

Thursday, April 30, 2020 – Update #1

To: New York Community Banks

This morning's update includes information from the White House, Treasury and ICBA.

### **I. We received the following information this morning from the White House**

President Trump continues to work with state, local, and industry leaders to lay out a safe pathway to open up America again. Today, President Trump [led a roundtable with industry executives](#) and [met with Governor Edwards of Louisiana](#) to discuss reopening businesses and bringing employees back to the workforce, all while keeping our citizens and communities safe.

- As of April 24, 2020, 25 states have released formal reopening plans in accordance with President Trump's three-phased approach which calls for governors to evaluate specific data around new cases, coronavirus-like symptoms, and hospital capacity in their areas before deciding how to reopen.

Yesterday, [small business owners attested](#) to the success of the Paycheck Protection Program at the White House. To learn more about these small businesses and their stories, please see the below links posted today.

- Michael & Amy / Bitty + Beau's Coffee ([VIDEO](#))
- Dr. Chris Stansbury / West Virginia Eye Consultants ([VIDEO](#))
- Luke Bernstein / Orrstown Bank ([VIDEO](#))
- Ali Mills / Plum Contracting ([VIDEO](#))
- Jackie Krick / ECU Communications ([VIDEO](#))

The U.S. Department of the Treasury and the U.S. Small Business Administration released additional guidance regarding the Paycheck Protection Program today:

- [Joint Statement by Secretary Steven T. Mnuchin and Administrator Jovita Carranza on Establishing Dedicated Hours for Small Lender Submissions of PPP Applications](#)
- [Frequently Asked Questions \(Question 38\)](#)

**[Joint Statement by Secretary Steven T. Mnuchin and Administrator Jovita Carranza on Establishing Dedicated Hours for Small Lender Submissions of PPP Applications \(HERE\)](https://home.treasury.gov/news/press-releases/sm992)**  
<https://home.treasury.gov/news/press-releases/sm992>

- U.S. Treasury Secretary Steven T. Mnuchin and Small Business Administrator Jovita Carranza issued a statement today on the Paycheck Protection Program (PPP) amid continuing efforts to aid small community lenders, their small business customers, and ensure SBA's systems run efficiently.

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### **FULL TEXT FROM TREASURY ON PPP On FAQ Question: Will SBA review individual PPP loan files?**

#### **Answer:**

**Yes.** In FAQ #31, SBA reminded all borrowers of an important certification required to obtain a PPP loan. To further ensure PPP loans are limited to eligible borrowers in need, the SBA has decided, in consultation with the Department of the Treasury, that it will review all loans in excess of \$2 million, in addition to other loans as appropriate, following the lender's submission of the borrower's loan forgiveness application. Additional guidance implementing this procedure will be forthcoming.

The outcome of SBA's review of loan files will not affect SBA's guarantee of any loan for which the lender complied with the lender obligations set forth in paragraphs III.3.b(i)-(iii) of [the Paycheck Protection Program Rule \(April 2, 2020\)](#) and further explained in FAQ #1.

In addition to the sections reference above, the Interim Final Rule also provides the following assurance: “Lenders must comply with the applicable lender obligations set forth in this interim final rule, but will be held harmless for borrowers’ failure to comply with program criteria” (Section III.1).

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## **FROM ICBA**

### **SBA Temporarily Reserves PPP Systems For Smallest Banks**

The Small Business Administration for nearly eight hours yesterday only accepted Paycheck Protection Program loans from lenders with less than \$1 billion in assets. The SBA said it reserved its systems for these banks between 4 p.m. and 11:59 p.m. (Eastern time) to ensure access for the smallest lenders and their small-business customers.

The SBA noted that lenders of all sizes will continue to be able to submit PPP loans outside this timeframe. The agency said it will work with the Treasury Department to evaluate whether to create a similar reserved time again in the future.

ICBA, affiliated state associations, and community bankers worked to ensure at least \$60 billion of the PPP funds have been set aside for community financial institutions, including 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. This has helped community banks meet their PPP customers’ needs.

The SBA reported earlier this week that community banks under \$10 billion in assets neared the \$30 billion in PPP funds set aside for them by the law restarting the program. These entities will continue to be able to submit loans to be funded by the \$250 billion in general funds authorized for the second phase of the PPP.

ICBA President and CEO Rebeca Romero Rainey this week said in a [\*\*national news release\*\*](#) that many community banks found themselves continually kicked out of the SBA systems after the PPP went live. Community bankers can direct E-Tran and SBA Connect Lender Gateway assistance questions to the SBA at 833-572-0502 or [\*\*cls@sba.gov\*\*](mailto:cls@sba.gov).

Additional guidance and resources are available on [\*\*Treasury’s PPP webpage\*\*](#) and [\*\*ICBA's COVID-19 resource center\*\*](#).

### **ICBA Webinar Tomorrow Offers COVID-19 Reg Update**

ICBA's next interactive webinar on the COVID-19 response is scheduled for 11 a.m. (Eastern time) tomorrow, May 1. The complimentary [\*\*Community Bank Briefing\*\*](#) will address continued ICBA advocacy, federal banking agency action to date, and the community bank response. ICBA experts will answer community banker questions on this week’s second round of Paycheck Protection Program funding, the latest guidance from the SBA and Treasury, Economic Impact Payment distribution, and more. Learn more and register:

[https://myicba.icba.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg\\_evt\\_key=d0bffc7-319c-4d4b-bfea-d755151568e8&RegPath=EventRegFees&FreeEvent=0&Event=Webinar](https://myicba.icba.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg_evt_key=d0bffc7-319c-4d4b-bfea-d755151568e8&RegPath=EventRegFees&FreeEvent=0&Event=Webinar)

### **Treasury webinar today on EIP disbursements**

The Treasury Department is scheduled to hold a webinar today on electronic and paper Economic Impact Payment disbursements. "Electronic and Paper Economic Impact Payment Disbursements Update: Information for Financial Institutions" is scheduled for 3 p.m. (Eastern time) on the "Ask the Fed" system. <https://bsr.stlouisfed.org/askthefed/Auth/Logon>

## **Treasury: Change Of Ownership Not Disqualifying For PPP Loans**

The Treasury Department said businesses that were in operation on Feb. 15, 2020, but have since had an ownership change are eligible for Paycheck Protection Program loans. In the latest update to its [frequently asked questions](#) on the program, Treasury said these businesses qualify if they meet all other eligibility criteria. ICBA continues updating its FAQs on the PPP on its [COVID-19 resource center](#).

## **ICBA Spring Leadership Meeting**

Bringing community bankers and policy makers together is part of how ICBA advances community banking issues in Washington, D.C. While we can't bring you to Washington for our spring meetings, we can bring Washington to you. Please join the ICBA Spring Leadership meeting to be held virtually from 2-3:30 p.m. (Eastern) on Tuesday, May 5, for an update from ICBA's leadership and top policy makers.

### **Meeting Schedule:**

- Welcome and opening remarks by Noah Wilcox, ICBA Chairman
- Q&A with Chairman Jelena McWilliams, Federal Deposit Insurance Corporation
- Briefing and Q&A with the ICBA Government Relations Team
  - Rebeca Romero Rainey, President and CEO
  - Karen Thomas, Sr. EVP, Government Relations and Public Policy
  - Paul Merski, GEVP, Congressional Relations and Strategy
- Q&A with Governor Michelle "Miki" Bowman, Federal Reserve Board

### **To Participate:**

1. Register by 3 p.m. (Eastern) on Monday, May 4, using [this registration link](#).
2. When registering, it is very important to include your email and the phone number you will use. ICBA is taking all precautions to ensure that this is a safe and enclosed meeting with only those guests and speakers invited in the meeting. For security reasons, ICBA will monitor phone numbers and email addresses from participants in the virtual meeting.
3. Once you are registered, you will receive a confirmation email with a calendar invite.
4. Watch for another email on Monday, May 4, with the Webex link and call-in information for the virtual meeting.

If you have questions, contact the ICBA meetings department at 800-422-7285 or [meetings@icba.org](mailto:meetings@icba.org). We look forward to assisting you.

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

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