

PPP Customer FAQs

Table of Contents

1. **What is a demand letter?**
2. **Why did I get this letter?**
3. **How do I pay back my loan?**
4. **What is my login and password?**
5. **What happens if I do not pay back my loan?**
6. **Who is Cross River Bank?**
7. **Who is my servicer?**
8. **Can my PPP loan be forgiven in whole or in part?**
9. **Am I eligible to apply for forgiveness?**
10. **What payments are eligible for forgiveness?**
11. **What factors can reduce my forgivable amount?**
12. **How should I apply for forgiveness?**
13. **How to apply for direct forgiveness**
14. **How to apply for servicer forgiveness**
15. **Can I use scanned copies of documents or e-signatures for my forgiveness application?**
16. **The borrower on the loan is deceased**
17. **The owner of my business has changed**
18. **I need to make changes to my account / loan**
19. **I already submitted forgiveness**
20. **I already paid off my loan**
21. **I have filed for bankruptcy**

1. What is a demand letter?

A demand letter is a formalized, written document that notifies an individual of debt owed. It outlines how a payor should pay a debt, as well as what happens next if the debt is not paid within a specific date.

2. Why did I get this letter?

You have received a demand letter because you obtained a PPP loan originated by Cross River Bank through its service provider Kabbage, dba KServicing, in 2020 with a loan maturity date of two years and either 1) have not applied for forgiveness or 2) received partial forgiveness or have been denied forgiveness. Payment is now due in full for this loan.



3. How do I pay back my loan?

Please sign into <https://www.kservicing.com/ppp-loan-forgiveness/> to access your loan and make payments of all amounts due and owing. You may also be eligible for forgiveness if you have not yet applied.

4. What is my login and password?

If you forgot your login and password, you could utilize the 'Forgot Password' tool on KServicing at <https://account.kservicing.com/forgot-password>.

5. What happens if I do not pay back my loan?

If you fail to pay back your loan you will be in default and your loan will be transferred to the SBA for collections. This may have an impact on your credit score or affect your ability to obtain future loans from the SBA.

6. Who is Cross River Bank?

Cross River is a bank that provides technology infrastructure to fintech and technology companies, as well as a proud lender for the Paycheck Protection Program. Learn more about Cross River at <https://crossriver.com>.

7. Who is my servicer?

If you received a loan through Kabbage, your loan is being serviced by Kabbage dba KServicing directly. You can contact them by phone at 888-986-8263, visit their PPP website at Kabbage Loan Forgiveness FAQ: <https://www.kservicing.com/ppp-loan-forgiveness/> or login to your portal at <https://kservicingforgiveness.biz2x.com/login>.

8. Can my PPP loan be forgiven in whole or in part?

Yes. If eligible, the amount of loan forgiveness as determined by the SBA may be up to the full principal amount of the loan and any accrued interest. Eligibility includes obtaining a loan in an amount as permitted by the program and the borrower using the loan proceeds for forgivable purposes and employee and compensation levels are maintained or, if applicable safe harbor or exemption applies.

See the SBA website for more information. <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-loan-forgiveness#section-header-4>

9. Am I eligible to apply for forgiveness?



Generally, if you have not applied for forgiveness, or if you started your forgiveness application and have not finished your application you can apply for forgiveness. It is up to the SBA whether to accept forgiveness requests after maturity.

If you already applied for forgiveness and were denied forgiveness, you may be eligible to appeal the SBA decision if you received notice you were denied forgiveness within the past 30 days, however, in this instance, you may not submit a subsequent new application for forgiveness.

10. What payments are eligible for forgiveness?

Certain payroll costs are eligible for forgiveness if paid in the Loan Forgiveness Covered Period (“Covered Period”) or incurred during the last pay period of the Covered Period and paid by the next regular payroll date (or in the case of health insurance premiums, by the next regular premium date).

Eligible payroll costs include company-paid compensation for (non-owner) employees whose principal place of residence is in the U.S., include:

- Salary, wages, commissions, or similar compensation, as well as cash tips or equivalent
- Employee benefits, such as paid vacation, parental, family, medical, or sick leave
- Allowance for employee separation or dismissal
- Payments required for the provision of group healthcare benefits or group life, disability, vision or dental insurance, including insurance premiums
- Payment of retirement benefits
- Payment of certain state and local taxes assessed on employee compensation
- For independent contractors or sole proprietors, wages, commissions, income, or net earnings from self-employment or similar compensation
- Payroll costs that are qualified wages covered by the Families First Coronavirus Response Act, as well as the employer’s share of certain payroll taxes, and payroll costs paid to retain employees under the Employee Retention Credit provided for in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, need to be excluded.

If you use less than 60% of your PPP funds on eligible payroll costs, you may only be eligible for partial loan forgiveness. No more than 40% of the forgiveness amount may be attributable to non-payroll costs.

See the SBA Loan Forgiveness FAQs as of 10/13/2020: <https://www.sba.gov/sites/default/files/2020-10/PPP%20-%20Loan%20Forgiveness%20FAQs%20%28October%2013%2C%202020%29.pdf>

See the SBA PPP FAQs as of 7/8/2022: <https://www.sba.gov/sites/default/files/2022-07/FAQ%20PPP%20for%20Borrowers%20and%20Lenders%20Questions%201-71%20V12%20%28FINAL%207-8-22%29-508.pdf>

Certain non-payroll business costs are eligible for forgiveness. Eligible non-payroll business costs include:

- Interest payments on business mortgage obligations for real or personal property incurred before February 15, 2020
- Business rent or lease payments on lease agreements for real or personal property in force before February 15, 2020
- Business utility payments for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service agreements began before February 15, 2020
- Certain operations expenditures, such as payments for business software or cloud computing services that facilitate business operations, or certain other business-related functions
- Property damage costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that were not covered by insurance
- Vendor costs, including expenditures that a borrower made to a vendor for goods purchased pursuant to a contract, purchase order, or order for goods in effect before the borrower's covered period that were essential to the borrower's operations at the time the expense was incurred
- Worker protection expenditures, such as the purchase of personal protective equipment for employees and other operating or capital expenditures to facilitate the adaptation of the borrower's business activities to comply with federal, state, or local government requirements or guidance with respect to the COVID-19 pandemic

For more details about non-payroll costs eligible for forgiveness, please refer to SBA and Treasury guidance. <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-loan-forgiveness#section-header-4>

11. What factors can reduce my forgivable amount?

If you have employees, your loan forgiveness amount may be reduced as a result of reductions to employee headcount or wages. These reductions apply to borrowers that received a PPP loan of more than \$50,000, or that together with their affiliates received total first draw loans or total second draw loans of \$2 million or more.

Please review SBA and Treasury guidance and the specific instructions for the forgiveness application form you are using to understand when these reductions apply. <https://www.sba.gov/funding-programs/loans/covid-19-relief-options/paycheck-protection-program/ppp-loan-forgiveness#section-header-4>

This forgiveness reduction does not apply to reductions associated with employees who received compensation at an annualized rate of more than \$100,000 for any pay period in 2019.

If reductions made between February 15, 2020 and April 26, 2020 are reversed by December 31, 2020 (or by the last day of the LFCP for a PPP loan made on or after December 27, 2020), your loan forgiveness amount will not be reduced due to salary or wage reductions.

12. How should I apply for forgiveness?



If your original loan was for \$150,000 or less, you should apply through the SBA Direct Forgiveness Portal at <https://directforgiveness.sba.gov/requests/borrower/login/?next=/>

If your original loan was for more than \$150,000, you should apply for forgiveness through your servicer, KServicing at <https://www.kservicing.com/ppp-loan-forgiveness/>

13. How to apply for direct forgiveness

For any borrower whose loan was for \$150,000 or less, the SBA has implemented a direct borrower forgiveness process and Cross River has opted in as a participating lender. The direct forgiveness application does not require borrowers to provide additional documentation to show the calculations used to determine their loan forgiveness amount. However, the SBA may request information and documents to review those calculations as part of the loan review or audit processes.

You can apply for direct forgiveness if your loan was for less than \$150,000 at <https://directforgiveness.sba.gov/requests/borrower/login/?next=/>

For more information on how to apply for forgiveness using the SBA Direct Portal see: <https://sba-forgiveness-docs.s3-us-gov-west-1.amazonaws.com/SBA-PPP-DF-User-Guide.pdf>

14. How to apply for forgiveness through KServicing

If your loan was for more than \$150,000, you need to apply for servicer forgiveness at <https://kservicingforgiveness.biz2x.com/login>.

When applying through KServicing you may need to provide the following documentation:

- Documentation verifying the number of employees on payroll and pay rates, including IRS payroll tax filings and state income, payroll and unemployment insurance filings
- Documentation verifying payments on covered mortgage obligations, lease obligations and utilities
- Certification that documentation is true and correct, and that the amount that is being considered for forgiveness was used in accordance with the Paycheck Protection Program's guidelines for use
- The lender has 60 days from receipt of a completed application to submit a decision to the SBA.

For more information on how to apply through KServicing, please see their forgiveness process FAQs: <https://www.kservicing.com/resources/ppp-faq/>

15. Can I use scanned copies of documents or e-signatures for my forgiveness application?

Yes, Cross River, KServicing, and the SBA all accept scanned copies of documents and e-signatures.

16. The borrower on the loan is deceased



If the borrower tied to the loan is deceased, you should contact KServicing to update the loan information. You will need to provide a death certificate, the actual operating agreement or other documents to confirm the ownership of the company, and a copy of the will (or the trust agreement if owned through a trust) at the time you contact KServicing. In addition to these documents, KServicing may request a letter from the estate attorney that confirms who the ownership passed to under the will or trust. You can log into your account at <https://app.kservicing.com/login/> to view your loan or contact Kservicing at 888-986-8263.

17. The owner of my business has changed

If the business has changed ownership since you received your PPP loan, you should contact KServicing to update your loan information. You can log into your account at <https://app.kservicing.com/login/> to view your loan or contact Kservicing at 888-986-8263.

18. I need to make changes to my account / loan

Please contact KServicing to update your account or loan information. You can log into your account at <https://app.kservicing.com/login/> to view your loan or contact KServicing at 888-986-8263.

19. I already submitted forgiveness

If your loan was \$150,000 or less and have applied for direct forgiveness, you can log into the SBA Direct website to check on the status of your loan forgiveness application: <https://directforgiveness.sba.gov/requests/borrower/login/?next=/>

If your loan was over \$150,000, you will need to check on your forgiveness status with KServicing at <https://app.kservicing.com/login/> or contact them at 888-986-8263

20. I already paid off my loan

If you have recently paid off your loan, it may take some time for it to update in the system. It's best to confirm with KServicing on the current status of your loan. You can log into your account at <https://app.kservicing.com/login/> to view your loan or contact Kservicing at 888-986-8263.

21. I have filed for bankruptcy

Please contact KServicing to update your account or loan information. You can log into your account at <https://app.kservicing.com/login/> to view your loan or contact KServicing at 888-986-8263.

22. I am a victim of PPP fraud. What should I do?



If you believe that you are a victim of identity theft or that your Kabbage PPP loan was taken out fraudulently, please contact Cross River PPP via email at ppp.support@crossriver.com or by phone at (848) 272-7722.