

February 12, 2021

## **Chancellor letter to Pastors/Administrators Regarding PPP Loan Forgiveness Information**

Dear Monsignor, Pastor or Administrator,

As you may be aware, we recently conducted Small Business Administration (SBA) Paycheck Protection Program (PPP) loan forgiveness application webinars for those parishes and schools with loans of \$150,000 or less. Many of your Finance & Operations Managers or Business Managers have participated. We plan to hold a similar webinar for those with loans in excess of \$150,000 within the next week or two.

As we begin the forgiveness process, I thought it would be helpful to provide a reminder regarding the attestations that were part of the original loan application. Those attestations apply now as you apply for forgiveness. In the first round of PPP loans, the impact of the pandemic and economic uncertainty was the basis underlying each loan application. We had no way of predicting what lay ahead in relation to the restrictions that were imposed on gatherings, Mass attendance and our ministry efforts.

The original loan application requirements included, but were not limited to attesting that ***“current economic uncertainty made the original loan request necessary”***. This loan was to support the ongoing operations of your parish or school and the funds would be used to retain workers and maintain payroll.

The directive that we have been given include the following based on the size of the loan. The 3508S loan forgiveness application (\$150k and under) includes language that the ***“SBA may request additional information for the purposes of evaluating your parish or school’s eligibility for the PPP loan and for loan forgiveness. The SBA may direct a lender to disapprove a borrower’s loan forgiveness application if SBA determines that the borrower was ineligible for the PPP loan.”***

The 3508EZ loan forgiveness application (over \$150k) key attestations include ***“attesting to the loan proceeds being used to pay business costs that are eligible for forgiveness (payroll costs to retain employs and business utility payments). You must also attest that the SBA may request additional information for the purposes of evaluating your parish or school’s eligibility for the PPP loan and for loan forgiveness. The SBA also included language that the borrower’s eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through the date of this application. SBA may direct a lender to disapprove the borrower’s loan forgiveness application if SBA determines that the borrower was ineligible for the PPP loan.”***

Please review these attestations and statements (and others within the loan and forgiveness applications) to ensure that you are comfortable with them prior to applying for forgiveness. You are signing the application on behalf of your parish and/or school

and are ultimately responsible for the accuracy of the attestations and understanding the impact of any other statements or requirements within the applications. Please review carefully with your Finance & Operations Manager or Business Manager and consider reviewing with your Finance Council.

Please be aware that the SBA reserves the right to audit any loan. If an applicant is found ineligible for the loan or inaccuracies are found, the loan may need to be paid back.

If you have any questions or concerns, please reach out to your Parish Services consultant for assistance.

Thank you in advance for your careful consideration of these aspects of the loans.