

April 14, 2020

To New York Community Banks:

IBANYS has been working overtime with the White House and the SBA as we seek to resolve some outstanding issues some New York community banks continue to have in accessing the PPP program, specifically on technical glitches that still block some from participating in the program. We also appreciate the assistance of ICBA on these matters.

If any banks need assistance on accessing the SBA system, please contact me.

Meanwhile, there are a few updates from Washington and Albany regarding the overall coronavirus/COVID-19 situation.

Best Regards,

John

LATEST FROM ICBA

- **ICBA Chairman Noah Wilcox and ICBA Vice Chairman Brad Bolton went on the Fox Business network to discuss how community banks are meeting the needs of their small-business customers amid the COVID-19 pandemic.** Appearing on Monday's episode of "Mornings with Maria," Wilcox and Bolton said community banks have stepped up to the challenge and are closing loans under the Paycheck Protection Program despite problems accessing the program's loan portal. https://video.foxbusiness.com/v/6148995342001/?playlist_id=3166411554001#sp=show-clips. Wilcox told host Maria Bartiromo that his Minnesota Lakes Bank is making roughly 40 percent of its PPP loans to new customers that have been turned away by larger financial institutions, while Bolton urged small businesses to use ICBA's Community Bank Locator to find a community bank near them.
- The interview followed ICBA President and CEO Rebeca Romero Rainey's Friday appearance on the CBS Evening News where she said community banks need more responsiveness and clarity from the Small Business Administration on the PPP. https://video.foxbusiness.com/v/6148995342001/?playlist_id=3166411554001#sp=show-clips. That broadcast cited letters from ICBA and state banking associations, including IBANYS, seeking updates to the PPP, including enhanced support for SBA systems and additional funds allocated for community banks. https://www.icba.org/docs/default-source/icba/advocacy-documents/letters-to-regulators/ppp-state-sign-on-april-9.pdf?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=6Os32
- ICBA continues to press the Treasury Department and SBA for answers to the questions that remain unanswered about the PPP, including whether banks can lend to their directors with eligible small businesses and whether owner draws or distributions count as payroll costs.
- **ICBA also continues to update its frequently asked questions on the PPP:** (https://www.icba.org/advocacy/industry-issues/lending/small-business-lending/community-bank-covid-19-faqs/?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=7Os32). . . **with the latest from the SBA's frequently asked questions** (https://www.icba.org/advocacy/industry-issues/lending/small-business-lending/community-bank-covid-19-faqs/?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=7Os32) **and with other information available on the agency's PPP landing**

page (<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp#section-header-9>)

Treasury & SBA Provide Additional Information On PPP

- The Treasury Department and Small Business Administration included additional information on the Paycheck Protection Program to their document with answers to frequently asked questions: <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>. The new Q&As focus on PPP cap and affiliation rules for franchises, hotels and restaurants. The latest updates follow additions over the weekend on SBA Loan Authorization documentation and promissory notes.
- SBA has also launched an email address for questions at 7aPaycheckLoanProgramQuestions@sba.gov. However, the auto reply notes that SBA might not be able to provide an individual response due to the high volume of inquiries and **cannot answer E-Tran or Capital Access Financial System questions** via that email address. E-Tran assistance questions should continue to be directed to the hotline at 833-572-0502 or cls@sba.gov.
- Further, SBA has clarified that E-Tran users should choose “PPP” from the drop-down menu. Do not choose “7(a),” which will apply a set of requirements that aren’t relevant to PPP.
- ICBA is adding the latest information to its own FAQs on the PPP: (https://www.icba.org/advocacy/industry-issues/lending/small-business-lending/community-bank-covid-19-faqs/?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=C Os32) as well as FAQs noting that banks do not owe an agent's fee to any third party, such as an accounting firm, unless the bank has an agreement with the third party to act as the bank’s agent.

ICBA continues to ask Treasury and the SBA to provide definitive guidance on whether banks can lend to their directors with eligible small businesses and when owner draws or distributions count as payroll costs.

Cuomo: Regional Northeast Coalition Of Governors To Decide When, How To Reopen States

Even as President Trump asserted Monday he has total authority and that he'll be responsible for restarting the nation's economy, Governor Cuomo and six other northeastern governors (Lamont, Connecticut; Murphy, New Jersey; Wold, Pennsylvania, Carney, Delaware; Raimondo, Rhode Island and Baker, Massachusetts) announced they'll decide when to reopen their schools and businesses: slowly, cautiously, and in tandem with their neighbors. Also yesterday, California Gov. Gavin Newsom, Oregon Gov. Kate Brown and Washington Gov. Jay Inslee announced that they too are working on a shared approach to restarting the West Coast economy.

Thank you for your participation and support.

IBANYS will continue to provide updates as additional information becomes available.

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