

Reminder:

IBANYS has issued these updates on a daily basis (often, several a day) since March 16. All the updates are available on our website. Here's the link: <https://ibanys.net/covid-19/>

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Monday, April 27, 2020 (Update #3)

To: New York Community Banks

. . .Lots of updated information in this, our third update of the day. More to follow.

FROM THE SMALL BUSINESS ADMINISTRATION

We received the following information this afternoon from Dan Rickman, Deputy District Director/Upstate New York U.S. Small Business Administration. . .Contact: (315) 471-9393 ext. 241, (518) 951-9274, cell; daniel.rickman@sba.gov.

SBA Provides Operational Updates To PPP Processing, Updated FAQs & Updates on Status Of EIDL Program

With additional appropriations approved, SBA has provided operational updates to PPP processing, updated FAQ's, and updates on the status of the EIDL program. Please see below.

Contents

1. **EIDL/EIDL-A updates**
2. **Important Operational Memo below**
3. **Updates further below to Interim Final Rule and FAQs**

1. **EIDL/EIDL-A Status**

Economic Injury Disaster Loans (EIDL) & Advances: The SBA is unable to accept new applications at this time for the EIDL -COVID-19 related assistance program, including EIDL Advances, based on available appropriations funding. Applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

Previous EIDL & Advances Status: If you submitted an application, received correspondence from SBA, and have a loan number that begins with a "3", you are in the queue and your patience is appreciated. If you would like to further inquire about the process and understand what to expect next you should contact the Office of Disaster Assistance 24/7 Customer Service line at 800-659-2955.

2. **Memo from Bill Briggs, Deputy Associate Administrator, Office of Capital Access U.S. Small Business Administration - Sunday, April 26, 2020**

PPP Lending Operations Update – Monday, April 27, 2020

SBA and Treasury have updated the guidance for lenders who have received a significant amount of Paycheck Protection Program (PPP) loan applications.

The minimum amount of lender-approved and SBA-ready PPP loans that a lender must have ready for the XML file submission process is **now 5,000 loans**.

Please note these XML files of 5,000 or more approved PPP loans must be submitted to SBA by 9pm EDT on Monday, April 27, 2020.

SBA and Treasury value all lenders and their small business customers and will continue to provide updates to the PPP lending community as loan processing resumes this week.

2. **Memo from Bill Briggs, Deputy Associate Administrator, Office of Capital Access
U.S. Small Business Administration - Sunday, April 26, 2020**

PPP Lending Operations Update – Sunday, April 26, 2020

Due to the unprecedented demand for Paycheck Protection Program loans by the nation's small businesses and to ensure equitable access and system integrity, SBA and Treasury are taking prudent and reasonable steps to protect SBA's loan systems for the next phase of PPP loan processing.

SBA and Treasury are implementing the following measures:

- Pacing the number of loans processed in the E-Tran system for participating lenders when processing resumes on Monday, April 27, 2020 at 10:30 am EDT;
- Instituting a maximum dollar amount at 10% 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 (i.e. \$60 billion cap);
- Implementing operational standards to ensure that lenders access PPP funds based on their asset size;
- Ensuring the Paycheck Protection Program continues to operate on a first-come, first-serve basis so that every small business has access to PPP loans to sustain their business and retain their employees; and
- Issuing the following guidance (<https://content.sba.gov/document%2E%80%8C/policy-guidance%2E%80%8C-%E2%80%8C-guidance-memo-xml-file-submission-process-paycheck-protection-program-ppp>) for lenders who have received a significant amount of loan applications.
- SBA and Treasury value all lenders and their small business customers and will continue to provide updates to the PPP lending community as loan processing resumes this week.

Bill Briggs

Deputy Associate Administrator, Office of Capital Access

U.S. Small Business Administration

3. **Interim Final Rule & FAQ Updates Posted**

Updated PPP FAQ - additional questions Q&A added Friday and last night.

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>

HOW TO CALCULATE MAXIMUM LOAN AMOUNTS – BY BUSINESS TYPE posted 4/24

<https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf>

Interim Final Rule on Requirements for Promissory Notes Authorizations Affiliation and Eligibility posted 4/24

<https://home.treasury.gov/system/files/136/Interim-Final-Rule-on-Requirements-for-Promissory-Notes-Authorizations-Affiliation-and-Eligibility.pdf>

PPP Resources are below; they are frequently updated with FAQs and other guidance:

<https://www.sba.gov/paycheckprotection>

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

LATEST From Bill Briggs, Deputy Associate Administrator, Office of Capital Access U.S. Small Business Administration

PPP Lending Operations Update – Monday, April 27, 2020

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Please note these XML files of 5,000 or more approved PPP loans must be submitted to SBA by 9pm EDT on Monday, April 27, 2020.

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FROM ICBA

New PPP Guidance Amid Relaunch Difficulties

Following this morning's relaunch of the Paycheck Protection Program, ICBA is hearing the many problems community bankers are having accessing Small Business Administration systems to process their PPP applications.

ICBA is pressing Treasury and the SBA to address these issues. Meanwhile, community bankers can direct E-Tran assistance questions to the SBA at 833-572-0502 or rcs@sba.gov.

Also today, Treasury and SBA just released additional PPP guidance including for lenders that have received a significant amount of PPP loan applications. The agencies said the minimum amount of lender-approved and SBA-ready PPP loans that a lender must have ready for the XML file submission process is now 5,000 loans.

<https://icba-now.informz.net/icba-now/data/images/NWT/Documents/UPDATED%204-27-20%20-%20SBA%20XML%20Submission%20Guidance%20Memo%20.pdf>

Further, these XML files of 5,000 or more approved PPP loans must be submitted to SBA by 9 p.m. (Eastern time) today—Monday, April 27, 2020.

Additionally, Treasury issued an interim final rule <https://icba-now.informz.net/icba-now/data/images/NWT/Documents/Interim-Final-Rule-on-Additional-Criterion-for-Seasonal-Employers.pdf> authorizing all lenders eligible to originate loans under the PPP to use an alternative criterion for calculating the maximum loan amount for PPP loans issued to seasonal employers.

In a message to lenders yesterday, 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.
- 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.

All additional prior guidance—including updated frequently asked questions, a document on calculating maximum PPP loan amounts, and an SBA notice with procedural guidance for PPP participation sales—can be found on Treasury's PPP webpage: <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

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

ICBA will continue pressing Treasury and SBA on the PPP system's problems while we keep you informed of the latest updates on the resumption of the program, including through our **COVID-19 resource center**. Thank you for all you are doing to meet the needs of your customers and communities at this challenging time.

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

ICBA Statement on Paycheck Protection Program Relaunch

Washington, D.C. (April 27, 2020)—Independent Community Bankers of America (ICBA) President and CEO Rebeca Romero Rainey issued the following statement on today's relaunch of the Paycheck Protection Program.

“As the Treasury Department and Small Business Administration prepare to launch the second round of Paycheck Protection Program funding today, ICBA and the nation's community banks again thank Congress and the Trump administration for dedicating at least \$60 billion of PPP funds for loans from community financial institutions to serve their local small businesses.

"With the PPP launch scheduled for 10:30 a.m. (Eastern time), we want to ensure Treasury and the SBA have set aside the funds for community bank loans as Congress intended so these local institutions can meet the needs of their small-business customers.

"As ICBA said in a letter last week urging the agencies to begin preparing to administer the community bank funding allocation even before the reauthorization was approved by Congress, community banks are the only small-business lenders in many communities and must be able to fulfill all their pending PPP loan applications.

https://www.icba.org/news/news-details/2020/04/21/icba-letter-regarding-ppp-community-bank-allocation?utm_campaign=Press%20Releases&utm_source=hs_email&utm_medium=email&utm_content=87006343&_hsenc=p2ANqtz--Q4Ymjzl48sgkz-pYtqYK2UQZxqgp4xvkm0RE8VPEeLLJTFvs-jJ_89O2gbwzwN065u9Y09i4aRqKKiXD-wBC6h_iXEQ&_hsmi=87006343

"The largest financial institutions—many of which prioritized their largest customers during the first round of PPP funding, some of whom returned their loans—should not have any advantages over other lenders in queuing up PPP loans to the SBA.

"ICBA continues to thank policymakers for setting aside PPP funding for community banks under the bipartisan law, and we will continue working with policymakers to ensure the funds are administered as Congress intended. And as relationship lenders, community banks look forward to continuing to utilize the PPP to meet the needs of Main Street small businesses."

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Posted to Treasury this morning: New Interim Final Rule

"Small Business Administration Business Loan Program Temporary Changes; Paycheck Protection Program – Additional Criterion for Seasonal Employers: U.S. Department of the Treasury -- Interim final rule."

<https://home.treasury.gov/system/files/136/Interim-Final-Rule-on-Additional-Criterion-for-Seasonal-Employers.pdf>

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

- **John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Steve@ibanys.net)**