

**SECOND DRAW SUPPLEMENTAL APPLICATION UP TO \$150,000 LOANS
UNDER THE PAYCHECK PROTECTION PROGRAM**

NOTE: This short form Supplemental Application may be used only by second draw Paycheck Protection Program (“PPP”) loan applicants that meet all of the following requirements (please confirm eligibility by checking the box next to each requirement). This Supplement Application must be submitted to the Bank in addition to the online borrower application:

Applicant received a first draw PPP loan in 2020 from either First Horizon Bank or IBERIABANK (the “Bank”).

The amount of Applicant’s first draw loan did not exceed \$150,000.00, and Applicant is applying for a second draw loan in an amount not exceeding the amount of Applicant’s first draw loan.

NOTE: If Applicant’s primary NAICS code begins with “72”, Applicant may use this short form Supplemental Application if Applicant is seeking a second draw loan in an amount of up to 3.5 times 2019 average monthly payroll costs if the increased loan amount does not exceed \$150,000.00 and Applicant meets all other requirements of this short form Supplemental Application. All other applicants are limited to a second draw loan of no more than 2.5 times 2019 average monthly payroll costs.

In order to support its requested second draw loan amount, Applicant is relying on payroll information for calendar year 2019 which Applicant previously submitted to the Bank in connection with its first draw PPP loan application.

Applicant experienced a decrease in gross receipts (see the definition of “gross receipts” below) of 25% or more when comparing (i) any one calendar quarter in 2020 to the corresponding calendar quarter in 2019 or (ii) calendar year 2020 to calendar year 2019.

The information relied upon by Applicant in preparing its first draw loan application accurately reflects information shown on Applicant’s filed calendar year 2019 tax returns.

Applicant is eligible to use this short form Supplemental Application only if it can check each of the above requirements and certify them as true and correct by signing below. If Applicant cannot check each of the above requirements, Applicant must use the Bank’s standard Supplemental Application for second draw loans and provide all documentation required by that Supplemental Application.

If all of the above boxes above are checked, please provide the following additional information:

- **Name of Applicant:** _____
(NOTE: Applicant’s name must match the name of the Borrower on the Promissory Note on Applicant’s first draw loan. If it is different, explain the reason in the space provided on the next page.)
- **First Draw SBA Loan No.:** _____
(Must match SBA Loan No. on first page of Applicant’s first draw loan Promissory Note.)
- **First Draw Loan Amount:** _____
(Must match amount on the first page of Applicant’s first draw loan Promissory Note.)
- **2019 Average Monthly Payroll:** _____
(Must match average monthly payroll shown on Applicant’s first draw loan Application)
- **Second Draw Loan Amount Requested (this Application):** _____
(Must be no more than the amount of Applicant’s first draw loan unless Applicant meets the requirements for Applicants with a NAICS Code beginning with 72, as described in this Supplemental Application, and must be \$150,000 or less.)

Explain the reason for any difference in name (such as name of business changed with Secretary of State, including date of change; change in marital status, etc.).

Definition of “gross proceeds” for PPP purposes:

Gross receipts includes 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. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer's request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of affiliates must be included in the calculations.

Certifications and Agreements

In addition to any other certifications and agreements applicable to PPP loans, the Applicant certifies and agrees as follows:

1. All information provided in this Supplemental Application is true, correct and complete in all respects and may be relied upon by the Bank in making a second draw loan to Applicant under the PPP.
2. At the request of the Bank, Applicant will provide such additional information, certifications and agreements as the Bank may deem to be necessary for the purpose of processing Applicant’s application for a second draw PPP loan or for forgiveness of a second draw PPP loan.
3. Applicant acknowledges that it is not being required to provide any documentation evidencing its decrease in gross receipts at the time of application for a second draw loan and that it must provide the required evidence of decrease at the time of the application for forgiveness of the second draw loan, or at any time the Small Business Administration requests such documentation (which requests may be made through the Bank), whichever comes first.
4. All Affiliates of Applicant are shown on Addendum A to this short form Supplemental Application. (See Addendum A for information in determining the existence of affiliates.)

BORROWER:

Signature

Title

Date: _____

Addendum A – Affiliate Information		
Affiliate Name	Employer Identification No.	No. of Employees

AFFILIATION RULES APPLICABLE TO U.S. SMALL BUSINESS ADMINISTRATION PAYCHECK PROTECTION PROGRAM

1. **Affiliation based on ownership.** For determining affiliation based on equity ownership, a concern is an affiliate of an individual, concern, or entity that owns or has the power to control more than 50 percent of the concern's voting equity. If no individual, concern, or entity is found to control, SBA will deem the Board of Directors or President or Chief Executive Officer (CEO) (or other officers, managing members, or partners who control the management of the concern) to be in control of the concern. SBA will deem a minority shareholder to be in control, if that individual or entity has the ability, under the concern's charter, by-laws, or shareholder's agreement, to prevent a quorum or otherwise block action by the board of directors or shareholders.
2. **Affiliation arising under stock options, convertible securities, and agreements to merge.**
 - a. In determining size, SBA considers stock options, convertible securities, and agreements to merge (including agreements in principle) to have a present effect on the power to control a concern. SBA treats such options, convertible securities, and agreements as though the rights granted have been exercised.
 - b. Agreements to open or continue negotiations towards the possibility of a merger or a sale of stock at some later date are not considered "agreements in principle" and are thus not given present effect.
 - c. Options, convertible securities, and agreements that are subject to conditions precedent which are incapable of fulfillment, speculative, conjectural, or unenforceable under state or Federal law, or where the probability of the transaction (or exercise of the rights) occurring is shown to be extremely remote, are not given present effect.
 - d. An individual, concern or other entity that controls one or more other concerns cannot use options, convertible securities, or agreements to appear to terminate such control before actually doing so. SBA will not give present effect to individuals', concerns', or other entities' ability to divest all or part of their ownership interest in order to avoid a finding of affiliation.
3. **Affiliation based on management.** Affiliation arises where the CEO or President of the applicant concern (or other officers, managing members, or partners who control the management of the concern) also controls the management of one or more other concerns. Affiliation also arises where a single individual, concern, or entity that controls the Board of Directors or management of one concern also controls the Board of Directors or management of one of more other concerns. Affiliation also arises where a single individual, concern or entity controls the management of the applicant concern through a management agreement.
4. **Affiliation based on identity of interest.** Affiliation arises when there is an identity of interest between close relatives, as defined in 13 CFR 120.10, with identical or substantially, identical business or economic interests (such as where the close relatives operate concerns in the same or similar industry in the same geographic area). Where SBA determines that interests should be aggregated, an individual or firm may rebut that determination with evidence showing that the interests deemed to be one are in fact separate.

Religious Exemption. The relationship of a faith-based organization to another organization is not considered an affiliation with the other organization if the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion.

Waiver. The affiliation rules described above are waived for (1) any business concern with not more than 500 employees that, as of the date on which the loan is disbursed, is assigned a North American Industry Classification System code beginning with 72; (2) any business concern operating as a franchise that is assigned a franchise identifier code by the SBA; and (3) any business concern that receives financial assistance from a company licensed under section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681).