

Wednesday, June 10, 2020

To: New York Community Banks

FROM ICBA

Tell Policymakers To Simplify PPP

ICBA is calling on [community bankers](#) and [small-business owners](#) to urge the Treasury Department and SBA to make the Paycheck Protection Program loan-forgiveness process less complex and onerous.

ICBA's Be Heard grassroots advocacy center allows [community bankers](#) and [small-business owners](#) to submit customized messages advocating a simpler application form, an online PPP loan-forgiveness calculator, a forgiveness presumption of compliance, and more.

ICBA this week [called on the agencies](#) to address the unnecessarily complex forgiveness process and provided its [recommendations](#) to the Senate Small Business Committee ahead of today's [hearing](#) on the PPP.

SBA Clarifies New PPP Loan Maturity

Paycheck Protection Program loans approved on or after June 5, 2020, will have a maturity of five years, the Small Business Administration said. The SBA said its E-Tran loan system has been updated to reflect the new maturity period implemented by the Paycheck Protection Program Flexibility Act of 2020.

Previously approved and funded loans with a two-year maturity may be extended if lenders and borrowers agree to a five-year maturity. The SBA said it is developing formal guidance on the changes.

To ensure receipt of PPP processing fees, the SBA also encouraged lenders to:

- Submit PPP 1502 reports according to the [SBA's Procedural Notice](#).
- Ensure ACH information (including routing transmittal number) is correctly reflected in the FTA Lender Portal.
- Check the 1502 Dashboard frequently for any errors that must be corrected.

Question-specific resources available to all PPP lenders include:

- Submitting 1502 reports: contact the FTA at info@colsonservices.com or 877-245-6159.
- Setting up CAFS account: email CLS@sba.gov.
- For other questions: email 7aQuestions@sba.gov.

Additional guidance and resources are available on [Treasury's PPP webpage](#) and ICBA's [COVID-19 resource center](#).

FROM WHITE HOUSE

The SBA issued a Paycheck Protection Program (PPP) Lending Operations Update:

1. **Clarification on 5 year maturity with Flexibility Act:** Based on the enactment of the Paycheck Protection Program Flexibility Act of 2020, the maturity of all loans approved on or after June 5, 2020 will be for 5 years. The SBA E-Tran loan system has been updated to reflect that all loans will automatically reflect the 5 year maturity when submitted and approved. Loans approved and/or funded prior to June 5, 2020 with the 2 year maturity may be extended by the lender and borrower mutually agreeing to a 5 year maturity. Formal guidance on the changes to the CARES Act are forthcoming from SBA.

2. **Tips to ensure your financial institution receives PPP processing fees:**
 - Submit your PPP 1502 report to SBA in accordance with [SBA Procedural Notice on 1502 reporting](#).
 - Ensure your ACH information (including routing transmittal number (RTN)) is correctly reflected in the FTA Lender Portal (*see the above Procedural Notice for instructions*).
 - Check the 1502 Dashboard frequently for any errors that must be corrected.
 3. **Question-specific resources available to all PPP lenders:**
 - Submitting 1502 reports: contact the FTA at info@colsonservices.com or at 877-245-6159
 - Setting up CAFS account: contact CLS@sba.gov
 - For other questions: please send an email to 7aQuestions@sba.gov
- [Top-line Overview of PPP](#)
 - [SBA Paycheck Protection Program Loan Report](#)
 - [SBA Paycheck Protection Program Loan Report Round 2 – Updated 6/6](#)

OTHER SOURCES/PRESS COVERAGE

"Following Messy Start, Enormous Paycheck Protection Program Shows Signs Of Buttressing Economy"

Once beset by a flood of complaints, balky computer systems, changed rules and frantic calls to the Treasury Department, the federal government's small-business Paycheck Protection Program is suddenly looking like a measured success. The U.S. economy buckled in March and April amid the coronavirus pandemic, but it appeared to regain some of its footing in May, adding 2.5 million jobs. https://www.washingtonpost.com/business/2020/06/09/how-effective-is-ppp-small-business/?mkt_tok=eyJpIjoiTUdVM1IXSm1aR1ptTVdOaiIsInQiOiJTN2k3cVg1UmxOU1d0dWIRUWZMWFhVN3JnWmo2R1hVTUFDK1JvZ1BnN05PdWhXTERpK2YwSEVQYIBTWkpob0NseIJMV2xuY3NFS2I1Smt6aWhIUmN6bU1cL1RFcUZFMdJpYnd0ekpzSW1hQUUyV1RwOWViNUxFMVE0N1c0dzd6eHlifQ%3D%3D

- Small Business Administrator Jovita Carranza was scheduled to make her first appearance on Capitol Hill since the SBA was tasked in March to distribute billions of dollars of aid to businesses reeling from the economic fallout of the coronavirus pandemic. Carranza was expected to join Treasury Secretary Mnuchin at a hearing convened by the Senate Small Business Committee on the Paycheck Protection Program (PPP), which distributed about \$511.4 billion in forgivable loans to roughly 4.5 million U.S. businesses as of June 6. (*Wall Street Journal*)
- Senate Democrats, meanwhile, are preparing to roll out new legislation today that would allow struggling small businesses to obtain another loan from the Paycheck Protection Program. The bill — which was shared with your Huddle host — is being spearheaded by Sens. Ben Cardin (D-Md.), Jeanne Shaheen (D-N.H.) and Chris Coons (D-Del.). “It’s become clear that many employers in vital sectors need more federal aid through the Paycheck Protection Program,” Coons said in a statement. “Only by aggressively targeting aid can we save our small businesses, the jobs they provide, and the Main Streets that make our communities proud.”(*Politico Huddle*)
- Related article: “Rubio went all-in on small-business program that has become the centerpiece of an economic-revival push,” by WaPo’s Erica Werner: <https://wapo.st/30zQ72O>.

Labor Secretary: Don't Extend Supplemental Unemployment Benefits In July

Labor Secretary Eugene Scalia said at a hearing before the Senate Finance Committee that he is against extending the \$600 a week in supplemental unemployment benefits when it expires in July benefits as lawmakers debate the next coronavirus relief bill. Scalia's comments come after a better-than-expected

May jobs report, and he said that in July the "opportunity for people to return to work will be far greater."
([The Wall Street Journal](#))

Over A Dozen States Are Recording Highest Averages Of New Cases

As the number of new coronavirus cases continues to increase worldwide, and more than a dozen states are recording their highest averages of new cases since the pandemic began, hospitalizations in at least nine states have been on the rise since Memorial Day, [The Washington Post reports](#).

Pandemic On Track As Worst Peacetime Recession In 100 Years?

The Organization for Economic Cooperation and Development said the coronavirus pandemic is on track to cause the worst peacetime recession in 100 years, with Laurence Boone, the chief economist for the OECD, saying that a V-shaped recovery will be difficult. A second wave of the virus would cause global growth to shrink by 7.6 percent in 2020, while the group expects the global economy to contract 6 percent if a second wave is avoided. ([CNBC](#))

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

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