

COVID-19 Update (1) - Monday, April 27, 2020

To: New York Community Banks

Latest Information From ICBA

SBA updates PPP process ahead of launch

The Small Business Administration and Treasury Department on Sunday announced measures they will take during the next phase of the Paycheck Protection Program.

In a message to lenders, https://icba-now.informz.net/icba-now/data/images/NWT/Documents/20.04.26_SBA_Guidance.pdf the agencies announced the following measures:

- Pacing the number of loans processed in the E-Tran system for participating lenders when processing resumes at 10:30 a.m. (Eastern time) today.
- Instituting a maximum dollar amount at 10 percent of PPP funding authority that any lending institution will be able to originate, exclusive of the additional \$60 billion preserved for lenders with assets under \$50 billion.
- Implementing operational standards to ensure that lenders access PPP funds based on their asset size.
- Ensuring the PPP continues to operate on a first-come, first-serve basis.
- Issuing new guidance, <https://icba-now.informz.net/icba-now/data/images/NWT/Documents/FINAL%20-%20SBA%20XML%20Submission%20Guidance%20Memo%204-26-20.pdf> allowing lenders that have received a significant amount of loan applications to make a one-time bulk submission of XML files to E-Tran.

ICBA this weekend confirmed that any PPP applications received by lenders prior to April 25 can be processed based on guidance in effect prior to that day. Any applications received by lenders moving forward will have to comply with new Treasury and SBA guidance.

That clarification follows this weekend's release of additional resources for PPP participants, including:

- Updated FAQs <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf> confirming that agricultural producers, farmers, ranchers, and agricultural and other cooperatives can receive PPP loans if they meet eligibility requirements.
- A document on how to calculate maximum PPP loan amounts <https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf> with detailed loan amount instructions for self-employed, farmers, S corporations, C corporations, LLCs, and nonprofits.
- An SBA notice with procedural guidance <https://content.sba.gov/sites/default/files/2020-04/Procedural%20Notice%20-%20PPP%20Loan%20Participations.pdf> for PPP participation sales.
- An announcement <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/joint-statement-sba-administrator-jovita-carranza-and-treasury-secretary-steven-t-mnuchin-resumption> that the SBA will resume accepting PPP loan applications at 10:30 a.m. (Eastern time) today.
- An SBA interim final rule <https://www.sba.gov/sites/default/files/2020-04/Interim-Final-Rule-04%2024%202020.pdf> with additional guidance on the program.

All additional prior guidance can be found on Treasury's PPP webpage <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>. Additional resources for community banks are available on

ICBA's COVID-19 resource center. https://www.icba.org/news/Crisis-Preparedness/coronavirus-response?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=7Lo42

The new law restarting the PPP dedicates at least \$30 billion for loans from institutions under \$10 billion in assets and another \$30 billion for those with between \$10 billion and \$50 billion in assets. This allocation reflects ICBA, affiliated state association, and community banker advocacy for dedicating program funds for loans from community banks under \$50 billion in assets.

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

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