

Friday, April 24, 2020 (Update # 2)

To: New York Community Banks

Two Important Updates:

I. "The Small Business Administration, the SBA will resume accepting PPP loan applications on Monday, April 27 at 10:30 AM EDT from approved lenders on behalf of any eligible borrower. This will ensure that SBA has properly coded the system to account for changes made by the legislation." (Contact: Press_Office@sba.gov, (202) 205-7036)

II. Important Update: SBA PPP Lenders Survey Is Out -- Needs To Be Returned By 4:30 PM

FROM ICBA

SBA Issues New PPP Rule After Extension Signed Into Law

The Treasury Department and SBA are preparing to restart the Paycheck Protection Program after President Trump today signed into law the bill authorizing \$310 billion in additional PPP funds. <https://www.c-span.org/video/?471480-1/president-trump-signs-paycheck-protection-program-health-care-enhancement-act>

The SBA today will distribute a voluntary survey to PPP lenders on their loan situation and is requesting feedback by 4:30 p.m. (Eastern time). The SBA email will say "Immediate Response Requested" in the subject line along with the deadline. ICBA encourages community bankers to participate to help the SBA support the next round of loan submissions. (Note: IBANYS does as well.)

The SBA survey follows its interim final rule issued today with additional guidance on the program as it works to reopen the PPP loan portal, which is expected to go live by Monday. <https://www.sba.gov/sites/default/files/2020-04/Interim-Final-Rule-04%2024%2020.pdf>

The interim rule offers additional information on eligibility for legal gambling businesses, county- or municipal-owned hospitals, hedge funds, employee stock ownership plans, and businesses in bankruptcy proceedings. It also covers a "limited safe harbor" for PPP borrowers to promptly repay PPP loan funds obtained due to a misunderstanding or misapplication of the borrower certification regarding the necessity for the loan.

The new law sets aside at least \$60 billion of the second batch of funding for loans made by community banks. Specifically, it 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.

The allocations reflect repeated ICBA and community banker calls for policymakers to dedicate at least a quarter of the funds for loans from community banks under \$50 billion in assets. ICBA has urged Treasury and SBA to immediately prepare to administer this 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=0Pm42

The SBA said it will inform banks soon regarding when the PPP systems will go live, and ICBA (Note: And IBANYS) will continue to keep you posted as the agency begins restarting the PPP and allocating funds. More information on the program and other elements of the federal response to the COVID-19 emergency is available on ICBA's online resource center. https://www.icba.org/news/Crisis-Preparedness/coronavirus-response/?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=1Pm42

With community bankers submitting more than 12,000 messages to Congress advocating a PPP extension with a community bank allocation, we thank you for making your voice heard in Washington. And we continue to thank you for all you are doing to meet the needs of your customers and communities during this challenging time.

Sincerely,



Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

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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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