

MEDIA CONTACTS

ALEIS STOKES

aleis.stokes@icba.org | 202-821-4457

@AleisStokes

NICOLE SWANN

nicole.swann@icba.org | 202-821-4458

@ICBA_nswann

ICBA and State Banking Associations Urge Paycheck Protection Program Changes

Washington, D.C. (April 9, 2020)—The Independent Community Bankers of America (ICBA) and nearly 30 state banking associations today [sent a letter](#) to Treasury Secretary Steven Mnuchin and Small Business Administrator Jovita Carranza imploring them to do everything in their power to assure timely access to the Paycheck Protection Program for the roughly one-third of the community banking industry, particularly those located in rural areas, that are still awaiting access to the E-Tran or Lender Gateway systems.

“Community bankers throughout the country have worked around the clock to make this critical program work for cash-starved small businesses,” ICBA and the state banking associations said in the letter. “We are in near constant contact with these community bankers and are hearing their frustrations and pleas for help firsthand. Clear and concise instructions are still sorely needed on access to the SBA loan programs, especially for non-SBA lenders trying to enter the SBA systems and process loans they already have in hand.”

For the program to live up to its potential without further setbacks, ICBA and the state banking associations provided the following recommendations:

- Mobilize every available resource to strengthen the technology expeditiously. The success of the program hinges on reliable technology. The technology supporting the program continues to be a source of frustration to community bankers. Many are locked out of the system because they have not been able to obtain an “authorization number.” A lack of clear direction has effectively blocked access for a broad range of institutions, particularly community banks.
- Allocate at least 25 percent of existing and future program funds for banks of \$50 billion in asset size or less. These banks hold approximately 27 percent of industry assets, so a 25 percent allocation would be proportionate. Community banks make roughly half of all small business loans and serve markets not served by the large banks. To ensure program access to all communities and regions of the nation, we must not allow program funds to be used nearly exclusively by the largest banks.
- While we are grateful for today’s actions by the Federal Reserve to create a facility to support lending in the program by providing term financing backed by program loans, we ask that they provide advances against to-be-funded program loans to further enhance the capacity of the program. Liquidity must not be an obstacle to the success of the program.

“Thank you for your support for additional funding for the Program,” the groups said in the letter. “We fully intend to work with you to secure this vital funding from Congress. Without adequate scale, the Program cannot meet its potential.”

About ICBA

The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. With more than 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ nearly 750,000 Americans and are the only physical banking presence in one in three U.S. counties. Holding more than \$5 trillion in assets, nearly \$4 trillion in deposits, and more than \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers' dreams in communities throughout America. For more information, visit ICBA's website at www.icba.org.