

COVID-19 Update – April 7 – evening update

Reminder:

All IBANYS' COVID-19 Updates from March 16 to Present Are Available On IBANYS website:
<https://ibanys.net/covid-19/>

SBA Launches PPP Portal, Issues FAQs

The Small Business Administration today launched its long-awaited portal <https://connect.sba.gov> to facilitate Paycheck Protection Program (PPP) access. The new portal allows non-SBA-certified lenders to:

- Create an account on SBA Connect.
- Request authorization to the Paycheck Protection Lender Gateway by providing their FDIC or Federal Reserve number and authorization number.
- Proceed to the Lender Gateway <https://lendergateway.sba.gov> to begin submitting loan authorization requests.

The SBA launched the portal while ICBA Chairman Noah Wilcox and ICBA Vice Chairman Brad Bolton participated in a virtual White House meeting https://www.icba.org/news/icba-in-the-news/press-releases/2020/04/07/icba-community-bankers-share-perspectives-on-paycheck-protection-program-at-whitehousemeeting?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=njOgU&zl=7nT32 with President Donald Trump, Treasury Secretary Steven Mnuchin, and SBA Administrator Jovita Carranza to discuss the status of the PPP.

These latest developments follow last night's release by Treasury and the SBA of numerous frequently asked questions (<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>) on the PPP. The FAQs provide guidance on issues related to verifying borrower calculations, borrower eligibility, SBA affiliation rules, and more. ICBA has added information from the Treasury/SBA FAQs to our own FAQs 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=9nT32), which we continue to extensively update with new information as we receive it.

However, many outstanding questions and concerns remain. ICBA continues to ask Treasury and SBA to provide definitive guidance on whether:

- Banks can lend to their directors with eligible small businesses.

- Banks can use their own loan documents or should use an SBA to-be-provided note to close PPP loans.
- Owner draws or distributions count as payroll costs.

As soon as we have answers to those questions, we will let you know.

The FAQs follow yesterday's announcement of a Federal Reserve facility

(<https://www.federalreserve.gov/newsevents/pressreleases/monetary20200406a.htm>) to provide term financing backed by PPP loans.

ICBA last weekend urged Treasury and the SBA (<https://www.icba.org/news/icba-in-the-news/press-releases/2020/04/05/icba-sends-urgent-payment-protection-program-recommendations-to-treasury-and-sba>

[utm_source=informz&utm_medium=email&utm_campaign=informz&zs=njOgU&zl=BnT32](https://www.icba.org/news/icba-in-the-news/press-releases/2020/04/05/icba-sends-urgent-payment-protection-program-recommendations-to-treasury-and-sba))

to launch a secondary market facility with the Fed to purchase program loans from originating institutions. Among its other recommendations, ICBA also called on policymakers to enhance the overburdened SBA systems, increase program funds, and dedicate funds to community banks.

The latest updates follow the SBA's Friday night release of its Lenders 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 continues encouraging lenders who need assistance to call its Lender Customer Service Line at 833-572-0502, though community bankers who have called that number are reporting mixed results on the agency's assistance.

We have heard from many community bankers who have had problems accessing the program—including banks with access to the SBA's E-Tran system. ICBA has heard that some bankers have found password-reset emails and other auto-generated messages from the SBA E-Tran in their spam folders. So please check there occasionally for automated emails from DoNotReply@sba.gov.

We continue encouraging community bankers to weigh in on these types of problems by completing **our new survey** https://icba.az1.qualtrics.com/jfe/form/SV_4HPBZgQgHfJGPrL **on PPP access and processing.**

We remain committed to our mission of creating and promoting an environment where community banks flourish. And we thank you for all you are doing to support your customers and communities at this challenging time.

Treasury Seeking \$250 Billion More For SBA's PPP Lending Program--Senate May Vote On Thursday

Treasury Secretary Mnuchin has asked congressional leaders to swiftly commit another \$250 billion to replenish the \$349 Billion Small Business PPP lending program, which has been "overwhelmed" by

demand as small businesses seek emergency relief. The new funding would bring the total funding for the program to approximately \$600 Billion. Senate Majority Leader McConnell said he hoped to bring it up for a vote by Thursday. Secretary Mnuchin said he has also spoken to other congressional leadership, including House Speaker Pelosi, Democratic Senate Leader Schumer and GOP House Leader McCarthy. Pelosi has supported the idea, saying the \$350 billion for the Paycheck Protection Program (PPP) included in the last round of coronavirus relief is insufficient to meet the demand, but suggested House Democrats won't just "rubber-stamp" the additional funds without assurances that small businesses in underserved communities will benefit. **Please see links below for press coverage of this issue.**

<https://www.washingtonpost.com/us-policy/2020/04/07/treasury-coronavirus-small-business/>

<https://thehill.com/homenews/senate/491554-senate-leaders-aim-to-approve-additional-aid-for-small-businesses-on-thursday>

<https://www.bloomberg.com/news/articles/2020-04-07/mcconnell-says-senate-may-pass-more-small-business-aid-this-week>

Troubled Debt Restructurings : Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working With Customers Affected by COVID-19 (Revised)

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, and the National Credit Union Administration, in consultation with the state financial regulators, today issued a revised interagency statement to provide information to financial institutions that are working with borrowers affected by the coronavirus (also known as COVID-19).

<https://www.occ.gov/news-issuances/bulletins/2020/bulletin-2020-35.html>

For more details, contact Lou Ann Francis, Director for Commercial Credit Risk Policy, and James Calhoun, Technical Expert for Commercial Credit Risk Policy, at (202) 649-6670; Sarah Nawrocki, Professional Accounting Fellow, Office of the Chief Accountant, at (202) 649-6280; or Paul R. Reymann, Director for Consumer Compliance Policy, at (202) 649-7880.

Some Legislators Want To "Strengthen" Governor's Eviction Executive Order Through Legislation

Some New York State lawmakers today proposed strengthening Governor Andrew Cuomo's executive order meant to block evictions over a three-month period. The proposal would further bar evictions for non-payment of rent that accrued over the 90-day moratorium approved by Cuomo. The measure would cover the March 7 start date of the executive order, the entirety of the declared, plus six months after the emergency is officially over. Sen. Brad Hoylman (D-Manhattan) and one of the sponsors of the bill, said Cuomo's move was a "good first step" for tenants, but needs to be taken further to avoid people losing their homes. Governor Cuomo placed the 90-day moratorium in place while also blocking commercial and residential foreclosures. Some lawmakers and tenant advocates have proposed further steps, including a rent cancellation measure.

<https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2020/04/07/new-york-eviction-moratorium-strength>

Small Business Optimism Drops in New York Amid Pandemic

Optimism among small businesses has dropped sharply amid the economic downturn caused by the coronavirus pandemic, the National Federation of Independent Businesses found in a survey released on Tuesday. The survey — an index of optimism of small business owners — dropped 8.1 points last March, the largest monthly decline in its

history. <https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2020/04/07/small-business-optimism-drops-in-new-york-amid-pandemic->

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

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