The answers to the questions below are based on the text of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and guidance from the Small Business Administration (SBA). The information provided in this document is subject to change and will be updated as additional guidance is provided by the SBA.

1. **How will the loan forgiveness amount be determined?**
   The loan forgiveness amount depends on the amount of loan proceeds used to pay eligible costs during the eight-week period immediately following the date the loan proceeds were disbursed to the borrower. No more than 25% of the loan proceeds may be used to pay certain costs such as mortgage interest, rent, and utility payments. At least 75% of the loan proceeds must be used for payroll costs to be eligible for forgiveness. The forgiveness amount may be reduced under certain circumstances such as when there is a reduction in the number of employees and/or a change in the amount of employee compensation. Loan proceeds used for ineligible costs will not be forgiven.

2. **If loan proceeds are used for eligible costs, will 100% of the PPP loan be forgiven?**
   If used for specified purposes, loan proceeds are eligible for up to 100% loan forgiveness. There are many requirements, including documentation that proves the use of the loan proceeds for eligible costs, but it is possible that 100% of the PPP loan could be forgiven.

3. **What if loan proceeds are not used for eligible costs?**
   Any loan proceeds used for ineligible costs cannot be forgiven under the program.

4. **How do I apply for loan forgiveness?**
   You must request loan forgiveness by submitting an application and supporting documentation to Commerce Bank. We are currently awaiting further guidance from the SBA regarding the form of the application. This response will be updated once additional information is available from the SBA. Once you have applied for loan forgiveness, Commerce Bank will respond to the request within 60 days.

5. **When do I have to apply for loan forgiveness?**
   Commerce Bank is awaiting guidance from the SBA. We currently expect borrowers to be able to apply for forgiveness around eight-weeks after their loan distribution.

6. **What documentation will be required for my loan to be forgiven?**
   You will need to submit an application for loan forgiveness and documentation of costs to Commerce Bank. We are currently awaiting guidance from the SBA on the loan forgiveness application, but you will need to provide the following to substantiate the use of your loan proceeds:
   a. documentation verifying the number of full-time equivalent employees on payroll and pay rates, including (1) payroll tax filings reported to the IRS; and (2) state income, payroll, and unemployment insurance filings;
   b. documentation, including cancelled checks, payment receipts, transcripts of accounts, or other documents verifying payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments;
   c. certification from an authorized representative of the business that the documentation is true and correct, and that the amount of forgiveness requested was used to retain employees or make payments for covered costs;
   d. documentation of additional wages paid to tipped employees;
   e. documentation of the number of full-time employees on February 15, 2020; the number of full-time employees on a date that is 30 days after the enactment of the PPP statute; and the number of full-time employees on June 30, 2020; and
   f. any other documentation deemed necessary by the SBA.
7. If I am self-employed, can loan proceeds used for my lost compensation be forgiven?
Loan forgiveness is based on the use of loan funds for payroll costs, however, there are some situations where self-employed individuals, whose loans cover their lost compensation, may be eligible for forgiveness.

8. Why would the amount of my loan eligible for forgiveness be reduced?
During the eight-week period after the loan is made, a reduction in the number of employees and/or a change in the amount of compensation could be the basis for a reduction in the loan amount. Commerce Bank is awaiting further SBA guidance to clarify this calculation.

9. How long must staff be kept fully employed in order to receive forgiveness of the loan proceeds?
Forgiveness of the loan only applies for the eight weeks after the loan is distributed and use of loan proceeds must be documented as described in question 6.

10. If I also received an EIDL loan, will that affect the amount of the PPP loan that can be forgiven?
If the EIDL loan was used for payroll costs, loan proceeds from the EIDL loan (up to $10,000) will be deducted from the forgivable amount of the PPP loan.

11. What happens with any portion of the loan that is not forgiven?
Any amount of the PPP loan that is not forgiven remains an obligation under the original loan terms and must be paid to Commerce Bank over the remaining portion of the loan term.

12. If I laid off an employee, but offered to rehire that employee and they refused the offer, will that reduce my loan forgiveness amount?
No. If you make a good faith written offer to rehire your employee and the employee rejects the offer, then you may still be able to have that amount forgiven. Documentation of the employment offer and rejection will be required.