

April 14, 2020 (Evening Update)

To: New York Community Banks

Here is some additional information we wanted to share with you as we close out what has been a very busy day of updates -- including more information from the SBA, OCC, ICBA and New York:

From The Small Business Administration state New York Office

PPP UPDATE

Attached is a breakdown of PPP approvals by State, loan size, and industry. In NYS, **40,975 PPP loans** have been approved for **\$11,737,950,918**. Nationally, over 1 million loans have been approved for nearly \$250 billion. For the most current and accurate information about PPP, please continue to visit our website at www.sba.gov/PPP. The Treasury Department page also contains updated helpful FAQ's at <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>. To find a PPP lender, search here: <https://www.sba.gov/paycheckprotection/find>.

New Interim Final Rule published on treasury.gov regarding self-employed and partnership PPP applications: <https://home.treasury.gov/system/files/136/Interim-Final-Rule-Additional-Eligibility-Criteria-and-Requirements-for-Certain-Pledges-of-Loans.pdf>

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

EIDL UPDATE

I know your constituents have been asking a lot of questions about the status of their applications for the EIDL program and Advance. If they have a confirmation # for their application from the streamlined portal that went live on 3/29, but have not received any updates yet, **they do not need to contact the customer service #**. Their application is still in process, and they're being processed in the order that they were received. We are hearing reports of Advance disbursements AND loan approvals in our district from small businesses. I know patience is difficult right now, but the applications are being worked through."

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Latest Update From ICBA

ICBA Writes To Key Congressional Leadership

A short while ago, **ICBA sent the attached letter** to key congressional leadership, including Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy as well as

the Chair and Ranking Members of the Senate Banking Committee, the House Financial Services Committee, the Senate Small Business and Entrepreneurship Committee, the House Small Business Committee. IBANYS will be forwarding it to the members of our New York Congressional Delegation.

SBA Offers PPP Answers on Directors, Partnerships, and More

The Treasury Department and Small Business Administration just answered key ICBA questions about the Paycheck Protection Program relating to bank directors, partnerships, self-employed borrowers, and more. In a just-released Interim final rule

<https://home.treasury.gov/system/files/136/Interim-Final-Rule-Additional-Eligibility-Criteria-and-Requirements-for-Certain-Pledges-of-Loans.pdf>

the agencies clarified the following:

- Participating PPP lenders are not barred by existing SBA restrictions from lending to outside bank directors and shareholders that own less than 30 percent equity in the bank. It notes that lenders should comply with all other state and federal regulations concerning loans to associates.
- Officers and key employees of a PPP lender may not obtain a PPP loan from the lender in which they are associated but may borrow from a different PPP lender.
- Self-employed individuals should complete IRS Schedule C for 2019, line 31, to determine self-employment income for 2019, and use that amount both for computing the maximum loan amount and for computing the allowable salary/payroll costs that may be forgiven during the eight-week period following loan disbursement. For self-employed individuals that have employees, also include the gross wages and tips computed using 2019 IRS Form 941.
- Partners in a partnership should apply for PPP loans at the partnership level, not as self-employed individuals. Instead, self-employment income of active partners (up to \$100,000 annualized) may be reported as a payroll cost by the partnership.
- Pledging 7(a) loans to a Federal Reserve Bank or Federal Home Loan Bank, among others, does not require the SBA's prior written consent or a notice to the SBA.
- Businesses that are otherwise eligible for a PPP loan are not rendered ineligible due to receipt of legal gaming revenues if certain conditions are met.

ICBA is adding this latest information to its frequently asked questions on the PPP

https://www.icba.org/advocacy/industry-issues/lending/small-business-lending/community-bank-covid-19-faqs/?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=njOgU&_zl=30w32 and

other elements of the federal response to the COVID-19 outbreak. **More information from Treasury and the SBA is available on their PPP FAQ**

document <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf> and the SBA's PPP landing page <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp#section-header-9>

SBA is taking questions at 7aPaycheckLoanProgramQuestions@sba.gov. However, the auto reply notes that SBA might not be able to provide an individual response due to the high volume of inquiries

and **cannot answer E-Tran or Capital Access Financial System questions** via that email address. E-Tran assistance questions should continue to be directed to the hotline 833-572-0502 or cls@sba.gov. Further, SBA has clarified that E-Tran users should choose “PPP” from the drop-down menu. Do not choose “7(a),” which will apply a set of requirements that aren’t relevant to PPP. ICBA will continue keeping you informed of the very latest developments, and we sincerely thank you for everything you are doing to support local communities at this challenging time.

ICBA Community Bank Briefing #6: COVID-19 Regulatory Update & Q&A

April 16 | 2 p.m. (Eastern)

This briefing addresses ICBA’s continued advocacy related to the COVID-19 outbreak, federal banking agency action to date—including Q&A on the SBA “Paycheck Protection Program”—and the remarkable response of community banks across the country. **ICBA experts highlight the latest guidance from the Treasury and SBA.** While key questions remain unanswered, the ICBA team addresses the action it continues to take to push for more details and information for community banks. Participants are encouraged to bring questions to the briefing as the ICBA team spends a majority of the time taking inquiries from community bankers.

Speakers:

- **Rebeca Romero Rainey**, ICBA President & CEO
- **Karen Thomas**, Senior Executive Vice President, Government Relations & Public Policy
- **Paul Merski**, Group Executive Vice President, Congressional Relations
- **Chris Cole**, Executive Vice President, Senior Regulatory Counsel
- **Ron Haynie**, Senior Vice President, Mortgage & Finance Policy
- **Steve Keen**, Vice President, Congressional Relations
- **James Kendrick**, First Vice President, Accounting & Capital Policy

This briefing is first come, first served, so register early by using this link:

https://myicba.icba.org/eWeb/DynamicPage.aspx?WebCode=EventInfo&Reg_evt_key=1e377edf-f4e0-43b7-96d8-06e86f3a78ce&RegPath=EventRegFees

Federal Agencies Will Defer Appraisals & Evaluations For Real Estate Transactions Affected By COVID-19

The federal banking agencies today issued an interim final rule to temporarily defer real estate-related appraisals and evaluations under the agencies’ interagency appraisal regulations. The Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency are providing this temporary relief to allow regulated institutions to extend financing to creditworthy households and businesses quickly in the wake of the national emergency declared in connection with COVID-19. Click the link provided to read the full details.

[Federal Banking Agencies to Defer Appraisals and Evaluations for Real Estate Transactions Affected by COVID-19](#)

The agencies are deferring certain appraisals and evaluations for up to 120 days after closing of residential or commercial real estate loan transactions. Transactions involving acquisition, development,

and construction of real estate are excluded from this interim rule. These temporary provisions will expire on December 31, 2020, unless extended by the federal banking agencies.

The National Credit Union Administration (NCUA) will consider a similar proposal on Thursday, April 16.

In addition, the federal banking agencies, together with NCUA and the Consumer Financial Protection Bureau, in consultation with the Conference of State Bank Supervisors, issued a joint statement to address challenges relating to appraisals and evaluations for real estate-related financial transactions affected by COVID-19. The interagency statement outlines other flexibilities in industry appraisal standards and in the agencies' appraisal regulations and describes temporary changes to Fannie Mae and Freddie Mac appraisal standards that can assist lenders during this challenging time. The agencies will continue to communicate with the industry, as appropriate, as this situation evolves.

Related Links

- [Interim Final Rule](#) (PDF)
- [Interagency Statement](#) (PDF)

For more information, contact **Rafael (Ralph) E. DeLeon, Director for Banking Relations/National Bank Examiner,**

Office of the Comptroller of the Currency: (202) 649-6736 office; (202) 359-0096 cell; ralph.deleon@occ.treas.gov

OCC Announces PPP Listening Sessions

The Office of the Comptroller of the Currency (OCC) today announced that its Office of Innovation will host three listening sessions on April 16, 20, and 21, to discuss issues and potential solutions relating to the [Paycheck Protection Program](#) (PPP) as established by the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#). **For more details, click the link provided:**

[OCC Announces Paycheck Protection Program Listening Sessions](#)

Listening sessions are used to inform the OCC and participants about emerging topics, issues, or concerns of stakeholders such as banks and nonbanks, including financial technology (fintech) companies.

These sessions will focus on three aspects of the PPP: payroll verification, fraud identification, and backend processes.

- **Payroll verification - April 16, 11:00 a.m. – 1:00 p.m. (eastern).** The OCC seeks to facilitate discussion around methods to increase the speed and efficiency of payroll verification for PPP loans during loan application and monitoring processes.
- **Fraud identification - April 20, 1:00 p.m. – 3:00 p.m. (eastern).** The OCC seeks to facilitate discussion around solutions that will enable entities to more effectively and efficiently identify fraudulent uses of the PPP, including loan stacking (i.e., receiving PPP loans from more than one lender).
- **Backend processes - April 21, 1:00 p.m. – 3:00 p.m. (eastern).** The OCC seeks to facilitate discussion around solutions addressing potential challenges entities may face monitoring PPP loans and during the loan forgiveness process.

Potential solutions may include new products or services (including those developed by fintech companies), partnerships between a bank and fintech company, or other approaches related to responsible innovation in the federal banking system.

Each listening session will last approximately two hours. Parties interested in providing their views should contact OCC's Office of Innovation at innovation@occ.treas.gov and indicate which call they are interested in participating.

Related Links

- [OCC's Innovation Home Page](#)

- [OCC Office of Innovation: A General Guide](#) (PDF)

For more information, contact **Rafael (Ralph) E. DeLeon, Director for Banking Relations/National Bank Examiner, Office of the Comptroller of the Currency: (202) 649-6736 office; (202) 359-0096 cell; ralph.deleon@occ.treas.gov**

New York Snapshot:

- 10,834 statewide deaths as of Tuesday morning, including 778 more fatalities in the past day. As of Tuesday, New York reported 202,208 confirmed cases, including 110,465 cases in New York City alone. As of Tuesday, the state reported 7,905 deaths of New York City residents. As of Tuesday, 18,697 New Yorkers were hospitalized with the coronavirus. As of Friday, 4,903 of those hospitalized were in intensive care units.

Fresh Polling From The Harris Poll: Question: "Based on what you know and have heard, when do you think Americans should start returning to work and life as normal?"

- **9%:** 1-2 weeks from now
- **23%:** 3-4 weeks from now
- **51%:** More than a month
- **18%:** More than six months from now
- **61% of all Republicans** say it should be at least a month before Americans start returning to work and life as normal.

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** (Stever@ibanys.net)