**Paycheck Protection Program**

**Loan Certification Narrative**

**May XX, 2020**

The current economic uncertainty created by the COVID-19 crisis makes our loan request under the provisions of the CARES Act PPP loan program necessary to support the ongoing operations of COMPANY NAME. This assertion is made based on taking into account our current business activity and our ability to access other sources of liquidity sufficient to support our ongoing operations for the next 12 to 24 months in a manner that is not significantly detrimental to our business.

The following conditions are supportive of this assertion.

**Current Business Activity:**

[Provide a very high-level overview of the financial condition and results of operations as of the end of Q1, 2020]

It is important to note that in our industry the current business activity is NOT indicative of the ultimate impact to our Company related to the current crisis. Our industry has always incurred a significant lag time in terms of any crisis itself and then the deferred, but inevitable significant impact on our industry.

**Ability to Access Other Sources of Liquidity**

The Company has an operating line of credit available. The line of credit is intended to be utilized to support the growth of the Company with liquidity as might be required from time to time as a result of temporary delays in cash receipts. It is not prudent for small, privately held enterprises to fund operating deficits with debt. Therefore, without the forgiveness feature of the PPP loan program, the Company would NOT borrow money to support ongoing operations. If revenues decline over time as expected, and without the support of the PPP, the Company would scale back employment and all other discretionary costs in order to minimize bottom-line financial impact.

**Current Economic Uncertainty**

* First Quarter GDP decline of 4.8%. The second quarter decline could be much worse.
* Skyrocketing unemployment rate and the resulting impact on state finances.
* Significant decrease in retail sales and therefore sales tax revenues and its resulting impact on state and locality budgets.
* Significant reduction in business and personal income and therefore income tax revenues and its resulting impact on state and locality budgets.
* High profile bankruptcies (J. Crew, etc.).
* Warren Buffet abandoning the entire airline industry.
* Stock market volatility in general.
* Stay at home order in Illinois currently through the end of May, Illinois one of the hardest hit states in the nation for COVID-19.
* Federal Senate leadership discussing option of forcing States to declare bankruptcy.
* Federal Senate leadership expressing concern regarding the national debt limiting options for further stimulus responses.
* Potential reaction to COVID-19 crisis of shifting governmental spending focus from transportation infrastructure to healthcare infrastructure.
* Stay at home order and “new normal” implications to Tollway revenues.
* Reduced consumption volume as well as gas price per gallon causing a double whammy implication to state gas tax collections.
* COVID-19 expected to continue to create havoc for another 12 to 24 months which will likely induce a recession that will last at least that long.