

Wyoming Public Media
Request for Approval of Paycheck Protection Program (PPP) Loan Application
To the Biennium Budget Committee
May 12, 2021

Request: Paycheck Protection Program, Wyoming Public Media Eligibility for Loan

Wyoming Public Media (WPM) seeks approval from the University of Wyoming (UW) Trustees to apply for Paycheck Protection Program (PPP) funds as part of the federal PPP loan program from the Small Business Administration. WPM is eligible to apply for up to \$350,000 which is 100% forgivable if specified criteria are met. WPM meets the criteria as noted below. WPM seeks this loan to meet anticipated losses resulting from the pandemic. Approval of the UW (licensee) is required for WPM to apply. The PPP loan application deadline is May 31, 2021.

Background:

In March 2021 Congress passed legislation that extends PPP funding to public broadcasting units owned by universities to address costs incurred through Covid-19 and to meet anticipated industry losses. These types of funds were available to public broadcasters in the first Covid Relief package of 2020. Unfortunately, the first package excluded university-licensed broadcasters from partaking of the PPP portion of the Relief funds. Now this omission has been addressed, and university-licensed networks like WPM can apply for PPP funds.

Why WPM/UW Should Apply For This Loan:

The public broadcasting industry incurred a number of losses in both operations and lost revenue due to Covid and projects future losses. The hardest hit area was in Corporate Underwriting, and all stations, networks, and national media like National Public Radio (NPR) realized losses. WPM lost approximately \$50,000 between calendar year 2020-2021 in Corporate Underwriting revenue. These losses came from all sectors. UW department contracts, for example, were a part of this loss due to pandemic closing and budget cuts. Non-profits curtailed activities or completely closed their doors. In the for-profit corporate sector, businesses were locked down or operating at reduced capacity and not able to fulfill or renew contracts. Going forward, WPM anticipates a revenue loss of *at least* \$30,000 annually in Corporate Underwriting for the next several years as the business, non-profit, and institutional communities come back online and/or reconfigure to a new reality. Corporate Underwriting funds approximately 25% of WPM's payroll; therefore, the PPP loan would be a buffer against anticipated future losses.

WPM also faces uncertainties in the Individual and Grant revenue areas.

Though WPM's annual member base remains strong and deeply generous, this can quickly change pending the nation's economy, changes in legislation that govern charitable giving, and unforeseen events, such as the pandemic we just experienced. On the industry level, there is a softening in donor giving across the higher-end giving levels. Revenue generated by Grants - both donor designated and institutional - remain flat for WPM, but this in itself is worrisome given these streams were projected to grow annually.

Overall UW (institutional) support is in a financial downturn.

In the current fiscal environment, UW is not in the position to fund unit fluctuations or shortfalls, thus units need to be proactive in seeking funding opportunities when they arise. Seeking a PPP loan is such an opportunity. The PPP loan is specifically structured to help university-licensed public broadcasting

entities. Currently, annual UW direct funding supports approximately 21% of WPM's annual operating budget. (See the attached "PPP Fund Uses" table showing pie charts of WPM revenue sources and anticipated uses for a PPP loan.) This support has decreased over the years in tandem with UW's decreasing budget precipitated by Wyoming's economic downturn. The decrease in UW support has been slowly absorbed by increases in non-institutional revenue, which now is in an uncertain post-Covid phase. WPM is keenly aware of UW's fiscal predicament and realizes that UW support may remain static in the foreseeable future as Wyoming recovers from the overall economic downturn. Given this situation, it is prudent that WPM take advantage of any federal program for which it is eligible and carefully plan for operating shortfalls that it may experience. WPM's request in this case protects the operation and minimizes the burden on the University particularly during the post-pandemic time. For WPM the PPP loan constitutes prudent planning and provides a financial cushion toward extending WPM's ability to cover costs further into the future.

This loan provides a means of retaining our current positions further into the future and buying time as we rebuild our Corporate program and address any unanticipated losses and/or expenses. Given the status of the national and state economies, we can't anticipate how quickly corporate shortages will turn around. If they uptick quickly and the Wyoming sector follows national trends, we should be able to reach our pre-Covid corporate projections within a few years. If the uptick is slow in Wyoming, it may take us longer to reach pre-Covid status. Restating, this loan is forgivable and gives us some breathing room, with relatively no-risk.

Securing a PPP loan is a financially prudent move that also addresses listener and donor expectation for strong stewardship of the network's finances. Followers of public broadcasting funding are well aware of budget cuts at other broadcast entities, the last of which entailed termination of 14 employees at WNYC, one of the nation's flagship public radio operations. NPR itself is operating under losses in both Corporate and Individual sectors. WPM has always been prudently managed with an eye towards solvency. This is something that donors expect from WPM and are more willing to support their Wyoming network knowing that it is watching over their dollar. We believe that pursuing this PPP loan opportunity is the right thing to do and that donors would expect it from us particularly as peer organizations are applying as well. Leaving federal dollars on the table would not be in keeping with prudent management and may be perceived as an opportunity lost.

The Loan Specifics and How WPM Will Address Them:

WPM is applying for \$350,000 – the amount for which it is eligible using the SBA formula listed on the application. The loan amount received is up to the lending institution and funds available in the SBA pool. To date, industry reports indicate that loans range from \$50,000 to close to almost \$9 million, depending on the size of the station/network and its budget.

This loan is 100% forgivable by meeting the criteria listed below. WPM can easily meet the criteria for this \$350,000 loan.

1. Obtain approval of our institution, which is the applicant. WPM is bringing this before the Trustees.
2. Work with a bank (local preferably) to issue the loan. Peer recommendation is to use a local bank for the loan. Currently listed banks include UniWyo FCU, Wells Fargo, Blue FCU, Western States Bank in both Laramie and Cheyenne, Jonah Bank in Cheyenne, plus a number of others. In addition, the public radio system has obtained the services of a bank that is processing applications for a number of university stations -- Citizens State Bank (Silverton, Colorado).
3. Meet the criteria for number of employees and demonstrate the qualifying payroll amount through payroll and/or audit records. WPM meets this criterion with 35 employees.

Commented [DGH1]: David, this is one of the questions I had for you. Has UW worked with such an institution before? If not, any recommendations as to what bank we would be able to work with?

4. Meet the spending criteria. At least 60% of the loan must be spent on salaries and 40% is allowable for operating expenses. WPM proposes to cover two months of full-time payroll expenses (approximately \$291,764). WPM proposes to cover two months of selected utilities /operations expenditures (approximately \$54,018). (See the attached "PPP Fund Uses" table for how PPP funds will be spent.)
5. Track the spending requirements, which UW can do through the PPM module of WyoCloud, which is configured to track the requirements appropriately.
6. Expend the amount of the loan within the allotted time frame of 6 months. WPM can easily expend the funds on payroll and operating expenses within 3 months.

Commented [DGH2]: David, would you be willing to allow a PPM account be established to track spending of the loan?

What are the Risks?

There are no risks that WPM can't meet as per the application requirements. Given monthly expenditure amounts, WPM can easily spend the funds in the specified allotted timeframe. Two unknowns are identification of a local lending institution and setting up an account for the funds at UW.

If for some reason, WPM cannot meet the application requirements for loan forgiveness, WPM will need to repay the loan in full. Because this loan will be supplemental funds to WPM to stretch their current dollars, WPM will have funds to repay the loan. This we would cover from our operating funds. Should we be allotted less than the \$350,000 asked for, we would calibrate accordingly.

A general risk always lies in an unanticipated loss of license due to an FCC determination. In this case, the loan would be unjustified and need to be returned. WPM does not anticipate this scenario, as all our systems are compliant with FCC regulations.

WPM's Recommendation:

WPM requests that UW allow submittal of application for a PPP loan. A number of university stations have already applied and found no downsides. Given Wyoming's economy, WPM should not leave money on the table, particularly as this loan is forgivable and comes from federal sources specifically designated to help public broadcasting bridge Covid-related gaps. Donor perception of how WPM stewards its resources and how it takes advantage of opportunities like this one is very important to the success of our operation and to UW as our licensee.

Next Steps:

Given Trustee approval, UW/WPM needs to review the loan paperwork one more time, select and contact a lender, and electronically file the application. The SBA has until June 30th to notify applicants of the status of their applications.

PPP Fund Uses

Item Loan Funds
\$ 350,000

Based on \$350,000 loan
can be spent in 2 months

Assume 24 weeks to spend Loan Funds
approximately 6 months

Salary & Benefits - \$145,885 per month

May	\$	145,885		
June	\$	145,885	\$ 291,770	83.36%
July	\$	58,230	available for next month or	
Aug			other expenses	

Other - \$27,000 per month

May	\$	27,000		
June	\$	27,000	\$ 54,000	15.43%
July				
Aug				

\$ 345,770 98.79%

Remainder - rounding \$ 4,230 1.21%

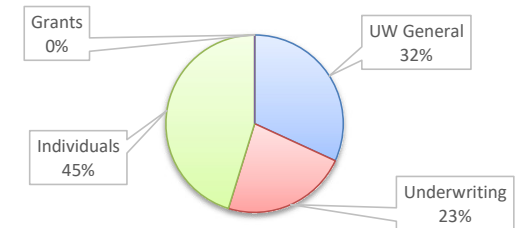
Salary & Benefits

Full Time Only \$ 145,882.90 Average Monthly Payroll CY2020

Other

PT Payroll	\$	12,365	
Rent GCR	\$	2,024	
Electric	\$	4,300	
Internet - Visionary	\$	1,575	
NPR	\$	2,780	
Charter	\$	210	
APM Programs	\$	3,755	\$ 27,009 per month

Total FY22 Payroll Budget



Total FY22 Salary & Fringe (FT + PT) = \$2,315,000

Station Fund Shortages

Replace Lost Funds:

Underwriting	\$	55,000		
Membership				
Major Donors	\$	8,250	\$ 63,250	non-salary expenses

ORED/OSP Problems:

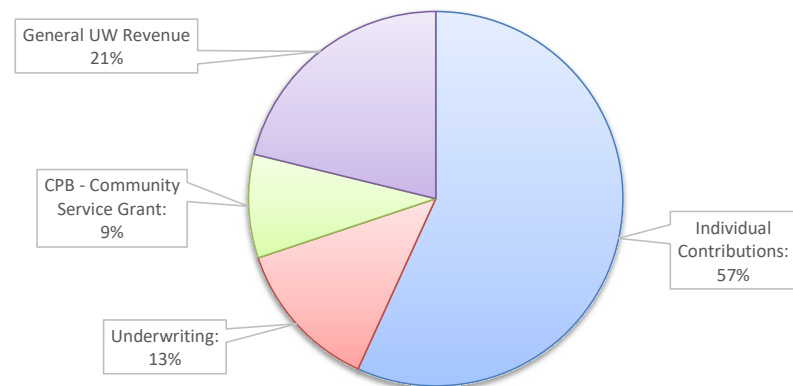
Cost Share Issues	\$	59,880		MWR
Stray Payments	\$	55,000	\$ 114,880	PRX

Equipment & Service

Satatoga Refresh	\$	80,000		
Buffalo Booster	\$	22,000	\$ 102,000	

\$ 280,130 pending expenses

WPM Overall Support Sources



Total Operating Budget FY21 = \$3,503,821



**Paycheck Protection Program
Borrower Application Form Revised January 8, 2021**

OMB Control No.: 3245-0407
Expiration Date: 7/31/2021

Check One: Sole Proprietor Partnership C-Corp S-Corp LLC Independent Contractor Self-Employed Individual 501(c)(3) nonprofit 501(c)(6) organization 501(c)(19) veterans organization Housing cooperative Tribal Business Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
Business Legal Name	NAICS Code	Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)	Business TIN (EIN, SSN)	Business Phone
	Primary Contact	Email Address

Average Monthly Payroll:	\$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:	\$	Number of Employees:	
Purpose of the loan (select all that apply):	<input type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Other (explain): _____	

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.		
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → _____		
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____		
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?		
8. Is the Applicant a franchise?		
9. Is the franchise listed in the SBA's Franchise Directory? If yes, enter the SBA Franchise Identifier Code here: _____		



Paycheck Protection Program Borrower Application Form Revised January 8, 2021

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, eligible 501(c)(6) organization, or eligible destination marketing organization, employs no more than 300 employees; (4) if NAICS 72, employs no more than 500 employees per physical location; (5) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (6) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- _____ The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- _____ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- _____ The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- _____ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- _____ The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))).
- _____ The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.
- _____ The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- _____ The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- _____ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- _____ I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Date

Print Name

Title



**Paycheck Protection Program
Borrower Application Form Revised January 8, 2021**

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and ***submitted to your SBA Participating Lender***. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees. For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one).

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter “NA”.

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020 to Loan Request as indicated on the form. Do not add the amount of any EIDL Advance.

All parties listed below are considered owners of the Applicant, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. Section 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.



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Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	
Gender	M=Male; F=Female; X=Not Disclosed	
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	

Disclosure is voluntary and will have no bearing on the loan application decision