



WOOLSTON CONSULTING GROUP, LLC

Certified Public Accountants and Consultants

April 7, 2020

Dear Business Client:

Please note: The following information is the most current that we have available. However, the information continues to change almost hourly and there is a lot of conflicting material still circulating. It is important to stay in touch with your banks and accountants as this process moves forward.

Filing Statistics

As of 9:30am Monday (April 6, 2020), the program had guaranteed nearly \$38 billion to 130,000 applicants at over 2,400 lenders. JP Morgan and Bank of America (BoFA) had taken applications totaling \$60 billion and Wells Fargo had taken applications totaling \$10 billion.

Some community banks and regional banks have begun executing funds. The “big” banks are waiting for the SBA to issue guidance on what needs to be in the promissory notes prior to finalizing any loan and are still waiting on additional technical guidance from the SBA (due to guidelines enacted during the 2008 financial crisis). There is also an issue with Amazon Web Services System that is supposed to automate the submission of applications

Bank Status as of April 7, 2020

BoFA – Still accepting applications

Citi – Has not started accepting applications. They are waiting for more guidance.

Ocean First – Accepting E-mail for information on applying.

Kearny – Stopped accepting applications at this time.

Valley National – Has not started accepting applications. They are waiting for more guidance.

TD – Accepting applications.

Wells Fargo – Has stopped accepting applications. They are limited as part of ongoing regulatory constraints. After reviewing current applications and eliminating ones that do not qualify, they may start accepting applications again.

Attached is a list of banks that were listed last night as still accepting applications.

Partners' Draws

There is a lot of speculation on partners' draws. It seems that, as of now, it is up to the individual banks reviewing the application; however, the ideas below have been referenced in several articles regarding the PPP Loans:

- With respect to fringes, distributive shares and guaranteed payments, it is unlikely that such payments would be within the scope of payroll costs; however, the partner receiving the guaranteed payments may be able to file for a PPP loan in his/her capacity as a self-employed person.



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- As of now, the banks are responsible as to what they are accepting. They should not be accepting loans from self-employed individuals or sole proprietors until this Friday, April 10, 2020, but, if the applicants have payroll, it has been noted that some banks have been accepting them. However, while the banks may have allowed the draws to be included on the applications, they have not yet reviewed/approved these loans. According to the current legislation, once the funds have been disbursed or allocated, the program will be omitting the self-employed/subcontractors amounts.

Observations

- It is expected that more guidance will be issued from the SBA and the Treasury regarding these loans, however, it is uncertain as to when it will be coming.
- There is no consistency within the banking community as to the actual formula that should be used to compute the amount of the loan. If guidance is issued on this, the applications may change and businesses may have to resubmit their applications.
- Many banks are not comfortable with simply relying on the borrowers' submission of facts. No one is sure how this will affect the smaller banks that have already certified some of these loans.
- There is a lot of criticism regarding this program and its lack of guidance on technical and regulatory issues.

We will continue to keep you informed as information becomes available.

All our best.

Sincerely,

Woolston Consulting Group, LLC

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Find the current bank list here: <https://files.constantcontact.com/e94509a0801/a7425b73-7fbb-4750-a281-d45a3caf3bb0.pdf>