

Friday, May 8, 2020

To: New York Community Banks

New York community banks have stepped up in a big way during the pandemic. In addition to working overtime to help their local small businesses through the Paycheck Protection Program, they also continue to provide vital support to those in need. IBANYS is happy to share yet another example of this in this update, from Lake Shore Savings Bank, and we invite you to email us examples of your bank's similar activities:

Lake Shore Savings Bank Supporting Local Organizations In The Fight Against COVID-19

Lake Shore Savings Bank recently awarded donations to Kaleida Health Foundation and the Northern Chautauqua Community Foundation. The donations, in the amount of \$5,000 to each organization, will directly support the Kaleida Health and the Northern Chautauqua Community Foundation's COVID-19 Response Funds. "During this time of such unprecedented challenges facing so many individuals and businesses throughout WNY, we are proud to support two outstanding organizations who continue to work tirelessly in the fight against COVID-19," said *Daniel P. Reininga, President and CEO*. "We are so fortunate to have organizations such as these in our communities and we want to ensure they have the available resources to continue their mission of actively serving those affected by this crisis." For more information about the Kaleida Health COVID-19 Response Fund, visit <https://foundation.kaleidahealth.org/kaleida-health-covid-19-response-fund>. For more information about the Northern Chautauqua County COVID-19 Crisis Response Fund, visit <https://www.nccfoundation.org/covid19-fund>.

SBA (Reportedly) Informally Caps EIDL Loans At \$150,000

According to the Washington Post, the Small Business Administration has informally imposed a \$150,000 limit on the Economic Injury Disaster Loan program without publicly announcing it, according to people familiar with the situation, after previously telling businesses that individual loans could go up to \$2 million. The Economic Injury Disaster Loan program - which is blocking most new applications, the people said - is separate from the Paycheck Protection Program and received more than \$50 billion in new funding in recent coronavirus economic relief bills.

ICBA slams NCUA move benefitting largest credit unions

ICBA pushed back https://www.icba.org/news/icba-in-the-news/press-releases/2020/05/07/icba-statement-on-ncua-change-in-low-income-methodology?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=njOgU&zl=VLS52 against a National Credit Union Administration announcement that it is expanding its approach to considering military personnel in designating low-income credit unions, which will free the largest of the tax-exempt entities from various restrictions.

The changes, which are being enacted without a formal rulemaking process, will allow members that use an Army/Air or Fleet Post Office address to be included in the NCUA's low-income calculation.

As the NCUA notes in its announcement <https://www.ncua.gov/newsroom/press-release/2020/ncua-changes-low-income-designation-include-military-personnel-calculation>, the change will free institutions like Navy Federal and Pentagon Federal from restrictions on member business lending, raising supplemental capital, and accepting deposits from non-members.

In a statement, ICBA President and CEO Rebeca Romero Rainey said the change benefits neither low-income Americans nor military personnel—but the largest, most growth-obsessed credit unions. She called on Congress to investigate the NCUA's designation and to re-examine credit union tax and regulatory subsidies.

"The NCUA's changes—made without a formal rule subject to public review and comment—is another example of this captive regulator expanding the powers of credit unions well beyond the limits established by Congress to justify their tax exemption," she said.

ICBA's Romero Rainey: Community Bank PPP Data Speaks For Itself

A recent ICBA survey revealed that community bankers were able to fund roughly 80 percent of all loan applications during the first round of the Paycheck Protection Program, some 166 loans per bank, ICBA President and CEO Rebeca Romero Rainey writes in a new blog post. In **Main Street Matters**, Romero Rainey notes that institutions with \$10 billion or less in assets approved roughly 60 percent of loans in the first round, and 20 percent of the amount approved was processed by lenders with less than \$1 billion in assets. "The data speaks for itself," Romero Rainey writes. "Community banks were able to secure funds for the majority of their customers, and small businesses took notice." Read the blog

post: https://www.icba.org/news/blog-details/main-street-matters---advocacy/2020/05/07/survey-says-community-bankers-come-through?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=njOgU&zl=cLs52.

PPP Lending Tops \$185B

The SBA reported <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-11> that more than \$185 billion in loans have been approved during the PPP's second round as of 5 p.m. (Eastern time) Thursday. Lenders with less than \$10 billion in assets have made nearly \$59 billion in loans, while those with between \$10 billion and \$50 billion in assets account for more than \$28 billion. ICBA worked to ensure at least \$60 billion of the PPP funds were set aside for community financial institutions. Community banks may continue to submit loans to be funded by the remainder of the \$250 billion in general funds authorized for the second phase of the PPP. 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](#).

SBA: Over 40 Percent Of PPP Funds Still Available

The *Wall Street Journal* reports more than 40 percent of the replenished small business aid funds remain in the Paycheck Protection Program (PPP), according to data released by the Small Business Administration on Thursday, despite early warnings that the money would run out in a few days after the second round of funding became available April 27. Lenders and business experts say that reasons for the slowdown in demand include the Treasury Department's disqualification of public companies and the reluctance of small businesses to sign up for a program that doesn't match what they need or whose loan forgiveness terms remain unclear.

- Meanwhile, Reuters reports that despite a PPP requirement that borrowers certify they needed a loan to cover basic expenses, 41 publicly traded companies that received a loan through the program had enough cash to last at least two months even if they had no revenue, according to an analysis of the latest financial information for 276 publicly traded companies that applied for the loans in the first round of the PPP. The 41 companies received \$104 million in government aid in total, enough to give 1,300 small companies \$79,000 each, the average PPP grant in the second round.

Unemployment Rate Reaches 14.7 Percent

The U.S. economy shed a record 20.5 million jobs in April as the unemployment rate skyrocketed to 14.7% — more than quadrupling from the rate seen before the coronavirus outbreak — according to government data released Friday. The unemployment rate hasn't been in the double digits since October 2009. The highest unemployment rate since the Great Depression was 10.8% in 1982. Today's jobs report is by far the worst in history, highlighting the depth of the unprecedented toll the pandemic is having on the labor market. Because the report only captures data through mid-April, the current unemployment rate is almost certainly higher. 3.2 million Americans filed for unemployment last week, bringing the total number of jobless claims to roughly 33.5 million in the past seven weeks.

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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)**