

Emailed on [January 7, 2021](#)
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January 7, 2021

Dear [Customer],

On December 27, 2020, a new federal Economic Relief Bill was signed into law. Expected to be rolled out over the coming weeks, this new legislation will provide relief to individuals, small businesses and non-profit organizations impacted by the COVID-19 pandemic.

Approximately \$284 billion has been reserved for another round of funding for small businesses under the Paycheck Protection Program (PPP), via the Small Business Administration (SBA). The funding will be accessible to first time PPP borrowers as well as certain eligible borrowers who previously received PPP funds. This means more forgivable loans will be available to help support businesses during this challenging economic period.

North Cascades Bank is actively preparing to participate in the next round of PPP funding. As soon as we receive guidance from the SBA, we will provide more detailed information regarding the criteria and timeline for applying. You can also check for updates on our website: www.northcascadesbank.com. If you do not need to apply for a second draw PPP loan, we would appreciate you sharing this information with colleagues, friends and family. North Cascades Bank remains committed to helping businesses overcome the challenges of the COVID-19 pandemic.

Thank you for your business. We value your relationship and want to assure you that we are here for you during this challenging time.

The Loan Relief Team

North Cascades Bank

Division of Glacier Bank

Toll Free: 1.800.603.9342

www.northcascadesbank.com

October 30, 2020

Dear <Customer>,

With October coming to an end, we feel it is important to provide our Paycheck Protection Program customers with some program updates. As you are aware by now, this program has been fluid and seems to change on a weekly basis as additional information and guidance is released from the SBA.

The SBA has released a new application, the 3508S, which may be utilized for borrowers with a PPP loan of \$50,000 or less. The 3508S is a simplified application that will save some time, however, borrowers will still be required to submit backup payroll documentation with the 3508S. The existing 3508 and 3508EZ applications will continue to be utilized for borrowers with loans that exceed \$50,000.

We are continuing to reach out to our customers in chronological order depending on when their loan was approved by the SBA, and we are making steady progress. The SBA is reviewing our submissions and we have seen a handful of our submissions already forgiven. Please keep an eye out for notifications informing you that we are prepared to take your forgiveness application.

Some of our PPP Forgiveness submissions have received partial forgiveness from the SBA. We find this is due to borrowers obtaining the SBA EIDL grant, which is to be deducted from the PPP loan forgiveness amount. We understand some customers had not yet received their EIDL grant at the time they applied for their PPP Loan. When we send you your forgiveness application, please be sure to provide your EIDL loan number and the dollar amount of the grant if you did receive one.

The Paycheck Protection Program Flexibility Act of 2020 (Flexibility Act) extended the deferral period for borrower payments of principal, interest, and fees on all PPP loans to the date that SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period). Previously, the deferral period could end after 6 months. A letter was mailed out regarding the extension of the deferral period on October 15th. If you did not receive this letter, please let us know so we can be sure we have your correct mailing address.

Finally, please keep in mind this is an ever-changing environment. As we receive guidance and information from the SBA, we will continue to update you via email and at our website (www.northcascadesbank.com). Please email loanrelief@northcascadesbank.com with your PPP Loan related questions.

Thank you for your patience and for choosing North Cascades Bank to assist you through this process.

October 1, 2020

Dear <Customer>,

Thank you for trusting North Cascades Bank with your SBA Paycheck Protection Program (PPP) loan. We know many of you are ready to submit your forgiveness application. We hope to make your experience as simple as possible. Below are some important considerations to be made before you apply. Our list includes three key factors, but we strongly encourage you to consult your own counsel, accountant or other advisors to evaluate the individual facts and circumstances of your PPP loan and the forgiveness process.

- 1. Covered Period Selection** – You can select an 8-week or 24-week covered period (and for payroll expenses, there is also an option for an 8- or 24-week “alternative” covered period). This is the period during which the PPP loan proceeds must be spent, and it's also the period during which forgiveness will be calculated. Your covered period starts on the day you received the loan funds. There are benefits and drawbacks to using either the 8- or 24-week period. Select the one that works best for your business.

2. **When to Apply** – You can apply for forgiveness once you are at least 8 weeks from the date you received your loan funds. If you're at 100% forgiveness and are selecting an 8-week covered period, it may make sense to apply right away. However, if you're at less than 100% forgiveness, you can opt for a 24-week covered period and take more time to reach full forgiveness. Ultimately, you have 10 months from the end of your covered period to apply.
3. **Documentation** – No matter when you decide to apply, it's important to start organizing your documentation now. You'll need to demonstrate that you spent your PPP loan funds on payroll and other eligible expenses.

We will be utilizing DocuSign to assist you with your forgiveness application. You'll receive a pre-filled application that allows you to fill in your information and supply supporting documentation in one convenient and secure location. Please standby for an email asking if you are ready to apply for forgiveness. In most cases you'll receive this email once your loan is at or around the end of the 24-week covered period. We ask that you please be ready to submit your application when you receive the request from us.

Finally, please keep in mind this is an ever-changing environment. As we receive guidance and information from the SBA, we will continue to update you via email and at our website (www.northcascadesbank.com). Please email loanrelief@northcascadesbank.com with your PPP Loan related questions. Thank you for your patience and for choosing North Cascades Bank to assist you through this process.

September 9, 2020

Dear <Customer>,

As you are probably aware, there have not been any updates regarding PPP Forgiveness since our last communication. We are still hopeful that beneficial legislation will be passed soon. North Cascades Bank has begun the process of accepting PPP Forgiveness Applications at a steady pace and has submitted a handful to the SBA. As far as we can tell, the SBA has not begun the process of reviewing PPP Loan Forgiveness Applications at this point.

While we wait for updates from the SBA and The House of Representatives, our team is continuing to perfect our PPP Forgiveness Application process and software. It is our goal to provide you with a user friendly and fast application process when it is your turn to apply. Please continue to monitor your email for notification that we are prepared to accept your application.

At this time, we recommend our customers review the most recent PPP Loan Forgiveness FAQs posted by the SBA: <https://www.sba.gov/sites/default/files/2020-08/PPP%20Loan%20Forgiveness%20FAQs%208-4-20-508.pdf>

You should continue to maintain your documentation related to PPP Forgiveness. This may be cancelled checks, payroll reports and/or utility statements, etc. These records may not be required when your loan is forgiven, however we do know the SBA could request these documents in the future.

Please keep in mind this is an ever-changing environment. As we receive guidance and information from the SBA, we will continue to update you via email and our website: www.northcascadesbank.com. Previous email communications are now posted in an archive located on the PPP information page of our website as well. Please email loanrelief@northcascadesbank.com with your PPP loan related questions.

Thank you for your patience and for choosing North Cascades Bank to assist you through this process.

August 12, 2020

Dear <Customer>,

As you may have heard, the legislation that will impact PPP Loan Forgiveness is still pending. We are hopeful this legislation will pass soon. That said, the SBA now has a platform for us to submit PPP Loan Forgiveness applications. North Cascades Bank has chosen to take a steady and proactive approach to these submissions.

We understand some customers are ready to submit their applications now and we appreciate you taking a proactive approach. The SBA has given every customer until December 31, 2020 (subject to change) to apply for forgiveness. The bank then has 60 days from the receipt of a complete application to review and submit to the SBA, although we hope to have this completed in no more than 30 days. The SBA then has 90 days to complete their review. DocuSign will be utilized to assist you with your Forgiveness application submission. This program will enable us to provide you with a pre-filled application and allow you to complete and sign the application and supply your supporting documents. Please be patient with us as we work through the application process.

At this time, we recommend our customers review the most recent PPP Loan Forgiveness FAQs posted by the SBA: <https://www.sba.gov/sites/default/files/2020-08/PPP%20Loan%20Forgiveness%20FAQs%208-4-20-508.pdf>

Please continue to maintain your documentation related to PPP Forgiveness. This may be cancelled checks, payroll reports and/or utility statements, etc. These records may not be required when your loan is forgiven, however we do know the SBA could request these documents in the future.

Please keep in mind this is an ever-changing environment. As we receive guidance and information from the SBA, we will continue to update you via email and our website www.northcascadesbank.com. Please email loanrelief@northcascadesbank.com with your PPP Loan related questions.

Thank you for your patience and for choosing North Cascades Bank to assist you through this process.

July 30, 2020

Dear <Customer>,

There could be some positive news coming in the next couple of weeks regarding PPP Loan Forgiveness. We are expecting legislation will pass a bill that will automatically forgive PPP loans under a certain dollar amount. It is also expected that the Forgiveness Application and required documentation will change once again. Given these pending changes and timelines, North Cascades Bank will discontinue receiving applications for forgiveness at this time. We will continue to communicate updated information to our customers as information is released by the SBA.

In the event the automatic PPP loan forgiveness legislation does not pass, the SBA will begin accepting Forgiveness Applications on August 10th. We project we'll begin taking applications within a week or two of the go live date. Again, we'll reach out to you when we are ready to receive your application. We will be utilizing the electronic DocuSign software as much as possible to streamline the process. If you have submitted an application to us already, we will maintain the application and supporting documents in preparation of the August 10th submission date.

For the time being, please maintain your documentation related to PPP Forgiveness. This may be cancelled checks, payroll reports and/or utility statements etc. These records may not be required when your loan is forgiven, however we do know the SBA could request these documents in the future.

Please keep in mind this is an ever-changing environment. As we receive guidance and information from the SBA, we will continue to update you via email and our website www.northcascadesbank.com. Please email loanrelief@northcascadesbank.com with your PPP Loan related questions.

Thank you for your patience and for choosing North Cascades Bank to assist you through this process.

June 19, 2020

Dear <Customer>,

For many of you, the end of your 8 Week “Covered Period” for your Paycheck Protection Program (PPP) loan started this week. We know you may be anxious to turn in your application for forgiveness. **Our team is working hard to make this process as simple and efficient as possible.** Some of the things we will be providing you include:

- **Easy to understand step-by-step instructions**
- **A Forgiveness Payroll Calculator**
- **A fillable Forgiveness Application**

This will come to you in an all-in-one package soon!

However, **we are still waiting for SBA guidance in many areas, including changes related to the recently passed PPP Flexibility Act.** As noted in the [SBA and Treasury Joint Statement](#), the Act includes the following changes:

- Extends the covered period for loan forgiveness from eight weeks after the date of loan disbursement to 24 weeks after the date of loan disbursement, providing substantially greater flexibility for borrowers to qualify for loan forgiveness. Borrowers who have already received PPP loans retain the option to use an eight-week covered period.
- Lowens the requirement that 75 percent of a borrower’s loan proceeds must be used for payroll costs and that 75 percent of the loan forgiveness amount must have been spent on payroll costs during the 24-week loan forgiveness covered period to 60 percent for each of these requirements. If a borrower uses less than 60 percent of the loan amount for payroll costs during the forgiveness covered period, the borrower will continue to be eligible for partial loan forgiveness, subject to at least 60 percent of the loan forgiveness amount having been used for payroll costs.
- Provides a safe harbor from reductions in loan forgiveness based on reductions in full-time equivalent employees for borrowers that are unable to return to the same level of business activity the business was operating at before February 15, 2020, due to compliance with requirements or guidance issued between March 1, 2020 and December 31, 2020 by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and

Prevention, or the Occupational Safety and Health Administration, related to worker or customer safety requirements related to COVID-19.

- Provides a safe harbor from reductions in loan forgiveness based on reductions in full-time equivalent employees, to provide protections for borrowers that are both unable to rehire individuals who were employees of the borrower on February 15, 2020, and unable to hire similarly qualified employees for unfilled positions by December 31, 2020.
- Increases to five years the maturity of PPP loans (portions that are not forgiven) that are approved by SBA (based on the date SBA assigns a loan number) on or after June 5, 2020.
- Extends the deferral period for borrower payments of principal, interest, and fees on PPP loans to the date that SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower's loan forgiveness covered period).
- In addition, confirms that June 30, 2020, remains the last date on which a PPP loan application can be approved.

PPP Information – You can find PPP guidance documents and watch for updates on the SBA and Treasury websites as follows:

<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>
<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

Please don't hesitate to reach out if you have any questions via our loan relief email (loanrelief@northcascadesbank.com)

June 15, 2020

Dear <Customer>,

Over the last several weeks, we've been closely monitoring potential updates related to the Paycheck Protection Program and how those updates could potentially impact forgiveness of your PPP Loan. After the Small Business Administration (SBA) released an application for loan forgiveness on May 15th, legislation was enacted late last week (the Paycheck Protection Program Flexibility Act) to modify several of the elements required for forgiveness. Because these changes are largely beneficial to borrowers, we recommend that you allow additional time for the SBA to implement the new rules and update the PPP forgiveness process prior to submitting your application for loan forgiveness. In the interim, our teams are diligently working to develop several tools which will streamline and simplify the forgiveness application process.

To be best prepared for the time when we begin accepting applications for loan forgiveness, you will need to keep detailed payroll and expense records. Proof of these qualified expenses will need to be provided for your loan to be considered for forgiveness. If you don't already, you may consider working with a tax professional or CPA for help with record-keeping. The following actions may help increase the likelihood of forgiveness after the 24-week period (previously 8-weeks):

- **Keep the PPP funds separate:** Consider putting the loan into its own designated account to better keep track of the funds.

- **Keep disciplined records:** Create account codes or sub-codes so there's an organized paper trail for qualified expenses.
- **Keep supporting documents:** Stay organized with your documentation of PPP fund usage - especially for payroll, interest, rent, and utilities payments.
 - o Payroll: Retain payroll registers and proof of ACH transfers. If you outsource to a professional employer organization (PEO), save your payroll invoice that shows payroll costs and employee benefits.

Our goal is to keep this process as transparent as possible. We will provide email updates as often as possible. In addition, we will have materials and tools accessible on our website as they become available: www.northcascadesbank.com. Thank you for your patience as we navigate this process together.

If you have any specific questions regarding your PPP Loan, please reach out to our Loan Relief team at loanrelief@northcascadesbank.com.

Thanks again for choosing North Cascades Bank.

The Loan Relief Team

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