centers in other states [Find Your SBDC - America's SBDC](https://www.sba.gov)