Coronavirus Response & Paycheck Protection Program

Coronavirus Response & Relief Supplemental Appropriations Act

There has been an additional $284.6 billion approved for additional Paycheck Protection Program (PPP) funding allocated for loans to small businesses, including borrowers who have previously received a PPP loan. “First Draw” borrowers include an expanded list of eligible entities. “Second Draw” borrowers, or entities that have an existing PPP loan may apply for additional funds pursuant to certain restrictions.

The loan forgiveness process for PPP loans $150,000 and less will be simplified and it does not appear that additional documentation will be necessary. EIDL Advances will once again become available under a $20 billion allocation. The maximum grant will remain $10,000. EIDL Advances will not be deducted from any forgiveness amount. This provision is retroactive and applies to all EIDL advances issued since the original CARES Act was passed in March of 2020

The existing 7(a) Loan Program will be enhanced with fee waivers and other changes to create incentives for small business owners to consider applying for an SBA loan. The covered period for all "First Draw" Loans has been extended to March 31, 2021 and is retroactive to the original CARES Act passes in March, 2020 The Act supplies tax relief for borrowers on forgiven PPP loans by overriding Treasury and IRS guidance that disallowed the deductibility of qualified expenses related to forgiveness.

In addition, please note the following updates:

Second Draw PPP Loan

Since the passing of the new COVID-19 relief bill on December 29, 2020 and the allocation of new funding to the Paycheck Protection Program, we have received several communications from borrowers asking if Celtic Bank intends to participate in these “second draws.”

The answer is yes. We are now accepting applications for “second draw” loans from anyone that has previously received a PPP loan, regardless of who the initial lender was. Click here to begin the application

Eligibility

In order to be eligible for the second round you must

Employ no more than 300 employees (down from 500 employees in round one)

Have experienced a reduction in business revenue of at least 25% in 2020 relative to 2019 (can be measured by comparing 2020 revenues to 2019, or by comparing revenues for a single quarter in 2020 with the same quarter in 2019)

Have spent their first round PPP funds on eligible expenses, and

Have not permanently closed their business

SBA 7(a) Loan Payments

As part of the latest COVID-19 relief legislation and efforts, the SBA will again begin making monthly payments on qualifying SBA 7(a) loans (in good standing, no actual nor technical Note default), including principal, interest and any associated fees. These monthly payments are capped at $9,000 per month, and customers will be responsible for any amount above the $9,000 cap. Borrowers who received loan approval between September 28, 2020 and January 31, 2021 are ineligible to receive payment assistance at this time. The SBA will resume making payments on qualifying SBA 7(a) loans for three months beginning in February, 2021, and borrowers in heavily-impacted industries are eligible for an additional five months of payments. Which industries are considered "heavily-impacted"? Click here to find out. As before, borrowers do not need to apply for this assistance; it will be automatically provided.

PPP Loan Forgiveness with EIDL Advances

As you may have been aware, the previous bill (CARES ACT) included a provision which stated that any PPP loan forgiveness would be reduced by the amount of your Economic Injury Disaster Loan (EIDL) advance. The new legislation has repealed that provision, so EIDL advances will no longer be deducted from PPP loan forgiveness amounts. If you received an EIDL advance and have already completed your online forgiveness application with Celtic Bank, we will work to adjust your outstanding PPP loan balance or facilitate a refund if you have paid off your PPP loan. We are waiting for SBA guidance on handling retroactive payments. As soon as we have it, we will update you on your PPP loan status. If you received an EIDL advance and have not yet completed your online forgiveness application with Celtic Bank, your advance amount, while still collected in the forgiveness application, will no longer be considered in your PPP loan forgiveness determination. Thank you for your patience as we work through these shifting legislative remedies.

As always, thanks for your patience and amazing grit.

SBA Disaster Assistance

Due to the impact of the Coronavirus, we have been fielding a lot of phone calls about disaster assistance from the Small Business Administration. At the present time, small business owners may apply online in the Disaster Loan Application Portal at https://disasterloan.sba.gov/ela. For program questions or assistance in completing the application, please contact the Customer Service

Center at 1-800-659-2955

or disastercustomerservice@sba.gov

Attention Valued Customers!

At Celtic Bank, we remain committed to helping our customers in both good times and bad. We realize that the COVID-19 virus is causing major disruptions and we are aware that you are feeling its impact. Celtic Bank remains open and fully functional during this difficult time. In order to minimize the impact of the COVID-19 virus on our staff, our lobby will be open to the public between the hours of 10:00am to 2:00pm MST

Due to the increased number of phone calls, we ask that you communicate with us to the extent possible by email. If you are looking for a payoff, please send your request to payoffs@celticbank.com. If you are in need of a servicing action, please email loanservicing@celticbank.com. For general information about an existing loan or questions about COVID-19 relief loans, please send an email to generalinformation@celticbank.com

Your email will immediately be assigned to one of our agents who will reach out to you as soon as possible, and work with you to resolve your immediate concerns and find a way forward. Close communication at this time will help us to more effectively understand your needs and respond quickly.

bank

celticbank

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celtic bank

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Celtic Bank NMLS #500016

There has been an increase in phishing scams and other fraudulent activity via text message, email and phone. In order to safeguard your identity and protect your finances, please do not respond to suspicious calls or click on links in suspicious emails and texts.