



Dear Horizon Community Bank (“HCB”) Client:

You recently looked to HCB to provide your Payroll Protection Plan (“PPP”) loan under the CARES Act put forward by the federal government to help business owners deal with the financial impact of the COVID-19 pandemic. We very much appreciate the fact you trusted HCB enough to turn to us during this extraordinary and unprecedented time of need. Now that you have your loan funding, I am sure you are wondering how the debt forgiveness aspect of the loan program will be rolled out by the federal government. Please understand, we are as apprehensive about the details of this process as are you. Rest assured, HCB intends to assist you as best we can to ensure you are able to avail yourself of the debt forgiveness to which you are entitled under the terms of the legislation.

The federal government has already begun to issue guidance and even application forms to allow PPP borrowers to begin this process. Despite the early guidance and process forms that have been put forward by the federal government, there continue to be more questions than answers. The process is far from being definitive at this point. Furthermore, federal legislators are seriously considering revising certain aspects of the program to accomplish such things as (i) extend the maturity period of PPP loans to as long as five years; (ii) extend the forgiveness period; (iii) extend the time period within which the funds must be expended; (iv) lower the percentage requirement of the funds that must be spent for payroll versus other eligible costs; and (v) simplify the process and forms required of borrowers and banks to avail themselves of the forgiveness provisions.

While none of these revisions are yet assured, HCB understands the anxiety that may come with awaiting the finalization of these details by our government. Please understand HCB will remain attentive to these matters on your behalf and will assist you in moving forward as the situation becomes better defined.

We are here for you!

Very Best,

Mark J. Martinez

Executive Vice President and Chief Credit Officer

