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VIA ELECTRONIC MAIL ONLY

RE: Loan Disaster Relief Recovery Instructions

To Our Valued Customers:

As responses to spread of the Coronavirus Disease 2019 (COVID-19) (the “**Coronavirus**”) continue to evolve, our national, state and local governments have implemented ad-hoc measures focused on “social distancing.” Many, if not most, counties in California have implemented a practice of “sheltering in place” or a “stay at home” policy. These actions have resulted in disruptions in business activity that no one could have ever predicted or adequately prepared for. First Choice Bank (the “**Bank**”) is committed to doing whatever we can within the regulatory parameters in which we operate to assist our clients through this extraordinary period. If your business is experiencing financial distress as a result of this unprecedented event, you should know that there may be some options that are available to you.

Contact your First Choice Bank Business Development Officer or Portfolio Manager to make them aware of your financial distress. Your Bank contact will advise you of the available options and assist you through each process.

Small Business Administration (“SBA”) Disaster Relief Program.

The SBA Disaster Relief Program offers up to \$2 million in assistance to small businesses to help overcome the temporary loss of revenue they are currently experiencing. The disaster relief funds are provided in the form of a Disaster Assistance Loan funded directly from the SBA that may be used to pay fixed debts, payroll, accounts payable, and other bills that you are unable to pay due as a direct result of the Coronavirus and governmental efforts to contain it.

Although the terms are subject to change by the SBA, the interest rate on the loan is fixed at 3.75% for eligible small businesses and 2.75% for eligible non-profit organizations. Terms can be up to 30 years with the first payment due 5 months after the loan is funded. The contact information in order to start the application process is shown below. Please Note: This program is available to all eligible businesses as reflected on the website. You do not need to be an existing SBA client in order to apply.

SBA Economic Injury Disaster Loan (EIDL) Assistance (<https://disasterloan.sba.gov/ela/>)

- disastercustomerservice@sba.gov
- 1-800-659-2955 (TTY 800-877-8339)
- Note that the incent period for California COVID-19 is 1/31/20 and continuing

First Choice Bank Coronavirus-Related Loan Modifications

Separate and apart from the SBA Disaster Assistance Loan program, and in compliance with safe and sound lending practices, the Bank may work with current borrowers requesting Coronavirus-related loan modifications – either by deferring payments of principal and interest or requiring interest-only payments for a specified period of time. Because there are strict guidelines that the Bank must follow to determine eligibility for such modification, please immediately contact your Business

Development Manager or Portfolio Manager to request a Coronavirus-related loan modification who will assist you through that process.

If eligible and approved, a Coronavirus-related loan modification will be documented with a simplified Change in Terms Agreement which will modify your existing Loan documents. In order to expedite the process, execution of this Change in Terms Agreement and any other Related Loan Document can be done electronically, via DocuSign

Eligibility and Prerequisites

To be eligible for a Coronavirus-related loan modification, the following are the preliminary eligibility requirements. Please note that as we go through the process, there may be additional requirements that the Bank may impose to assess eligibility and the parameters of any modification:

1. Completion of the attached COVID-19 Questionnaire summarizing, in your own words, the impact the virus has had or will more likely than not have on your business.
2. Please include financial statements with the completed COVID-19 Questionnaire, updated through at least December 31, 2019.
3. All Loan payments through and including the date you submitted this request, and all property tax payments must be current.

As the federal government announces additional borrower assistance programs, we will endeavor to provide you with as much information as we can about these programs and if and how they may be of benefit to you. Please recognize however, these are exigent times for everyone, and we may not always have the most up-to-date information about these programs or have clarity from our government and regulators on how to process loans through these programs. To the extent we do, we will provide you this information in our periodic updates.

Our Board and all of our Management are committed to working together with our clients so that everyone gets through this crisis healthy and ready for the strong recovery that we see ahead when this is over.

Thank you for being our valued client.

Addendums:

First Choice Bank's Disaster Relief Customer Questionnaire

U.S. Small Business Administration Fact Sheet – Economic Injury Disaster Loans

SBA News Release dated March 12, 2020 – SBA to Provide Small Business Impacted By Coronavirus (COVID-19) Up to \$2 million in Disaster Assistance Loans



Loan Disaster Relief Questionnaire

Completing this form will help us understand your current situation. We will work with you to find a solution as quickly as possible.

Loan Number(s):

Step 1: Tell us about you and your business

Customer's name:	Business:
Contact Phone Number:	Email address:

Step 2: Help us understand your unique situation

1. Is your loan payment(s) current?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. Are your property taxes current?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3. Please select the deferment options. Note: All deferred payments will be added to the balance of the loan and will be due as a balloon payment at the loan's maturity. Three Month Principal Deferment <input type="checkbox"/> ; Three Month Principal and Interest Deferment <input type="checkbox"/>	
4. Three years of business tax return and December 31, 2019 business financial statement has been submitted?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Three years of guarantor(s) tax return and current personal financial statement have been submitted?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. Does your business qualify as an "essential business?"	Yes <input type="checkbox"/> No <input type="checkbox"/>
7. Was your business viable prior to COVID – 19?	Yes <input type="checkbox"/> No <input type="checkbox"/>
8. Have you adjusted your operating hours?	Yes <input type="checkbox"/> No <input type="checkbox"/>
9. Was your staffing levels negatively impacted?	Yes <input type="checkbox"/> No <input type="checkbox"/>
10. Do you have a contingency plan for your business?	Yes <input type="checkbox"/> No <input type="checkbox"/>
11. Have you applied for government assistance through a program such as SBA Disaster Relief Program?	Yes <input type="checkbox"/> No <input type="checkbox"/>

12. What are you doing to help your employees?

13. What is the estimate loss income for your business each month as a result of the COVID-19?

14. If COVID-19 were to end today, how long would estimate it will take for your business to be fully operational?

15. What actions have you taken and are considering taking as a result of COVID-19?

Signature:

Date:



U.S. Small Business
Administration

U.S. SMALL BUSINESS ADMINISTRATION FACT SHEET – ECONOMIC INJURY DISASTER LOANS

CALIFORNIA Declaration #16332

(Disaster: CA-00313)

Incident: **CORONAVIRUS (COVID-19)**

occurring: January 31, 2020 & continuing

in the California counties of: **Alameda, Calaveras, Contra Costa, Los Angeles, Sacramento, San Diego, San Francisco, San Mateo, Sonoma & Tuolumne;**
and the contiguous California counties of: **Alpine, Amador, El Dorado, Imperial, Kern, Lake, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Napa, Orange, Placer, Riverside, San Bernardino, San Joaquin, Santa Clara, Santa Cruz, Solano, Stanislaus, Sutter, Ventura & Yolo**

Application Filing Deadline: December 16, 2020

Disaster Loan Assistance Available:

Economic Injury Disaster Loans (EIDLs) – Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

Credit Requirements:

- Credit History – Applicants must have a credit history acceptable to SBA.
- Repayment – Applicants must show the ability to repay the loan.
- Collateral – Collateral is required for all EIDL loans over \$25,000. SBA takes real estate as collateral when it is available. SBA will not decline a loan for lack of collateral, but SBA will require the borrower to pledge collateral that is available.

Interest Rates:

The interest rate is determined by formulas set by law and is fixed for the life of the loan. The maximum interest rate for this program is 4 percent.

Loan Terms:

The law authorizes loan terms up to a maximum of 30 years. SBA will determine an appropriate installment payment based on the financial condition of each borrower, which in turn will determine the loan term.

Loan Amount Limit:

The law limits EIDLs to \$2,000,000 for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by SBA, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates. If a business is a major source of employment, SBA has the authority to waive the \$2,000,000 statutory limit.

Loan Eligibility Restrictions:

Noncompliance – Applicants who have not complied with the terms of previous SBA loans may not be eligible. This includes borrowers who did not maintain required flood insurance and/or hazard insurance on previous SBA loans.

Note: Loan applicants should check with agencies / organizations administering any grant or other assistance program under this declaration to determine how an approval of SBA disaster loan might affect their eligibility.

Refinancing:

Economic injury disaster loans cannot be used to refinance long term debts.

Insurance Requirements:

To protect each borrower and the Agency, SBA may require you to obtain and maintain appropriate insurance. By law, borrowers whose damaged or collateral property is located in a special flood hazard area must purchase and maintain flood insurance. SBA requires that flood insurance coverage be the lesser of 1) the total of the disaster loan, 2) the insurable value of the property, or 3) the maximum insurance available.

Applicants may apply online, receive additional disaster assistance information and download applications at <https://disasterloan.sba.gov/ela>. Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339. Completed applications should be mailed to U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.



U.S. Small Business
Administration

NEWS RELEASE

PRESS OFFICE

Release Date: March 12, 2020

Contact: Jennifer.Kelly@sba.gov (202)205-7036

Release Number: 20-24

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SBA To Provide Small Businesses Impacted by Coronavirus (COVID-19) Up to \$2 Million in Disaster Assistance Loans

WASHINGTON – SBA Administrator [Jovita Carranza](#) issued the following statement today in response to the President’s address to the nation:

“The President took bold, decisive action to make our 30 million small businesses more resilient to Coronavirus-related economic disruptions. Small businesses are vital economic engines in every community and state, and they have helped make our economy the strongest in the world. Our Agency will work directly with state Governors to provide targeted, low-interest disaster recovery loans to small businesses that have been severely impacted by the situation. Additionally, the SBA continues to assist small businesses with counseling and navigating their own preparedness plans through our network of 68 District Offices and numerous Resource Partners located around the country. The SBA will continue to provide every small business with the most effective and customer-focused response possible during these times of uncertainty.”

Process for Accessing SBA’s Coronavirus (COVID-19) Disaster Relief Lending

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state’s or territory’s Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- SBA’s Office of Disaster Assistance will coordinate with the state’s or territory’s Governor to submit the request for Economic Injury Disaster Loan assistance.

- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities.
- SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.

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About the U.S. Small Business Administration

The U.S. Small Business Administration helps power the American dream of business ownership. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.