

COVID-19 Update – April 4, 2020

Additional information, and questions, have continued to come throughout the day Saturday. Here is a summary of some of the communications IBANYS has received from ICBA and from other state community bank trade associations regarding the SBA's PPP launch and status updates:

I. From Independent Community Bankers of America (ICBA)

"New SBA Resources Amid Flawed Launch"

With many community bankers working through the weekend to help local customers access the Small Business Administration's Paycheck Protection Program, we are with you every step of the way and want you to have access to the latest resources from ICBA and the SBA.

ICBA today extensively updated our **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=WvI32) including a breakdown of the additional guidance on affiliated companies issued overnight by the Treasury Department. The updated FAQs also include new information on faith-based organizations, payroll requirements, and many more details on various aspects of the program.

This follows the **SBA's release yesterday of its Lender Agreement** (https://home.treasury.gov/system/files/136/PPP--Agreement-for-New-Lenders-Banks-Credit-Unions-FCS-w-seal-fillable_0.pdf), an application for non-SBA-certified lenders to apply to enter the PPP system, input borrower applications, and register for SBA loan guarantees. The SBA encourages lenders who need assistance accessing the agency's E-Tran system to call its Lender Customer Service Line at 833-572-0502.

As I laid out in a **Main Street Matters post** (https://www.icba.org/news/blog-details/main-street-matters--advocacy/2020/04/03/emergency-program-rollout-left-out-too-many-community-banks-and-their-customers?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=njOgU&_zl=avI32) last night, we know the flawed launch of the PPP has been filled with high tensions and desperate attempts by community bankers to access the SBA programs to meet the needs of their small-business customers. Too many community banks have been excluded from this process as they attempt to help their local communities through the COVID-19 challenge.

While **Treasury** (<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>) and the **SBA** (<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program-ppp>) continue directing lenders and borrowers to their PPP webpages, **ICBA** (**and state community banking associations** (https://www.icba.org/news/news-details/2020/04/02/paycheck-protection-program-state-banking-association-letter?utm_source=informz&utm_medium=email&utm_campaign=informz&_zs=njOgU&_zl=evI32

have clearly and repeatedly expressed community bank concerns about the program's terms and lack of timely guidance.

And through the weekend, ICBA will continue pulling out all stops to rectify this problematic program rollout and get you what you need to serve your customers and communities. We remain committed to our mission of creating and promoting an environment where community banks flourish, and we are dedicated to preserving your stellar reputation.

Throughout this process, we will continue to keep you informed of the latest developments as soon as they are available. As always, thank you for all that you are doing—and trying to do—to serve your communities at this challenging time.

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

II. From Other State's Community Bank Trade Associations

"We are starting to hear from bankers who have had success getting into the SBA system but that the system still asks for information on PPP loans that it would typically only require for regular SBA 7(a) loans. I have included 3 screen grabs so that you can see what these are. It is our understanding that the SBA is working to remove these items but God only knows if that is true and when it is going to be done. Our team is going to work on a supplemental page to the PPP application or help members know how to find this info to get loans into the system.

"If you have already addressed this issue or have a resource to share, please do so. I am looping in ICBA staff in case they have other guidance to offer as well. If we end up developing something we will get it out to you ASAP in a word document and without our header so you can make it your own. We are all in this together.

"Throughout the past two days, we have heard from community banks with a variety of experiences and levels of success in being able to access and process Paycheck Protection Program loans using the SBA's eTran system. The best I can say is that they seem to be making some progress, but not nearly fast enough to ensure that you are all able to serve your customers.

"Additionally, those bankers who have accessed the system have reported being asked for information that is not on the PPP borrower application. While this information is requested on the typical 7(a) loan application form, it is not applicable to PPP. Nonetheless, the system will not let you process the loan requests without this information. For your convenience, we have prepared a document (<https://www.ibat.org/PDFs/2020/04/04/etran-variances-final>) that captures some of the additional data points not on the application with advice on how to complete them for existing applications. If the SBA updates the loan input process in the eTran system, this information could become inapplicable at any time, but we want you to have it as long as you might need it.

Other Resources

For your convenience, we have updated our Frequently Asked Questions (FAQ) document (<https://ibat.informz.net/ibat/data/images/Updated%20PPP%20FAQ.pdf>) on the PPP to provide you with the most updated information available.

Additionally, the non-SBA lender application is now available and can be accessed here:

<https://ibat.informz.net/ibat/data/images/Non%20SBA%20Application.pdf> "

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

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