

Saturday, May 23, 2020

To: New York Community Banks

FROM ICBA

SBA Issues New Guidance On PPP Lending

The Small Business Administration last night issued two interim final rules on Paycheck Protection Program requirements.

One [interim final rule](#) focuses on loan review procedures and related borrower and lender responsibilities, such as:

- SBA reviews of individual PPP loans.
- Borrower representations and statements that SBA will review.
- What lenders should review.
- The timeline for lender decisions on loan forgiveness applications.
- What lenders should do if notified that SBA is reviewing a PPP loan.
- Lender fees subject to clawback if SBA determines a borrower is ineligible.

The other [interim final rule](#) provides details on loan forgiveness, including:

- The general process to obtain loan forgiveness.
- Payroll and nonpayroll costs eligible for loan forgiveness.
- Reductions to the Loan Forgiveness Amount based on reduced employees or compensation.
- Documentation requirements, including SBA Form 3508.

The new rules follow the release this week of a [Procedural Notice](#) on submitting the initial SBA Form 1502 to report on PPP loans and collect the processing fees on fully disbursed loans. Under a separate [interim final rule](#), the deadline to submit the initial SBA Form 1502 for PPP loans is now the later of: (1) May 29, 2020, or (2) 10 calendar days after disbursement or cancellation of the PPP loan.

ICBA this week provided its [comprehensive recommendations](#) for Congress to include in the next legislative package responding to the coronavirus pandemic, including PPP reforms that would support more flexible spending by small-business borrowers and a straightforward approach to loan forgiveness.

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.

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

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FROM THE WHITE HOUSE

The U.S. Department of the Treasury and U.S. Small Business Administration released new guidance regarding the Paycheck Protection Program. Please see the links below for more details.

- [Interim Final Rule on Loan Forgiveness](#) (Released May 22, 2020)
- [Interim Final Rule on Loan Review Procedures and Related Borrower Responsibilities](#) (Released May 22, 2020)

For more information and updates, visit [Treasury.gov/CARES](https://www.treasury.gov/CARES) and [SBA.gov/PayCheckProtection](https://www.sba.gov/PayCheckProtection).

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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 (Steve@ibanys.net)**