

Wednesday, April 22, 2020

To: New York Community Banks

Yesterday, the U.S. Senate passed "Stimulus 3.5" -- including an additional \$310 Billion to replenish the SBA's Paycheck Protection Program (PPP) that includes a \$60 Billion set aside for community banks. We have updates this morning on the latest details, information on previously submitted but not approved applications, on what might come next, on an interagency webinar on the PPP process, and the latest information from New York.

### **FROM ICBA**

The Senate passed bipartisan legislation that includes an additional \$310 billion to restart the Paycheck Protection Program and an ICBA-advocated \$60 billion minimum set aside for community banks. [https://www.icba.org/news/news-details/2020/04/21/icba-statement-on-senate-passage-of-second-round-of-ppp-funding?utm\\_source=informz&utm\\_medium=email&utm\\_campaign=informz&zs=4jQgU&zl=sAX42](https://www.icba.org/news/news-details/2020/04/21/icba-statement-on-senate-passage-of-second-round-of-ppp-funding?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=sAX42)

The legislation responding to the COVID-19 outbreak dedicates at least \$60 billion of the PPP funds to community financial institutions, including \$30 billion for institutions under \$10 billion in assets and another \$30 billion for those with between \$10 billion and \$50 billion in assets.

ICBA and the nation's community bankers have repeatedly called on policymakers to quickly pass a PPP funding extension and dedicate at least a quarter of the funds to community banks under \$50 billion in assets.

In an "American Banker" op-ed published ahead of the vote, ICBA Chairman Noah Wilcox called on policymakers to ensure the legislation includes the ICBA-advocated policies to support local communities. <https://www.americanbanker.com/opinion/prioritize-community-banks-in-next-small-business-rescue-plan>

Looking ahead toward implementation by the Treasury Department and SBA, ICBA urged the agencies to begin preparing to administer the community bank funding allocation. [https://www.icba.org/news/news-details/2020/04/21/icba-letter-regarding-ppp-community-bank-allocation?utm\\_source=informz&utm\\_medium=email&utm\\_campaign=informz&zs=4jQgU&zl=uAX42](https://www.icba.org/news/news-details/2020/04/21/icba-letter-regarding-ppp-community-bank-allocation?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=uAX42)

With the bill headed to the House for a final vote tomorrow, ICBA continues calling on community bankers to urge Congress to immediately approve the additional PPP funding and community bank allocation via ICBA's Be Heard grassroots action center.

<https://icba.quorum.us/campaign/25772/>

### **ICBA President & CEO Rebeca Romero Rainey Issued The Following Statement:**

Independent Community Bankers of America (ICBA) President and CEO Rebeca Romero Rainey released the following statement after the Senate passed bipartisan legislation that includes an additional \$310 billion to restart the Paycheck Protection Program and an ICBA-advocated allocation for community banks.

"ICBA thanks the Senate for passing this critical legislation extending the Paycheck Protection Program and dedicating at least \$60 billion of the funds to community financial institutions. Reflecting ICBA's repeated calls to ensure community bank access to the program, the legislation will allocate at least \$30 billion for institutions under \$10 billion in assets and another \$30 billion for those with between \$10 billion and \$50 billion in assets. These funds are sorely needed by small-business customers in urban, suburban and rural communities. With the bill headed to the House for a final vote later this week, ICBA continues calling on Congress to immediately approve the additional PPP funding and community bank allocation. Meanwhile, ICBA strongly urges the Treasury Department and Small Business Administration

to begin preparing to administer the community bank funding allocation as soon as possible so we can continue to deploy these funds to those who need it most. Community banks look forward to continuing to utilize the PPP as we stand hand in hand with the Main Street small businesses we serve.”

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**SBA Not Accepting New Lender Applications Or PPP Loan Applications Until Spigot Is Turned On Again; Applications Previously Submitted But Not Approved Before Funds Ran Out Likely Must Be Resubmitted**

In a follow-up to questions raised during yesterday's conference call, Rep. Reed's office indicated they have obtained the following information regarding PPP application access and availability before funding is replenished:

- During this time that the SBA is not accepting any new loan applications for the PPP, they are also unable to maintain a queue for applications. Any applications that have already been submitted, but not approved by the SBA, will most likely have to be submitted again.
- Additionally, the SBA is currently not accepting new lender applications to become PPP lenders until funding has been restored.

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**From The OCC: Interagency Webinar On PPP Tomorrow**

**"Ask the Regulators- Small Business Administration: How to Become a Paycheck Protection Program (PPP) Lender" --**

**Thursday, April 23, 2020, at 11:00 a.m. ET. . . Two participants per institution (link below)**

The federal financial institution regulatory agencies will host an interagency webinar on Join Small Business Administration (SBA) officials for an overview of how to apply to become a Paycheck Protection Program (PPP) lender. This presentation is for federally insured lenders, credit unions, and other lenders as defined by the CARES Act and will help you understand key milestones in the process such as:

- What to expect as you apply
- Receiving approval to become a lender
- Accessing SBA loan systems
- Originating loans
- Entering applications into SBA systems
- Important items to remember and where to find additional guidance as the Paycheck Protection Program evolves

This webinar is primarily for lenders who are not currently SBA lenders but may have an interest in becoming a PPP lender. *However, there will be discussion on how the process functions and where to find additional guidance on the program.*

There will be a brief Q&A session. Please note this webinar will provide an overview and not answer detailed policy considerations.

To accommodate the participation of as many financial institutions as possible, **we ask each institution register no more than two representatives to attend the live session.** We strongly encourage participants to use the webinar audio on their computer for the best experience. **This webinar is scheduled for Thursday, April 23, 2020, at 11:00 a.m. ET. Registration is now open at <https://www.webcaster4.com/Webcast/Page/583/34462>.** We encourage participants to submit questions in advance via email at [asktheregulators@stls.frb.org](mailto:asktheregulators@stls.frb.org) . Webinar materials will be archived for future viewing.

**With questions, or for more details, contact:**

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### **What's Next?**

Senate Majority Leader McConnell said he will not begin considering another phase of coronavirus stimulus until the Senate is back in session: "We need to see how things are working, see what needs to be corrected, and I do think that the next time we pass a coronavirus rescue bill we need to have everyone here and everyone engaged. . . We've allocated a stunning amount of money -- \$2.2 trillion -- knowing full well that that probably wouldn't be enough. ... I think it's also time to begin to think about the amount of debt that we're adding to our country and the future impact of that." Democrats identified a number of funding priorities for the next package, including states, local governments, mail-in voting, hazard pay for health care workers and the beleaguered Postal Service. Speaker Pelosi and Senate Minority Leader Schumer said: "We will advance CARES 2, which must be transformative and far-reaching." Meanwhile, Secretary of Treasury Mnuchin have said a fourth stimulus bill will most likely be all the U.S. needs if economy reopens. Mnuchin's echoed the president's list of priorities in such legislation: Infrastructure (roads, bridges broadband), incentives for restaurants, sports, entertainment, payroll tax cut and funding for states.

### **Cuomo Unhappy New Stimulus Bill Left Out Direct Funding For State**

Governor Cuomo expressed displeasure last night with the latest federal stimulus bill passed by the Senate yesterday, which once again left out direct funding to the state. "They again say, 'Don't worry, next bill is going to have state funding. . .'" Cuomo said about New York's federal delegation. "I can't do a budget on don't worry next time especially after that promise has been made and repeatedly broken." Cuomo says the state will be doing financial projections in a few days that will show the state will need to make major cuts to the budget, including funding to schools, local governments and health care.

### **Latest On Consumer Confidence**

Since the coronavirus pandemic hit the U.S., Morning Consult's "Index of Consumer Confidence" has been on a roller coaster. It went from 115.70 on Feb. 10 (the highest point recorded since Morning Consult began tracking consumer sentiment on Jan. 1, 2018) to an all-time low of 81.23 on April 7 -- a 29.8% drop. Since then, however, consumer sentiment appears to have stabilized. After a strong and persistent rebound in confidence in the seven days following the all-time low, the ICS hit 83.57 on April 15 and has remained in that range ever since. **To read the full analysis, click on the link provided.**  
[https://morningconsult.com/2020/04/22/consumer-confidence-stabilizes-in-april-after-free-fall-in-march/?mkt\\_tok=eyJpIjoiTTJJek1qTTJaVEF4TjJFdyIsInQiOiJJd2sySUzYzlrreDZwaU90cWN1STJGK25mMFQ2bjlQejJIQ0ZKck53eU4rM1wvR3ZjcFVxSIA3R1FBXC9GYmQyQk5FU09xSDBjSINLZTdTd0VXNPTnFuakVBMXplTU5xaURUY292bDhla0lGSK9ERTJqZFwvdXNFXC9cL0JVdFNZT1NzQXR5dHpGSksrQm9US3NjVno5azZcL0lzV1E9PSJ9](https://morningconsult.com/2020/04/22/consumer-confidence-stabilizes-in-april-after-free-fall-in-march/?mkt_tok=eyJpIjoiTTJJek1qTTJaVEF4TjJFdyIsInQiOiJJd2sySUzYzlrreDZwaU90cWN1STJGK25mMFQ2bjlQejJIQ0ZKck53eU4rM1wvR3ZjcFVxSIA3R1FBXC9GYmQyQk5FU09xSDBjSINLZTdTd0VXNPTnFuakVBMXplTU5xaURUY292bDhla0lGSK9ERTJqZFwvdXNFXC9cL0JVdFNZT1NzQXR5dHpGSksrQm9US3NjVno5azZcL0lzV1E9PSJ9)

**IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.**

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