**OMB Control Number: 3245-0407**
**Expiration Date: 10/31/2020**

# PAYCHECK PROTECTION PROGRAM
# LOAN NECESSITY QUESTIONNAIRE (FOR-PROFIT BORROWERS)

The purpose of this form is to facilitate the collection of supplemental information that will be used by SBA loan reviewers to evaluate the good-faith certification that you made on your PPP Borrower Application (SBA Form 2483 or Lender's equivalent form) that economic uncertainty made the loan request necessary. Each for-profit Borrower that, together with its affiliates,[1] received PPP loans with an original principal amount of $2 million or greater is required to complete this form and submit it, along with the required supporting documents, to the Lender servicing Borrower's PPP loan. **The completed form is due to the Lender servicing your PPP loan within ten business days of receipt from your Lender.**

SBA is reviewing these loans to maximize program integrity and protect taxpayer resources. The information collected will be used to inform SBA's review of your good-faith certification that economic uncertainty made your loan request necessary to support your ongoing operations. Receipt of this form does not mean that SBA is challenging that certification. After this form is submitted, SBA may request additional information, if necessary, to complete the review. SBA's determination will be based on the totality of your circumstances.

Failure to complete the form and provide the required supporting documents may result in SBA's determination that you were ineligible for either the PPP loan, the PPP loan amount, or any forgiveness amount claimed, and SBA may seek repayment of the loan or pursue other available remedies.

Within five business days after you provide a complete form with all required responses, supporting documents, and signatures and certifications, the Lender servicing your loan is required to upload the form and documents to the SBA PPP Forgiveness Platform (forgiveness.sba.gov) and separately input your responses to each question into the web form available in the platform.

**Additional instructions are set forth on the next page.**

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**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 questionnaire, including gathering data needed, is 90 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.**

[1] See 85 FR 20817 (April 15, 2020) regarding application of SBA's affiliation rules.

## Part A – Borrower Information

| Business Legal Name ("Borrower") | DBA or Tradename, if applicable | |
|---|---|---|
| | | |
| **Business Address** | **Business TIN (EIN, SSN)** | **Business Phone** |
| | | |
| | **Primary Contact** | **E-mail Address** |
| | | |
| **SBA PPP Loan Number** | **Original Principal Amount of PPP Loan ($)** | |
| | | |

## Part B – For-Profit Borrower Questionnaire

Eligible types of for-profit borrowers include sole proprietors, partnerships, C-corporations, S-corporations, limited liability companies, independent contractors, eligible self-employed individuals, Tribal businesses (sec. 31(b)(2)(C) of Small Business Act), and electric and telephone cooperatives exempt from federal income taxation under section 501(c)(12) of the Internal Revenue Code.

Instructions:

- For the Business Activity Assessment section below, you must include supporting documentation for your answers to question #1 as part of your submission.
- For the Liquidity Assessment section below, you must include supporting documentation for your answers to questions #1, 2.B, 3.B, 4.C, and 5.C as part of your submission.
- For each question, in the right-hand column (labeled "Confidential?"), select "YES" or "NO" to indicate whether your answers or information provided in response to the question are customarily kept confidential.
- SBA may request additional supporting documentation as part of the loan review.

| Business Activity Assessment | | Confidential? |
|---|---|---|
| 1. Provide answers and supporting documentation for questions 1.A **and either** 1.B or 1.C: | | |
| A. What was Borrower's gross revenue in the second calendar quarter (Q2) of 2020? *Seasonal borrowers may provide gross revenue in the third calendar quarter (Q3) of 2020 instead of Q2 2020.* | $ | Select |
| B. If Borrower existed in Q2 2019, what was Borrower's gross revenue in Q2 2019? *Seasonal borrowers that entered gross revenue in Q3 2020 for question 1.A must enter gross revenue in Q3 2019.* | $ | Select |

| | | | | |
|---|---|---|---|---|
| | C. | If Borrower did not exist in Q2 2019, what was Borrower's gross revenue in the first calendar quarter (Q1) of 2020?<br>*Seasonal borrowers that entered gross revenue in Q3 2020 for question 1.A must enter gross revenue in Q3 2019.* | $ | Select |
| 2. | A. | Since the COVID-19 National Emergency Declaration issued by President Trump on March 13, 2020, has Borrower been ordered to shut down by a state or local authority due to COVID-19? | ☐ YES ☐ NO | Select |
| | B. | If the answer to 2.A is YES, which state or local authority issued the shutdown order? | | Select |
| | C. | If the answer to 2.A is YES, provide start and end dates of the shutdown order (if ongoing, write "present" under "End"). | Start End | Select |
| 3. | A. | At any time since March 13, 2020, has Borrower been ordered to significantly alter its operations by a state or local authority due to COVID-19? | ☐ YES ☐ NO | Select |
| | B. | If the answer to 3.A is YES, provide start and end dates of the order to alter its operations (if ongoing, write "present" under "End"). | Start End | Select |
| | C. | If the answer to 3.A is YES, how were Borrower's operations altered due to the order? (select all that apply)<br>i. The number of people permitted in a location at one time was reduced or capped. | ☐ YES ☐ NO | Select |
| | | ii. Service was restricted to outdoors. | ☐ YES ☐ NO | Select |
| | | iii. Employee workspaces were reconfigured. | ☐ YES ☐ NO | Select |
| | | iv. Other (please describe) [1,000-character max]. | | Select |
| | D. | If the answer to 3.A is YES, what were Borrower's approximate additional cash outlays for these mandatory alterations? | $ | Select |

| | | | | |
|---|---|---|---|---|
| 4. | A. | At any time since March 13, 2020, has Borrower voluntarily ceased or reduced its operations due to COVID-19? | ☐ YES ☐ NO | Select |
| | B. | If the answer to 4.A is YES, provide start and end dates when Borrower voluntarily ceased or reduced operations (if ongoing, write "present" under "End"). | Start End | Select |
| | C. | If the answer to 4.A is YES, why did Borrower voluntarily cease or reduce operations? (select all that apply)<br>i. Employee(s) contracted COVID-19. | ☐ YES ☐ NO | Select |
| | | ii. COVID-19 significantly disrupted Borrower's supply chain (e.g., a supplier of goods or services that are essential to Borrower's operations was unable to deliver due to COVID-19). | ☐ YES ☐ NO | Select |
| | | iii. Other (please describe) [1,000-character max]. | | Select |
| 5. | A. | At any time since March 13, 2020, has Borrower voluntarily altered its operations due to COVID-19 (other than ceasing or reducing operations)? | ☐ YES ☐ NO | Select |
| | B. | If the answer to 5.A is YES, provide start and end dates when the voluntary alterations were in place (if ongoing, write "present" under "End"; if staggered, provide multiple start and end dates). | Start End | Select |
| | C. | If the answer to 5.A is YES, how were Borrower's operations voluntarily altered? (select all that apply)<br>i. The number of people permitted in a location at one time was reduced or capped. | ☐ YES ☐ NO | Select |
| | | ii. Service was restricted to outdoors. | ☐ YES ☐ NO | Select |
| | | iii. Employee workspaces were reconfigured. | ☐ YES ☐ NO | Select |

| | | | |
|---|---|---|---|
| | iv. Other (please describe) [1,000-character max]. | | Select |
| | D. If the answer to 5.A is YES, what were Borrower's approximate additional cash outlays for these voluntary alterations? | $ | Select |
| 6. | A. Between March 13, 2020 and the end of the loan forgiveness covered period of the PPP loan, did Borrower begin any new capital improvement projects not due to COVID-19? | ☐ YES ☐ NO | Select |
| | B. If the answer to 6.A is YES, what were Borrower's approximate cash outlays for those projects? | $ | Select |
| 7. | What is Borrower's primary six-digit NAICS code? | | Select |
| 8. | Optional – provide additional comments on any question in this Business Activity Assessment section [1,000-character max]. | | Select |

| **Liquidity Assessment** | | | **Confidential?** |
|---|---|---|---|
| 1. | As of the last day of the calendar quarter immediately before the date of Borrower's PPP loan application, how much did Borrower own in cash and cash equivalents? Provide supporting documentation. | $ | Select |
| 2. | A. Between March 13, 2020 and the end of the loan forgiveness covered period of the PPP loan, has Borrower paid any dividends or other capital distributions (other than for pass-through estimated tax payments[2]) to its owners? | ☐ YES ☐ NO | Select |

[2] Distributions made by a partnership or S-corporation that are designed to be used only for owners' estimated quarterly tax payments are excepted, as long as they do not exceed the tax liability on profits earned in the first three quarters of 2020, 110 percent of the pro-rata share of last year's tax liability on distributions, and/or 100 percent of the pro-rata share of tax liability on total distributions in 2020.

| | | | | |
|---|---|---|---|---|
| | B. | If the answer to 2.A is YES, what was the total amount of all dividends or other capital distributions between March 13, 2020 and the end of the loan forgiveness covered period of the PPP loan? Provide supporting documentation. | $ | Select |
| 3. | A. | Between March 13, 2020 and the end of the loan forgiveness covered period of the PPP loan, has Borrower prepaid any outstanding debt (i.e., paid before contractually due)? | ☐ YES ☐ NO | Select |
| | B. | If the answer to 3.A is YES, what was the total amount of all debt prepayments between March 13, 2020 and the end of the loan forgiveness covered period of the PPP loan? Provide supporting documentation. | $ | Select |
| 4. | A. | During the loan forgiveness covered period of the PPP loan, were any of Borrower's employees compensated in an amount that exceeds $250,000 on an annualized basis? (Compensation for this purpose covers gross salary, gross wages, gross tips, gross commissions, and allowances for dismissal or separation.) | ☐ YES ☐ NO | Select |
| | B. | If the answer to 4.A is YES, how many employees? | | Select |
| | C. | If the answer to 4.A is YES, what was the total amount of compensation during the loan forgiveness covered period of all of those employees included in the answer to 4.B? Provide supporting documentation. | $ | Select |
| 5. | A. | During the loan forgiveness covered period of the PPP loan, were any of Borrower's owners who work at Borrower compensated by Borrower in an amount that exceeds $250,000 on an annualized basis? (Compensation for this purpose covers gross salary, gross wages, gross tips, gross commissions, and allowances for dismissal or separation.) | ☐ YES ☐ NO | Select |
| | B. | If the answer to 5.A is YES, how many owners? | | Select |
| | C. | If the answer to 5.A is YES, what was the total amount of compensation during the loan forgiveness covered period of all of those owners included in the answer to 5.B? Provide supporting documentation. | $ | Select |
| 6. | A. | On the date of Borrower's PPP loan application, were any of Borrower's equity securities listed on a national securities exchange? | ☐ YES ☐ NO | Select |

| | | | |
|---|---|---|---|
| | B. If the answer to 6.A is YES, what was Borrower's market capitalization on the date of Borrower's PPP loan application? | $ | Select |
| 7. | A. On the date of Borrower's PPP loan application, did any publicly traded company own 20 percent or more of any class of Borrower's outstanding equity securities? | ☐ YES ☐ NO | Select |
| | B. If the answer to 7.A is YES, what was the name and market capitalization of the publicly traded company on the date of Borrower's PPP loan application? | | |
| | Company A (name): | $ | Select |
| | Company B (name): | $ | Select |
| | Company C (name): | $ | Select |
| | Company D (name): | $ | Select |
| | Company E (name): | $ | Select |
| 8. | If the answer to 6.A is NO, what was the book value (shareholders' equity value) of Borrower as of the last day of the calendar quarter immediately before the date of Borrower's PPP loan application? | $ | Select |
| 9. | A. On the date of Borrower's PPP loan application, was Borrower a subsidiary of (i.e., was at least 50 percent of Borrower's common equity, or equivalent equity interest, owned by) another company (the parent company)? | ☐ YES ☐ NO | Select |
| | B. If the answer to 9.A is YES, what was the name of the parent company? | | Select |
| | C. If the answer to 9.A is YES, was the parent company organized or incorporated under the laws of a jurisdiction outside the U. S.? | ☐ YES ☐ NO | Select |
| | D. If the answer to 9.A is YES, and if any of the equity securities of Borrower's parent company are listed on a national securities exchange or on a securities exchange in a non-U.S. jurisdiction, what was the market capitalization of the parent company on the date of Borrower's PPP loan application? | $ | Select |
| 10. | On the date of Borrower's PPP loan application, was 20 percent or more of any class of Borrower's outstanding equity securities owned by a private equity firm, venture capital firm, or hedge fund (including a fund managed by any such firm)? | ☐ YES ☐ NO | Select |

| | | | |
|---|---|---|---|
| 11. | A. On the date of Borrower's PPP loan application, was Borrower an affiliate[3] or a subsidiary (i.e., was at least 50 percent of Borrower's common equity, or equivalent equity interest, directly or indirectly owned or controlled by) of a foreign, state-owned enterprise (i.e., a company at least 50 percent owned by a foreign state) or of a department, agency, or instrumentality of a foreign state? | ☐ YES ☐ NO | Select |
| | B. If the answer to 11.A is YES, what was the name of the foreign, state-owned enterprise or of the foreign state's department, agency, or instrumentality? | | Select |
| 12. | A. Did Borrower directly receive any funds from any CARES Act program other than PPP, excluding tax benefits? | ☐ YES ☐ NO | Select |
| | B. If the answer to 12.A is YES, please provide funding amount. | $ | Select |
| | C. If the answer to 12.A is YES, please provide the program name or describe the funding source. [1,000-character max] | | Select |
| 13. | Optional – provide additional comments on any question in this Liquidity Assessment section[1,000-character max]. | | Select |

[3] For purposes of this question, apply the affiliation test as described in SBA's interim final rule on affiliates, 85 FR 20817 (April 15, 2020).

CERTIFICATIONS

The Authorized Representative of Borrower must certify to all of the below by initialing next to each item:

_____ I certify that I have the authority to sign and submit this questionnaire on behalf of the Borrower.

_____ I certify that the information provided in this questionnaire and in all supporting documentation is true and correct in all material respects. I make this certification after reasonable inquiry of people, systems, and other information available to the Borrower.

_____ I understand that knowingly making a false statement to obtain a guaranteed loan or forgiveness of an SBA-guaranteed loan 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.

_____
Signature of Authorized Representative of Borrower

_____
Print Name

_____
Title

_____
Date