



Anderson Brothers Bank

101 N Main St - P O Box 310 - Mullins SC 29574

843-464-6271

May 1, 2020

Re: Paycheck Protection Program Loans

Dear Borrower or Prospective Borrower:

Thank you for choosing Anderson Brothers Bank (“ABB”) to apply for and potentially obtain your Paycheck Protection Program (“PPP”) loan. As you know, government guidance regarding PPP continues to evolve daily. Some of the guidance/requirements can be retroactively applied. It is your responsibility to search or seek legal counsel or other advisors to determine current or retroactive advice and guidance. ABB cannot advise or consult in regards to PPP application decisions or forgiveness criteria.

While a PPP loan may provide you with the cash flow assistance needed to address the impact of the COVID-19 pandemic through a 100% federally guaranteed loan that may ultimately be forgiven in whole or in part, it is important to note that there are numerous requirements which you need to satisfy and certifications that need to be made in order to be eligible for a PPP loan and for it to be forgiven. As one example, borrowers need to certify on the PPP loan application that “[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.” Per Treasury’s FAQ #31 issued on April 3, 2020 (see link below for the Treasury’s FAQ), “[b]orrowers must make this certification in good faith, taking into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business.”

Severe legal consequences can occur for signing your PPP application if you cannot satisfy the Treasury’s mandate. Government guidance provides that any PPP loan borrower that returns all of its PPP loan funds no later than May 7, 2020 will be deemed to have made its necessity certification in good faith, and thus avoid any consequences for the prior certification made due to a misunderstanding or misapplication of the recently articulated necessity certification requirements.

Importantly, it is your obligation to stay informed of and understand the latest guidance related to the PPP available at the Treasury’s Assistance to Small Businesses, Treasury’s FAQs, and the Small Business Administration’s Guidance & Loan Resources websites. If you have questions or concerns about the available guidance, please seek outside counsel. Many law firms and accounting firms are tracking and interpreting this guidance as it is released by the Treasury and the SBA. While a portion, or all, of the Loan Amount (as defined in your PPP application) may be forgiven pursuant to the terms of the Payment Protection Program, **THERE IS NO GUARANTEE THAT ANY PORTION OF THE LOAN AMOUNT WILL BE FORGIVEN**

Very truly yours,

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