

COVID-19 Update - April 8, 2020

Hope everyone is healthy and safe. While progress is being made with PPP, there are a few questions that still need to be addressed:

- Are bank directors eligible for PPP from their own bank
- Loan documents: SBA approved; can each bank use their own
- FDIC-insured, non SBA banks need authorization codes to submit apps on new SBA portal.

We are working with a number of resources to try to get answers, and will get information out to you as soon as possible.

Meanwhile, with all of this, the Federal Reserve is temporarily altering the growth restriction it placed on Wells Fargo in 2018 so that it can make additional loans to small and mid-size business who need funding.

Regards,
John

FEDERAL UPDATES: LATEST ON PPP

Latest On Additional Money For PPP

Congress is racing to approve more money for small businesses — a sign that the last relief package was not enough to address the ballooning health and economic crisis. . . the White House is now requesting an additional \$250 billion for the program after it became clear that it would soon dry up. Senate Majority Leader McConnell said he would work with Minority Leader Schumer to quickly pass the measure as soon as Thursday, although Democrats said they were caught off guard by the announcement. House Majority Leader Steny Hoyer [told Roll Call](#) that the House could pass the measure by unanimous consent on Friday, while GOP leaders also signaled they were on board with the plan. However, even though Democrats are open to the proposal, they want some conditions on the aid. House Speaker Pelosi and Schumer put out a list of demands this morning on the "interim" legislation, including assurances that women and minority-owned businesses have access to the capital, and are calling for an additional \$100 billion for hospitals, community health centers and health systems; \$150 billion for state and local governments; and a 15 percent increase to the maximum SNAP benefit. This could be a major issue for Republicans. Meanwhile, any single member could derail leadership's plans for speedy action. Rep. Thomas Massie (R-KY) forced lawmakers back to D.C. to vote on the last economic rescue package and is already expressing concerns over allowing such a big bill to pass without a recorded vote. Read the full article: <https://politi.co/39VroXU>.

- There are numerous rumors that extraneous items are going to end up in this bill -- business has a load of requested fixes to the Phase Three bill -- but our sources told us late Tuesday night that it will be limited to the new money for the Paycheck Protection Program, and they'll be sticking to the limited text suggested by the administration.

Complimentary ICBA webinar tomorrow (Thursday) on COVID-19 response

ICBA this week is hosting an interactive webinar focusing on the policy response to the COVID-19 outbreak, including the Small Business Administration's Paycheck Protection Program. At the complimentary webinar, scheduled for noon tomorrow, ICBA President and CEO Rebeca Romero Rainey and ICBA staff experts will answer community banker questions about agency actions to date. A recording of the webinar will be available for download 24 hours after the live event. For details and to register: www.icba.org (under "Featured Events")

SBA Official Critical Of Big Banks For Failure To Distribute PPP Loans

The Washington Post reports that in a video, a Nevada-based SBA official blasted big banks over their failure to quickly distribute PPP Small business loans:

<https://www.washingtonpost.com/business/2020/04/08/video-sba-official-blasts-big-banks-over-failure-quickly-distribute-loans/>

ICBA Survey: One-Third Of Community Bank Respondents Were Not Able To Access PPP System After Launch

ICBA's informal survey in which more than one-third of community bank respondents said they were unable to access the PPP system after its launch. At the meeting, Mnuchin said he is working with congressional leaders to approve another \$250 billion for the PPP as soon as this week.

STATE UPDATES:

Private Student Loan Companies Offer Relief To Borrowers

Several student loan servicers have agreed to allow New York borrowers to defer monthly payments for 90 days, Gov. Andrew Cuomo's office announced today. The federal CARES Act [H.R. 748 \(116\)](#) suspended payment obligations and interest on federally held student loans through the end of September. That relief did not apply to loans held by private lenders. The governor's office said five major servicers — EdFinancial Services, Navient, Nelnet, PHEAA and MOHELA — agreed to defer monthly loan payments, waive late fees and not file negative reports to credit agencies for approximately 300,000 New Yorkers. *To read the full article:* <https://subscriber.politicopro.com/states/new-york/albany/whiteboard/2020/04/07/private-student-loan-companies-offer-relief-to-borrowers-9422434>

. . .And Here Is The Information From The Governor's Office:

Student loan borrowers experiencing financial hardship due to COVID-19 can obtain relief for loans not covered by the CARES Act. Available relief includes 90 days of deferred monthly payments, waived late fees, no negative reporting to credit agencies and enrolling eligible borrowers in available long-term assistance programs. New York student loan borrowers should

visit the Department of Financial Services website: <https://www.dfs.ny.gov/consumers> for more information about available student loan relief.

Cuomo Urges New York Congressional Delegation: Push For State Assistance In Next COVID-19 Package

Governor Cuomo has written to New York's congressional delegation to urge them to support state assistance in the next COVID-10 relief package. Cuomo criticized previous federal legislation as 'terrible,' asserting that the package does not help New York's state government offset \$10 billion to \$15 billion in projected revenue loss related to the pandemic, and said: 'In the absence of significant federal assistance, the State has no option but to make reductions to critically needed state spending. <https://blog.timesunion.com/capitol/archives/289790/cuomo-next-federal-stimulus-must-include-relief-for-state-government/>

A Regional Approach To Reopening The Economy

The Governors of New York, New Jersey and Connecticut will take a regional approach to reopening the economy when it is safe to do so, mirroring the coordinated shutdown they undertook to reduce the spread of the coronavirus:

<https://www.politico.com/states/new-jersey/story/2020/04/07/new-york-region-governors-plan-coordinated-economic-restart-1273313?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317> "We're working on a plan with Connecticut and New Jersey because when we go back, we go back together," New York Gov. Andrew Cuomo said. Cuomo and the other governors appear to be focused on ramping up the availability of a rapid test for the virus and a new antibody test to show if someone has had the virus and recovered.

New York & COVID-19: By The Numbers

New York State's government continues to provide data that can help put the pandemic in context. Consider these numbers to be a snapshot in time of a still-growing crisis.

<https://www.cityandstateny.com/articles/politics/new-york-state/new-coronavirus-numbers.html>

Ulster County Update:

Ulster County in the Hudson Valley could become the next New York City. It's slated to run out of bed space by the end of this week. To accommodate the sick, County Executive Pat Ryan is creating both extra surge capacity and a field hospital – without the help of FEMA or the Army Corps of Engineers. "We are seeing the number of positive tests increasing. We are a week to 10 days behind New York City, so we are preparing to be next," he told Spectrum News.

GENERAL UPDATES: THE ECONOMY

Financial Times: Pandemic's Economic Impact Widespread

"In a sign of how widespread the pandemic's economic impact has become," the Financial Times reports, "almost as many families making more than \$100,000 a year reported a hit to their income (71%), as those making less than \$50,000 (74%)."

- **73% of Americans say the pandemic has reduced their family income, according to a poll of likely voters by the Financial Times and the Peter G. Peterson Foundation**
- **48% say they'd be without any income if they were unable to work because of illness**

The number of days that New York expects its "New York State On Pause" <https://coronavirus.health.ny.gov/new-york-state-pause> executive order to be into effect is 40 – for now. Governor Cuomo enacted the order limiting events, mandating social distancing and the closing of non-essential businesses on March 20 <https://www.governor.ny.gov/news/governor-cuomo-issues-guidance-essential-services-under-new-york-state-pause-executive-order>, and has extended it until at least April 29.

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

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