



FAQs

This document will be periodically updated and resent. Last edit: Jan 12th, 2021 06:20PM EST

1. General

1. Is there a cap on the loan amount?

The SBA program currently caps all PPP loans at \$2 million.

2. What are the commission fees paid to agents?

Please see an example below:

PPP Loan Amount	Total PPP Loan Volume Funded by Partner		
	\$2,500 - \$2,500,000	2,500,000 - \$5,000,000	\$5,000,000+
\$2,500 - \$350,000	0.25%	0.30%	0.35%
\$350,000 - \$2,000,000	0.125%	0.15%	0.175%

3. When are commissions paid?

A partner will earn all fees 10 days after Idea Financial is paid by the SBA partner for the loans.

4. What if I need to dispute the commission?

If the partner believes that the amount of any fee paid was incorrect than the partner shall provide written notice to Idea Financial of any such error within five (5) days of receipt of the payment and request further information.

5. What are Idea Financial's terms regarding exclusivity?

Generally, the Agent agrees to perform the services set forth in the agreement exclusively for Idea Financial powered by Cross River. The Agent will not perform any similar services for other third parties.

6. Do partners have any responsibility regarding Adverse Action Notices?

No.

7. Will I handle servicing and forgiveness?

No

8. What is the affiliation with Pearl Capital? Does anyone on their side have access to our information?

Idea Financial powered by Cross River Bank partnered with Revenued to build out our application flow and decisioning tool and they are an affiliate of Pearl Capital. Certain members of Revenued's technology team will have visibility into borrower data. There are provisions in the contract with Revenued which prohibit solicitation any of the borrowers.

2. Applications and Loans

9. What is the start date for submitting applications?

Pre-application has started and is available through your unique URL link. Idea Financial expects, as of now, that the program will be live by the end of the week of January 11th.

10. What is the turnaround time for the application?

After completing an application, the turnaround time is generally 24-48 hours to receive a confirmation number. If an applicant is missing documentation, it may take up to 3 business days.

11. Who will be my main point of contact?

We have a team set up and ready to answer any questions through ppp@ideafinancial.com.

12. Does Idea Financial have customer support available to clients should they have questions during the application process?

Yes, our partner processing the applications, Cross River Bank provides live support to assist clients throughout the process.

Borrower support contact email: ppp.support@crossriver.com

Borrower support contact phone number: (855) 966-0606

13. What documentation will be required for all applicants?

Below you will find a summary per the SBA. For a complete list and explanation, please see the links below. Note that additional documents may be required.

List of Requirements:

- Front and back of driver's license
- Borrower's organization docs

- Verification that the borrower had employees
- Verification of dollar amount of eligible payroll costs
- Follow BSA Requirements
- SBA Application form
- Possibly additional documentation requirements

14. Will additional documents be required if the applicant already received a PPP loan?

We have not seen any new guidelines from the SBA on this yet. We will update you as we hear more.

15. As a partner, do I have any underwriting responsibilities?

No.

16. Do partners have any responsibility when the loan moves to funding?

No.

17. Do partners have any responsibility once the loans are ready to apply for loan forgiveness?

Cross River Bank handles all post-closing servicing.

18. Are there any best practices to follow?

- Use Chrome
- Don't use mobile – desktop or laptop will work better
- Send documents in the format suggested (pdf, excel, etc)
- Label your documents correctly (the title of the attached doc should be accurate)
- Contact via email whenever possible. If you must call, try to avoid peak hours of 11am – 3pm EST so that you don't have to wait too long for support
- Include your business name and EIN with your email inquiries so that we can help you faster
- Our customer support staff are not financial advisors so we are unable to provide advice of any kind. We are educated on the program and our application flow, and we can help provide information about your application status. For all other inquiries, please seek support from your CPA.

3. Marketing and Attribution

19. What happens if an applicant applies through multiple sources?

Agents will be compensated for loans which contain the unique identifying code that traces the loan funded by Cross River Bank back to our partners.

20. What happens if an existing customer of the bank uses an affiliate link to sign up for a loan?

If the borrower completes the application on your unique URL and gets funded, our partners will get the commission.

21. Does Idea Financial have any white-label marketing collateral that a partner can leverage for digital, direct, mail, and/or email.

Idea Financial has provided a media kit for you to use. The link is provided in the on-boarding email.

22. What are some pitfalls to avoid?

- Try not to overpromise clients about funding or approvals.
- Do not provide guidance outside SBA rules

23. Where do I submit marketing materials for approval?

For marketing approvals please email ppp@ideafinancial.com

4. Program Information

Please find government updated links and resources.

- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>
- <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-9>
- <https://www.sba.gov/sites/default/files/2020-12/Final%20PPP%20FAQs%20%28December%209%202020%29-508.pdf>

5. New Program Info:

SBA, in consultation with the Treasury Department, has recently released additional PPP guidance:

- [SBA Guidance on Accessing Capital for Minority, Underserved, Veteran and Women-Owned Business Concerns](#) (Released 1/6/2021)
- [Interim Final Rule on Paycheck Protection Program as Amended by Economic Aid Act](#) (Released 1/6/2021)
- [Interim Final Rule on Second Draw Loans](#) (Released 1/6/2021)

6. First Draw Eligibility

24. How many employees does a business need to have in order to apply?

- *Business must have less than 500 full-time, part-time, or seasonal employees and meets all other loan eligibility requirements.*

25. What is the maximum loan amount a business can be eligible for?

- *The maximum amount of a first draw loan is 2.5 times the average monthly payroll costs and health care costs with a maximum of \$10 million. **CRB will not be issuing loans over 2 million.*

26. A business received a loan in 2020, can they apply again?

- *Any borrower who received a PPP loan in 2020 is not eligible to receive another First Draw PPP Loan, but may be eligible for a second draw PPP loan.*

27. What application does a business need to use to apply?

- *The applicant for a **First Draw** loan must submit a Paycheck Protection Program Borrower Application form (SBA Form 2483) and payroll documentation.*

28. How must funds be allocated upon PPP approval?

- *At least 60 percent of the loan proceeds must be used for payroll costs with 40 percent available for rent, utilities, operational costs, covered supplier costs and covered worker protection costs.*

7. Second Draw – Eligibility

29. Who is eligible for a second draw?

- *Generally, second draw loans have narrower eligibility criteria compared to first draw. To be Eligible for a Second Draw PPP Loan, a business must have 300 or fewer employees and experienced a revenue reduction in 2020 relative to 2019.*

30. How will the SBA determine who gets approved?

- *Second Draw PPP Loan may only be made to an eligible borrower that (i) has received a First Draw PPP Loan, and (ii) has used, or will use, the full amount of the First Draw PPP Loan on or before the expected date on which the Second Draw PPP Loan is disbursed to the borrower.*
- *Clarifies that the borrower must have spent the full amount of its First Draw PPP Loan on eligible expenses*

31. How does a business determine if it experienced a qualified revenue reduction?

- *A borrower that was in operation in all four quarters of 2019 is deemed to have experienced the required revenue reduction if it experienced a reduction in annual receipts of 25 percent or greater in 2020 compared to 2019 and the borrower submits copies of its annual tax forms substantiating the revenue decline.*

32. How does a business calculate a revenue reduction?

- *Calculate revenue reduction by comparing the borrower's quarterly gross receipts for one quarter in 2020 with the borrower's gross receipts for the corresponding quarter of 2019.*

33. What are included in Gross Receipts?

- *Gross receipts consistent with the definition of receipts in 13 C.F.R. 121.104 of SBA's size regulations because this definition appropriately captures the type of income that is typically included in a small business's gross receipts.*
- *IFR generally defines gross receipts to include all revenue in whatever form received or accrued (in accordance with the entity's accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered "total income" (or in the case of a sole proprietorship, independent contractor, or self-employed individual "gross income") plus "cost of goods sold," and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms.*
- *Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income (such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees); proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker.*
- *The IFR specifies that any forgiveness amount of a First Draw PPP Loan that a borrower received in calendar year 2020 is excluded from a borrower's gross receipts. – consistent with notion PPP loan is not taxed income.*

34. If a restaurant/hotel business has multiple locations/separate legal entities – Are they eligible to apply again?

- *Single business entity that is assigned a NAICS code beginning with 72 (including hotels and restaurants) and employs not more than 500 employees per physical location is eligible to receive a First Draw PPP Loan.*
- *if each hotel or restaurant location owned by a parent business is a separate legal business entity and employs not more than 500 employees, each hotel or restaurant location is permitted to apply for a separate PPP loan provided it uses its unique EIN.*
- *a single business entity that is assigned a NAICS code beginning with 72 is eligible to receive a Second Draw PPP Loan if it employs no more than 300 employees per physical location and meets the revenue reduction requirements and otherwise satisfies the eligibility criteria.*
- *NAIC 72 eligible for 3.5 times monthly payroll in calculation.*

35. How does a business calculate Payroll Costs?

- *Unlike First Draw PPP Loans, the Economic Aid Act provides that the relevant time period for calculating a borrower's payroll costs for a Second Draw PPP Loan is either the twelve-month period prior to when the loan is made or calendar year 2019.*
- *Second Draw PPP Loan borrowers who are not self-employed (including sole proprietorships and independent contractors) are also permitted to use the precise 1-year period before the date on which the loan is made to calculate payroll costs if they choose not to use 2019 or 2020 to calculate payroll costs.*
- *Businesses that are part of a single corporate group shall in no event receive more than \$4 million of Second Draw PPP Loans in the aggregate.*
- *Businesses that are part of a single corporate group cannot obtain more than \$20 million in the aggregate for a First Draw loan.*

36. What are the documentation requirements for a Second Draw?

- *The documentation required to substantiate an applicant's payroll cost calculations is generally the same as documentation required for First Draw PPP Loans.*
- *no additional documentation to substantiate payroll costs will be required if the applicant (i) used calendar year 2019 figures to determine its First Draw PPP Loan amount, (ii) used calendar year 2019 figures to determine its Second Draw PPP Loan amount (instead of calendar year 2020), and (iii) the lender for the applicant's Second Draw PPP Loan is the same as the lender that made the applicant's First Draw PPP Loan.*
- *The lender may request additional documentation, however, if on further review the lender concludes that it would be useful in conducting the lender's good-faith review of the borrower's loan amount calculation.*
- *For loans with a principal amount greater than \$150,000, the applicant must also submit documentation adequate to establish that the applicant experienced a revenue reduction of 25% or greater in 2020 relative to 2019.*
- *Such documentation may include relevant tax forms, including annual tax forms, or, if relevant tax forms are not available, quarterly financial statements or bank statements.*
- *For loans with a principal amount of \$150,000 or less, such documentation is not required at the time the borrower submits its application for a loan, but must be submitted on or before the date the borrower applies for loan forgiveness, as required under the Economic Aid Act. If a borrower does not submit an application for loan forgiveness, such documentation must be provided upon SBA's request.*

37. What is the Loan Forgiveness Covered Period?

- *"loan forgiveness covered period" is the period beginning on the date the lender disburses the PPP loan and ending on any date selected by the borrower that occurs during the period (i) beginning on the date that is 8 weeks after the date of disbursement and (ii) ending on the date that is 24 weeks after the date of disbursement.*
- *If borrower does not submit to the lender a loan forgiveness application within 10 months after the end of your loan forgiveness covered period, you must begin paying principal and interest after that period. Lender must notify borrower of remittance by SBA of the loan forgiveness*

amount (or notify borrowers that SBA determined that no loan forgiveness is allowed) and the date the first payment is due.

8. General Program Requirements

38. Which Businesses are not eligible to apply?

- *Entities listed in 13 C.F.R. 120.110 and subsequent regulations except for entities from that regulation which have otherwise been made eligible by statute or guidance, and except for nonprofits and religious organizations.*
- *Entities involved in political and lobbying activities including engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public document.*
- *Entities affiliated with entities in the People's Republic of China.*
- *Registrants under the Foreign Agents Registration Act.*
- *Entities that receive a grant under the Shuttered Venue Operator Grant program.*
- *Publicly traded companies.*

39. How does a Bankruptcy affect PPP eligibility?

- *If the applicant or the owner of the applicant is the debtor in a bankruptcy proceeding, either at the time it submits the application or at any time before the loan is disbursed, the applicant is ineligible to receive a PPP loan.*
- *If the applicant or the owner of the applicant becomes the debtor in a bankruptcy proceeding after submitting a PPP application but before the loan is disbursed, it is the applicant's obligation to notify the lender and request cancellation of the application.*

40. What are the Lender's requirements for reviewing PPP Eligibility?

- *If a borrower has not submitted new payroll documentation with its Second Draw PPP Loan application because it previously submitted 2019 payroll information to the same lender when it applied for its First Draw PPP Loan, then the lender must confirm the borrower's average monthly payroll costs based on that prior documentation.*
- *For a Second Draw PPP Loan greater than \$150,000, the lender must confirm the dollar amount and percentage of the borrower's revenue reduction by performing a good faith review, in a reasonable time, of the borrower's calculations and supporting documents concerning the borrower's revenue reduction.*

41. What are the Lender's underwriting requirements?

- *Lenders shall confirm receipt of borrower certifications contained in Paycheck Protection Program Borrower Application Form (SBA Form 2483) issued by the Administration or lender's equivalent form.*
- *Confirm receipt of information demonstrating that a borrower was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom the borrower paid salaries and payroll taxes on or around February 15, 2020.*
- *Confirm the dollar amount of average monthly payroll costs for 2019 or 2020 by reviewing the payroll documentation submitted with the borrower's application.*
- *Subject to follow all applicable BSA requirements*

42. What are the Lender's requirements for Loan Forgiveness?

- *The lender does not need to independently verify the borrower's reported information if the borrower submits documentation supporting its request for loan forgiveness and attests that it accurately verified the payments for eligible costs.*

For more information on SBA's assistance to small businesses, visit sba.gov/ppp or treasury.gov/cares.