

Saturday, May 16, 2020

To: New York Community Banks

Friday night, the Small Business Administration & Treasury Department released the PPP loan forgiveness application and detailed instructions for the application. *Please see below and also attached for details.*

FROM THE SBA & TREASURY

NEWS RELEASE

ATLANTIC REGION *New York, New Jersey, Puerto Rico & U.S. Virgin Islands*

Release Date: May 15, 2020

Contact: Press_Office@sba.gov, (202) 205-7036

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SBA and Treasury Release Paycheck Protection Program Loan Forgiveness Application

WASHINGTON—The U.S. Small Business Administration, in consultation with the U.S. Department of the Treasury, released the Paycheck Protection Program (PPP) Loan Forgiveness Application and detailed instructions for the application.

The form and instructions inform borrowers how to apply for forgiveness of their PPP loans, consistent with the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). SBA will also soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.

The form and instructions include several measures to reduce compliance burdens and simplify the process for borrowers, including:

- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with borrowers’ regular payroll cycles
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving their PPP loan
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined

The PPP was created by the CARES Act to provide forgivable loans to eligible small businesses to keep American workers on the payroll during the COVID-19 pandemic. The documents released today will help small businesses seek forgiveness at the conclusion of the eight-week covered period, which begins with the disbursement of their loans.

[Click here](#) to view the application and instructions. It is also available at www.sba.gov/ppp in the *Loan Forgiveness* section of the webpage.

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more visit www.sba.gov.

Matt Coleman

Regional Communications Director

U.S. Small Business Administration

Atlantic Region: New York, New Jersey, Puerto Rico & U.S. Virgin Islands

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For detailed information on SBA programs for the coronavirus, please visit www.sba.gov/coronavirus and for information on all federal programs, visit www.usa.gov/coronavirus or www.gobierno.usa.gov/coronavirus (en Español).

FROM ICBA

Agencies Issue PPP Loan Forgiveness Application

After sustained ICBA and community banker advocacy, the Small Business Administration and Treasury Department (Friday night) released the Paycheck Protection Program **Loan Forgiveness Application and instructions**.

The application form and instructions inform borrowers how to apply for forgiveness of their PPP loans, consistent with the CARES Act. The SBA also said it will also soon issue regulations and guidance to help borrowers complete their applications and inform lenders of their responsibilities.

The form and instructions include:

- Options for borrowers to calculate payroll costs using an “alternative payroll covered period” that aligns with borrowers’ regular payroll cycles.
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after borrowers received their PPP loan.
- Step-by-step instructions on how to perform the calculations required by the CARES Act to confirm eligibility for loan forgiveness.
- Statutory exemptions from loan forgiveness reduction based on rehiring by June 30.
- The new exemption for borrowers whose good-faith, written offers to rehire workers were declined.

ICBA (and IBANYS) and community bankers have repeatedly called on the agencies to provide guidance on PPP loan forgiveness. ICBA is reviewing the application and instructions and will continue advocating a straightforward, easy-to-apply approach to loan forgiveness for borrowers and lenders.

Community bankers who continue to have trouble with the SBA's E-Tran and SBA Connect Lender Gateway portals can direct assistance questions to the SBA at 833-572-0502 or cls@sba.gov. Additional guidance and resources are available on **Treasury’s PPP webpage** and ICBA's **COVID-19 resource center**.

ICBA will continue to keep you informed of the latest updates on the PPP. Thank you for all you are doing to meet the needs of your customers and communities during this challenging time.

Sincerely,

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

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OTHER NEWS FROM THE SBA

News Release | NR 2020-62 May 15, 2020

[Regulators Temporarily Change the Supplementary Leverage Ratio to Increase Banking Organizations' Ability to Support Credit to Households and Businesses In Light of the Coronavirus Response](#)

· Bulletin | OCC 2020-52 May 15, 2020

[Supplementary Leverage Ratio : Interim Final Rule](#)

To Chief Executive Officers of All National Banks and Federal Savings Associations; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) today approved an interim final rule that permits depository institutions subject to the supplementary leverage ratio (SLR) to elect to temporarily exclude U.S. Treasury securities and deposits at Federal Reserve Banks from the SLR denominator. The interim final rule strengthens the ability of electing depository institutions to continue taking deposits, lending, and conducting other financial intermediation activities during this period of stress caused by the coronavirus, also known as COVID-19. The interim final rule is in effect through March 31, 2021.

Note for Community Banks

The interim final rule does not apply to community banks.¹

Highlights

- The agencies issued the interim final rule to provide depository institutions subject to the SLR the ability to temporarily exclude Treasuries and deposits at Federal Reserve Banks from total leverage exposure through March 31, 2021.
- The SLR applies to depository institution subsidiaries of U.S. global systemically important bank holding companies and depository institutions subject to Category II or Category III capital standards.
- The SLR measures a bank's tier 1 capital relative to its total leverage exposure, which includes on-balance-sheet assets (including Treasuries and deposits at Federal Reserve Banks) and certain off-balance-sheet exposures.
- A bank that elects to opt into the temporary exclusion (electing depository institution) must notify the OCC within 30 days after the interim final rule is effective as of the date of publication in the *Federal Register*.
- Beginning in the third quarter of 2020, an electing depository institution must receive approval from the OCC before making capital distributions so long as the exclusion is in effect. The OCC expects to respond to requests within 14 days."

Further Information

Please contact Margot Schwadron, Director, or Venus Fan, Risk Expert, Capital Policy Division, at (202) 649-6370, or Carl Kaminski, Special Counsel, or Chris Rafferty, Attorney, Chief Counsel's Office, at (202) 649-5490.

Jonathan V. Gould, Senior Deputy Comptroller and Chief Counsel

Related Link

- ["Regulatory Capital Rule: Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks From the Supplementary Leverage Ratio for Depository Institutions"](#) (PDF)

¹ Banks" refers collectively to national banks and federal savings associations.

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cell; ralph.deleon@occ.treas.gov

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House Passes \$3 Trillion Relief Package.

The legislation narrowly passed, with 14 Democrats voting no and one Republican voting yes, and has no virtually chance of advancing in the Senate. President Trump has said he would veto it if it reached his desk. However, it represents Democrats' opening offer for future negotiations on "Phase Four" and includes nearly \$1 trillion in aid to states, cities, Native American tribes and another round of bolstered jobless benefits and direct federal government payments to taxpayers.

https://www.nytimes.com/2020/05/15/us/coronavirus-updates.html?campaign_id=60&emc=edit_na_20200515&instance_id=0&nl=breaking-news&ref=cta®i_id=60427538&segment_id=28057&user_id=1908fd86b58bef7a905fa8a965e6ece7

As Five Of Ten Regions Begin Reopening, Governor Extends "New York State On PAUSE" Until May 28.

Just before five regions in upstate New York hit “unpause” and began to reopen their economies on Friday, **Governor Cuomo issued an executive order extending stay-at-home orders for parts of New York. The “New York on PAUSE” order will remain in effect until at least May 28 for regions that haven’t hit the seven benchmarks necessary for reopening.** Those regions include New York City, Long Island, Western New York, the Capital Region and the Mid-Hudson Valley. However, any of those regions can begin the first phase of reopening as soon as they hit all seven benchmarks for reopening, which include measures of consistent declines in deaths and hospitalizations. A spokesman for the Governor said the executive order extends the stay-at-home orders until May 28, **but extends other aspects** of New York’s state of emergency through June 13. Those aspects include the **suspension of rules** that penalize people knowingly claiming more than they are eligible for in unemployment benefits.

Republican state Assemblyman Colin Schmitt urged federal lawmakers to make changes to the Paycheck Protection Program. Schmitt urged changes to the program, noting some small businesses are unable to meet requirements that would convert the no-interest loan into a grant: “The current program as developed is in need of modification by Congress.” <https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2020/05/15/lawmaker-urges-ppp-program-changes>

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Can A Fintech Partner Speed Up Your PPP Loan Forgiveness Processing? Thursday, May 21: "PPP Tech: Loan Forgiveness Solutions Sprint" 12-2 p.m.

You are invited to attend an exciting “virtual brown bag event” that ICBA, the Alliance for Innovative Regulation, and The Venture Center will host next week. The event will showcase cutting-edge technologies addressing requirements for reporting, managing, and servicing Paycheck Protection Program loans developed by 12 fintech participants who will demo their product offerings and take

questions from a panel community bank leaders. This event will take place Thursday, May 21st from 12-2 p.m. EDT. For details, and to register, use the link provided:

https://us02web.zoom.us/webinar/register/WN_h1iInqFGSXSk6uthxpsKGG?fbclid=IwAR0geVFS8ISowAr5PvxErBqVIVDaGK3SqBg218uCP6LsDMuODc8HrTc7rks&utm_campaign=2020%20PP P%20Loan&utm_source=hs_email&utm_medium=email&utm_content=88006609&hsenc=p2ANqtz-8pC9If_bUzN4VG6MXS9v2AQSIjiEA9ERD-Pw6FM2zK5iUC6wsAyXpWPDRG5cw_rgP9S189EPZRhtpQ0HrkswVfkMNTXw&hsmi=88006809

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Pursuit Still Accepting Paycheck Protection Program Applications

Dear Partner,

We hope this note finds you well and in good health and spirits! At Pursuit, we are ready to help businesses to get back to work and have been doing so by offering the Paycheck Protection Program to those who have not been able to access these loans from their bank.

While the timeline for reopening remains unclear in many parts of New York and New Jersey, it is likely that new rules (which have become a daily occurrence) will expand the period during which the payroll may be expended and employees returned to work.

If your institution is unable to serve small business customers with PPP, please refer them to Pursuit. **We've helped businesses obtain more than \$375 million in PPP funding to date, with plenty of funding still available.** With us, your customers will find an easy-to-use digital application, helpful and personalized customer service, and tools that will help them understand and maximize loan forgiveness.

Here's how it works:

- Business owners in NY & NJ can sign-up to apply for PPP loans of up to \$350,000 here: pursuitlending.com/pppapply
- They will receive a link to the digital application with an access code by email
- The digital application takes about 20 minutes to complete (provided required documents are available)
- Customer support is available Monday-Friday, 8:30 AM-5 PM at 1-866-466-9232 or paycheckprotection@pursuitlending.com.

Finally, we are still actively serving business owners through our other loan products, particularly the 504 Refinance. With rates at an all-time low, refinancing existing commercial mortgages can be a helpful tool in creating additional cash-on-hand for businesses during this stressful time. If you have a deal to discuss, please get in touch with your Pursuit contact or let us know here.

Sincerely, The Pursuit Team

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

- John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)
- Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)

