



July 16, 2020

PPP Update # 3
Forgiveness Process

PPP Loan Customers,

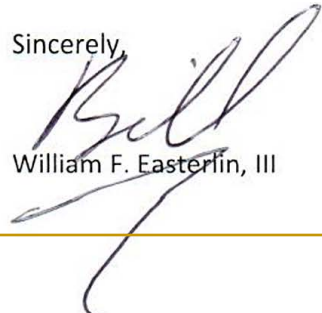
We closed and funded the first loans on April 10th some 14 weeks ago and thus most of our PPP customers are now well beyond the initial 8 week forgiveness period. At this point, we know many of you are now ready to initiate the actual forgiveness procedure having used the funding appropriately, supporting your employees and your business as required. No doubt you also know that Congress extended the application period from the end of June until next month with the period ending on August 8th. You may also know that Congress is considering yet additional changes to the PPP program. Most significantly, a bipartisan bill introduced last week would require that the SBA offer a one page, streamlined forgiveness process for smaller loans, specifically those under \$150,000. These legislative options, while likely to be beneficial to most, are causing delays in final instructions from the SBA. Right now, we know the basic structure of forgiveness documents but we anticipate there will be changes before final SBA guidance.

Moreover, the SBA has not given banks instructions as to how we should proceed with your forgiveness information. Thus, even if you submitted a completed forgiveness package, we do not have instructions from the SBA as to how we deliver that information to them or how we will receive the funds to repay your loan. As a reminder, all interest accrued will be part of the forgiveness amount so waiting for further guidance should not be detrimental.

We expect to deploy a portal on our website, much like the application portal, that will be helpful in submitting the required information. The forgiveness portal is in the testing phase now and will be open as soon as the SBA gives us the go ahead. In the meantime, please be patient and know that we are as anxious as you are to complete this process.

Thank you again for your business.

Sincerely,


William F. Easterlin, III



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