

May 7, 2020 (Update #2)

To: New York Community Banks

This update includes information from the SBA on the PPP; Governor Cuomo on extending the moratorium on evictions; COVID-19's impact on consumer confidence; unemployment benefits in the state an increase in refinancing and the State Legislature's plan to return to Albany for Joint Hearings next week.

FROM THE SBA

Paycheck Protection Program Funds Still Available: Round Two Still Has Over \$100 Billion Available For Borrowers In Need

With over \$100 billion in PPP funds still available from Round 2, the U.S. Small Business Administration is encouraging upstate New York small businesses and nonprofits to apply for PPP loans to help provide them eight weeks of payroll and certain overhead to keep workers employed. Please see news release below for the rest of the story. Both [SBA Syracuse District Director Bernard J. Paprocki](#) and [SBA Regional Administrator Steve Bulger](#) are available for interviews opportunities on this topic. Please feel free to reach out concerning your request and time frame; I'd be pleased to make them available for any story you may be working on.

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

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Paycheck Protection Program Funds Still Available

Round Two still has over \$100 Billion for Borrowers in Need

NEW YORK, NY – Billions of dollars in potentially forgivable Payroll Protection Program (PPP) capital remains available to small businesses and nonprofits to help provide eight weeks of payroll and certain overhead to keep workers employed. PPP, created out by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, is responsible for infusing billions of dollars of capital into small businesses nationwide and saving jobs.

[The second round, which kicked off April 27, has awarded 2,378,057 loans worth \\$181,158,888,644 as of close of business on Tuesday, May 5.](#) More than 900K of those loans, worth \$57,296,660,188, were issued by small lenders. The average PPP loan size is currently \$76,000, a \$130,000 reduction from the Round One size, showing the dollars are further assisting mom & pops. SBA forgives the portion of Paycheck Protection loan proceeds used to cover the first eight weeks of payroll costs, rent, utilities, and mortgage interest. Loan payments may be deferred for one year, and is retroactive from February 15, 2020, so employers can rehire their recently laid-off employees through June 30, 2020.

“The Paycheck Protection Program is working. Small businesses are keeping their employees on payroll and earning salary,” **said SBA Atlantic Regional Administrator Steve Bulger** who oversees the federal agency’s operations in New York, New Jersey, Puerto Rico and the U.S. Virgin Islands. “For this federal program to work for you and your employees, I encourage you to submit an application through a PPP-participating bank, credit union, CDFI or online lender.”

Approved Lenders can be found using the SBA Lender Locator at www.sba.gov/ppp.

“Upstate New York small businesses have a lifeline in the Paycheck Protection Program. The funds loaned from your bank or lender will help pay your team’s salaries for 8 weeks and keep your venture intact and well-positioned to not only survive but succeed,” added **SBA Syracuse District Director Bernard J. Paprocki**. The SBA Syracuse District Office serves 34 upstate New York Counties from the

Hudson Valley and Capital Region to the Mohawk Valley, North Country, Finger Lakes and Southern Tier.

Loan forgiveness is based on the borrower maintaining or quickly rehiring employees while maintaining salaries and hours. PPP loans have a maturity of 2 years and an interest rate of 1%. A copy of the PPP borrower application form with all information the federal government requires a small business to provide can be found at: <https://www.sba.gov/document/sba-form-2483-paycheck-protection-program-borrower-application-form>.

(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).)

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“SBA slashes disaster-loan limit from \$2 million to \$150,000, shuts out nearly all new applicants,” by the Washington Post's Aaron Gregg and Erica Werner: “Congress gave the disaster loan program more than \$50 billion in new funding in recent relief bills to offer quick-turnaround loans to businesses slammed by the coronavirus pandemic. But by many accounts, it is failing spectacularly. “After initially telling businesses that individual disaster loans could be as high as \$2 million, SBA has now imposed a \$150,000 limit without publicly announcing the change, said people familiar with the situation who were not authorized to speak publicly. ... Additionally, the agency has faced a backlog of millions of applications for the disaster loan program for the past several weeks, several SBA officials have said. The SBA has been so overwhelmed by demand that it is now allowing only agricultural interests to submit applications, as it works through an enormous backlog. <https://www.washingtonpost.com>

Governor Cuomo Extends Moratorium On Evictions Through August 20

Governor Cuomo announced Thursday that he is extending the moratorium on evictions for those facing pandemic-related economic hardship for another 60 days, until Aug. 20. For much of the duration of the coronavirus crisis, tenant advocates have called for rent cancellation, and while Cuomo hasn't engaged with that possibility, he did announce additional measures for tenants, including banning late payment fees and allowing the use of security deposits to pay rent. As for what happens after Aug. 20: “Whatever happens, we will handle it at the time,” he said. **To view the Governor's full presentation from today, use the link provided.**

https://www.scribd.com/document/460352284/05-07-20-COVID19-Briefing-Deck?mc_cid=0033141ea6&mc_eid=4c28df7596

New York Has Paid Out More Than \$5.8 Billion In Unemployment Benefits During COVID-19

New York has paid out more than \$5.8 billion in unemployment benefits since the start of the COVID-19 pandemic — a sign the economic toll from the crisis is a deep and widening one. About 1.5 million New Yorkers are receiving benefits, and the Department of Labor on Wednesday said an additional 470,000 New Yorkers who did not receive their benefits because of certification errors have now been approved. The U.S. Department of Labor is expected to release its monthly jobs report for April on Friday that could show the unemployment rate as high as 20 percent.

Joint NYS Legislative Hearings Set For May 13 In Albany

Assembly Speaker Carl Heastie and Senate Majority Leader Andrea Stewart-Cousins announced the state Legislature will joint hearings – the first since the budget was finalized – on May 13, focusing on the economic impact of the pandemic on small businesses and farming areas across the state. https://nyassembly.gov/write/upload/publichearing/20200506.pdf?mc_cid=0033141ea6&mc_eid=4c28df7596. Speaker Heastie will also reportedly meet remotely with upstate Democratic Assembly Members Friday. Upstate lawmakers, who have assembled as an unofficial, informal caucus over the years, requested the meeting. One indicated they are seeking more regional flexibility in the state's approach to reopening the economy.

Refinancings Hit Seven-Year High

Mortgage originations for refinancing may hit a seven-year high this quarter as Americans chase the lowest home-loan rates ever recorded. Refi volume probably will total \$429 billion, more than double the \$180 billion of the year-ago quarter, according to a Fannie Mae forecast.

COVID-19's Impact On Consumer Confidence

Since the onset of the coronavirus pandemic, consumer confidence has shifted dramatically in all 50 states. However, the precise magnitude and nature of those shifts varies in important ways, and those nuances carry vast implications for policymakers, businesses, and other leaders as they seek to understand the unfolding crisis and respond effectively. The link below provides a report, based on Morning Consult Economic Intelligence data, that tracks state-by-state consumer sentiment since the beginning of the year. <https://outlook.office365.com/mail/inbox/id/AAQkADk4NjAyMTcwLTdkN2MtNDY5Yy1iNzhjLWZkZTAxYjFiOTFjYgAQAOGJUgc%2Foy9OvtoOqYpgbwA%3D>

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

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