

COVID-19 Update (5) – April 27 ACTION REQUIRED!

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 Evening, April 27, 2020 (Update #5)

To: New York Community Banks

This update includes key information regarding the PPP and today's issues with the SBA's systems. We believe it is important that you review the messages below from IBANYS and ICBA, and then take action. . .then, continue reading ICBA President & CEO Rebeca Romero Rainey's important message.

I. IBANYS Urges New York Community Bankers: Contact Your Members Of Congress Now!

- **Use ICBA's Be Heard grassroots action center at <https://icba.quorum.us/campaign/25994/> to tell policymakers to ensure community banks have equitable access to PPP systems.**
- **Customize your letters** with the specific issues your bank is experiencing, and include a specific request for your Members of Congress -- for example, *"Please reach out to the highest levels of leadership within the Treasury Department and SBA and urge them to ensure equal and fair access for all community banks to access the Paycheck Protection Program."*

You might include:

- **Issues logging into the E-TRAN or Gateway Lender System,**
- **Issues submitting an application,**
- **Issues with the system crashing mid-submission,**
- **Concern of too-big-to-fail megabank's potentially gaining unfair and preferential access,**
- **Issue over batch uploading of PPP applications as 5,000 loans (recently reduced from 15,000) is still too many for community banks,**
- **Lack of guidance or basic information regarding access to the program.**

FROM ICBA:

Tell Washington to Fix PPP Problems

We have heard loud and clear about the many problems you and other community bankers have had with today's relaunch of the Paycheck Protection Program. With bad memories of the initial PPP launch still fresh, today's frustrating and infuriating technical glitches that have hampered loan submissions are simply unacceptable.

To make your voice heard in Washington, I encourage you to use ICBA's Be Heard grassroots action center <https://icba.quorum.us/campaign/25994/> to tell policymakers to ensure community banks have equitable access to PPP systems. Our grassroots alert also demands answers and solutions about why so many community banks were locked out from submitting loans.

As I said today in a national news release, most community banks found themselves continually kicked out of the E-Tran system after the PPP went live. Our frustration is only exacerbated by the lack of information coming from the SBA and Treasury. <https://www.icba.org/news/news->

[details/2020/04/27/icba-to-treasury-and-sba-frustrated-community-bankers-need-access-and-answers-to-sba-s-ppp-loan-processing?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=5ut42](https://icba-now.informz.net/icba-now/data/images/NWT/Documents/UPDATED%204-27-20%20-%20SBA%20XML%20Submission%20Guidance%20Memo%20.pdf)

The SBA today told Congress that it has implemented "pacing" for its CAFS/E-Tran system to limit the number of PPP applications that can be submitted each hour to preserve system integrity and ensure equal access for lenders. The agency said that, due to the pacing, users may experience error messages in both the Connect Lender Gateway and E-Tran, a message that the application is taking longer than normal to process, server timeout messages, or a lack of access to the systems. SBA said it advises lenders to keep trying periodically either system to enter new applications.

The SBA separately said that by 3:30 p.m. today it processed more than 100,000 PPP loans by more than 4,000 lenders. The agency said that E-Tran response times have been slowed partly because there are double the number of users accessing the system compared with any day during the initial round of PPP. The SBA is actively working to ensure system security and integrity while loan processing continues, it said.

Also today, Treasury and SBA released additional PPP guidance that 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—down from 15,000. Further, these XML files of 5,000 or more approved PPP loans must be submitted to SBA by 9 p.m. (Eastern time) tonight. <https://icba-now.informz.net/icba-now/data/images/NWT/Documents/UPDATED%204-27-20%20-%20SBA%20XML%20Submission%20Guidance%20Memo%20.pdf>

While we continue pressing Treasury and the SBA to address today's issues with the PPP relaunch, community bankers can direct E-Tran assistance questions to the SBA at 833-572-0502 or cls@sba.gov. Additional guidance and resources are available on Treasury's PPP homepage <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses> and ICBA's COVID-19 resource center https://www.icba.org/news/Crisis-Preparedness/coronavirus-response?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=8ut42r.

ICBA will continue demanding answers and solutions from Treasury and SBA on the PPP system's problems while we keep you informed of the latest updates on the resumption of the program. 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

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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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