

Saturday Evening, April 25, 2020 (Update #2)

To: Community Banks

This update includes, among other things, information confirming what guidance will be applicable to PPP applications received by lenders prior to Saturday, April 25, and applications received by lenders on or after Saturday, April 25.

Treasury: Contemporaneous Guidance Applies to PPP Applications

ICBA has confirmed that any Paycheck Protection Program applications received by lenders prior to today (Saturday, April 25) can be processed based on guidance in effect prior to today, April 25, 2020. Any applications received by lenders today (Saturday, April 25) and moving forward will have to comply with new Treasury Department and SBA guidance.

The clarification was needed due to confusion about whether loan applications received by banks prior to or after the PPP exhausted its first round of funding need to comply with the new guidance issued by the agencies last night, April 24, 2020.

This guidance is consistent with question No. 17 in Treasury's frequently asked questions document, which states that borrowers and lenders may rely on the laws, rules, and guidance available at the time of the relevant application.

The 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/Paycheck-Protection-Program-Frequently-Asked-Questions.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) this Monday, April 27.
- 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 homepage.

<https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>.

The new law 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 policymakers to dedicate program funds for loans from community banks under \$50 billion in assets.

ICBA will continue to keep you informed of the latest updates on the resumption of the PPP, including through our COVID-19 resource center, to support your efforts to meet the needs of your customers and communities. https://www.icba.org/news/Crisis-Preparedness/coronavirus-response?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=4jQgU&_zl=Cpn42

Sincerely,

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

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State's New Financial Plan Includes \$8.2 Billion In Likely Cuts To Be Made In May

According to Governor Cuomo's office, the recession caused by the coronavirus pandemic is expected to be far deeper than the financial catastrophes that battered the state after the Sept. 11 terrorist attacks and the Great Recession of 2008. A financial plan released Saturday by the Division of Budget includes \$8.2 billion in likely cuts that would need to be made next month. The details of those cuts will be spelled out to the Legislature at the time, but are expected to affect areas like schools, local governments, health care, and non-profits.

Governor Cancels (Most) Of The Scheduled June 23 Special Elections

Governor Cuomo signed an executive order canceling four state legislative special elections scheduled for June 23 to fill the vacant State Senate District 50 near Syracuse (previously held by Robert Antonacci) and Assembly Districts 12 on Long Island, 31 in Queens and 136 near Rochester. Those seats will remain empty and be filled by the general election in November. He also cancelled the Queens borough president special election. The executive order doesn't mention special election contests to fill former Rep. Chris Collins' congressional seat in Buffalo, or an open New York City Council seat in Brooklyn, suggesting they may still be held on June 23. "Legally, I can't affect a congressional race, a federal race," Cuomo said.

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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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