

Monday, April 20, 2020

To: New York Community Bankers:

Today may well be the key decision day for the next round of PPP funding. We need New York community bankers to contact Congress with an important message:

IMPORTANT!! Action Required!!

Please Contact Your Representatives -- Push For New PPP funds

IBANYS joins ICBA President and CEO Rebeca Romero Rainey in calling on community bankers to **tell Congress to immediately approve additional funding for the SBA's Paycheck Protection Program now that it has exhausted its funds.**

<https://icba.quorum.us/campaign/25772/>.

Romero Rainey **urged community bankers**

<https://icbanow.informz.net/informzdataservice/onlineversion/pub/bWFpbGluZ0luc3RhbmNISWQ9MjkzODA0MA==> to use ICBA's Be Heard grassroots action

center<https://icba.quorum.us/campaign/25772/> to tell policymakers to immediately approve at least \$250 million in new PPP funds.

******The customizable grassroots alert <https://icba.quorum.us/campaign/25772/> also calls on lawmakers to dedicate 25 percent of program funds to community banks with \$50 billion or less in assets.******

ICBA's other suggested reforms include more workable loan terms, more flexibility in the timing of loan disbursements, expanded PPP loan uses, a robust lender safe harbor, and suspending "beneficial ownership" rules.

To make these reforms a reality, you need to let your elected officials know.

- Immediate, additional funding of \$250 billion;
- Ensure PPP credit reaches all communities with 25% allocation for banks with \$50 billion or less in assets;
- More workable loan terms with more reasonable loan rates;
- Allow needed flexibility in the timing of loan disbursements;
- Expand PPP loan uses to expenses outside payroll;
- Robust lender safe harbor to facilitate and speed loan processing;
- Address Beneficial Ownership Rule barrier for new bank customers.

******In addition to using ICBA's grassroots center, it would also help if you contacted your individual Member(s) of Congress , and/or their top staff locally by telephone or email to indicate the importance of this request.******

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OTHER UPDATES FROM ICBA

Fed changes director, shareholder rules for PPP loans

The Federal Reserve

Board <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200417a.htm> announced a temporary rule change to support access to the SBA Paycheck Protection Program for certain bank directors and shareholders. The SBA recently clarified that lenders may make PPP loans to businesses owned by their directors and shareholders that own less than 30 percent equity in the bank.

The Fed's change will allow those individuals to apply for PPP loans under Fed regulations, consistent with SBA's rules and restrictions. Specifically, these PPP loans will not be subject to section 22(h) or the corresponding provisions of Regulation O if they are not prohibited by the SBA lending restrictions. The change only applies to PPP loans, will be in place while the PPP is active, and is effective immediately. Comments will be accepted for 45 days after publication in the Federal Register.

Deadline for first round of 7(a) relief this Wednesday

The Small Business Administration said 7(a) lenders have until this Wednesday, April 22, to submit information to the agency on existing 7(a) loans to receive the first monthly payments of CARES Act subsidies. Under section 1112 of the CARES Act, the SBA will provide six months of debt relief to borrowers in the 7(a), 504, and Microloan programs. The first monthly payments for 7(a) loans are scheduled to go out on or before Thursday, April 30. To submit information, lenders may perform loan-level data entry or upload portfolio information using the Section 1112 Excel template available on the Fiscal Transfer Agent website. **Read more from the**

SBA: <https://content.govdelivery.com/accounts/USSBA/bulletins/286e932?reqfrom=share>

Treasury: Stimulus checks in the mail

The Treasury Department said it began mailing Economic Impact Payment checks on Saturday, with twice-daily mail pick-ups starting today. In a notice to financial institutions https://icba-now.informz.net/icba-now/data/images/NWT/Documents/20.04.17_TreasuryNoticeEIPs.pdf Treasury released a sample image of the hard-copy checks, which have a pay date of this Wednesday, April 22, and are going first to the lowest-income individuals and households.

ICBA continues updating its **frequently asked questions for community**

bankers 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&_zsn=OgU&_zl=SOM42#re
[bate](#) . . .

and for consumers 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&_zsn=OgU&_zl=TOM42#EI
[P](#) . . .

on the EIPs and other COVID-19 response policies.

Additional FAQs and other resources on the EIPs are available from the IRS

<https://www.irs.gov/coronavirus/economic-impact-payments>

. . . **from Nacha**

https://www.nacha.org/system/files/2020-04/ACH%20Network%20Rules%20Pandemic%20FAQs%20%28April%2015%202020%29_0.pdf

. . . **from the Consumer Financial Protection Bureau (CFPB)**

<https://www.consumerfinance.gov/about-us/blog/guide-covid-19-economic-stimulus-checks/>

and from the Treasury Department

<https://www.fiscal.treasury.gov/top/faqs-for-the-public-covid-19.html>

FAQs: PPP loans sold to secondary market retain SBA guarantee

Financial institutions may sell Paycheck Protection Program loans into the secondary market without Small Business Administration approval, according to the latest update to the Treasury and SBA frequently asked questions on the program. The FAQs clarify that these loans are 100 percent SBA guaranteed.

ICBA continues updating its **FAQs on the PPP** and other elements of the federal COVID-19 response while it advocates immediate approval of additional funds for the program. <https://icbanow.informz.net/z/cjUucD9taT0yOTM5MzMyJnA9MSZlPTM0NzM4MjYzNyZsaT0yMzQ4ODg3Ng/index.html>

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