

Tuesday, June 16, 2020

To: New York Community Banks

State-chartered institutions:

IBANYS has been contacted by the New York State Department of Financial Services, and informed that DFS is coming out with guidance for credit rating bureaus later today. The Department wanted to remind banks to review the guidelines for use of emergency codes during the COVID-19 pandemic. The guidance will be on the DFS website: www.dfs.ny.gov.

-- John

FROM ICBA

SBA: Redouble PPP Efforts Ahead Of June 30 Deadline

SBA Administrator [Jovita Carranza](#) [asked](#) Paycheck Protection Program lenders to redouble their efforts in the final weeks of the program to assist eligible borrowers in underserved and disadvantaged communities. June 30 is the deadline to obtain a PPP loan number. ICBA continues calling on [community bankers](#) and [small-business owners](#) to urge Treasury and SBA to enact additional reforms to simplify the PPP process, including a simpler form and presumption of compliance for loans of \$1 million or less. ICBA offers a [summary of the PPP reforms](#) signed into law June 5 that community banks can share with borrowers. It also offers [frequently asked questions](#) on PPP loan forgiveness and other elements of the federal COVID-19 response.

Questions on submitting 1502 reports can be directed to SBA's Fiscal and Transfer Agent, Colson Services Corp., at info@colsonservices.com or 877-245-6159. Additional guidance and resources are available on [Treasury's PPP webpage](#) and ICBA's [COVID-19 resource center](#).

ICBA PPP Briefing Available for Download

ICBA's latest Community Bank Briefing on the Paycheck Protection Program is available for download. The complimentary webinar focuses on the latest regulations from SBA, ICBA's continued advocacy on loan forgiveness, and more. [Download the recording](#).

Smaller Lenders Lead On PPP: SBA Data

Lenders under \$10 billion in assets have made some 2.29 million Paycheck Protection Program loans worth more than \$224 billion through both rounds of funding, the SBA reported. According to an [SBA summary](#) of loan approvals through June 12, lenders from \$10 billion to \$50 billion in assets made more than 710,000 loans worth nearly \$100 billion. Combined, the two asset classes account for more than 65 percent of approved loans and more than 63 percent of the approved dollar amount.

Fed Resuming Exam Activities For All Banks

The [Federal Reserve Board](#) said it will resume examination activities for all banks after previously announcing a reduced focus on exam activity due to the coronavirus response. The Fed said exams will continue to be conducted offsite until conditions improve and that it will continue working with banks to understand their specific circumstances.

Fed Proposes Extending Main Street Program To Nonprofits

The Federal Reserve Board [proposed](#) expanding its Main Street Lending Program to provide access to credit for nonprofit organizations. The Fed recently [expanded access](#) to the program for small and midsized businesses by lowering the minimum loan amount from \$500,000 to \$250,000, among other changes.

FHFA Reissuing Seller-Servicer Proposal

The Federal Housing Finance Agency [said](#) it will re-propose updated minimum financial eligibility requirements for Fannie Mae and Freddie Mac seller-servicers due to the COVID-19 emergency. The original proposal issued Jan. 31 will not be finalized and implemented this month as planned.

FROM THE SBA



U.S. Small Business
Administration

NEWS RELEASE

PRESS OFFICE

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SBA's Economic Injury Disaster Loans and Advance Program Reopened to All Eligible Small Businesses and Non-Profits Impacted by COVID-19 Pandemic

WASHINGTON – To further meet the needs of U.S. small businesses and non-profits, the U.S. Small Business Administration reopened the [Economic Injury Disaster Loan \(EIDL\) and EIDL Advance program portal](#) to all eligible applicants experiencing economic impacts due to COVID-19 today.

“The SBA is strongly committed to working around the clock, providing dedicated emergency assistance to the small businesses and non-profits that are facing economic disruption due to the COVID-19 impact. With the reopening of the EIDL assistance and EIDL Advance application portal to all new applicants, additional small businesses and non-profits will be able to receive these long-term, low interest loans and emergency grants – reducing the economic impacts for their businesses, employees and communities they support,” said SBA Administrator Jovita Carranza. “Since EIDL assistance due to the pandemic first became available to small businesses located in every state and territory, SBA has worked to provide the greatest amount of emergency economic relief possible. To meet the unprecedented need, the SBA has made numerous improvements to the application and loan closing process, including deploying new technology and automated tools.”

SBA's EIDL program offers long-term, low interest assistance for a small business or non-profit. These loans can provide vital economic support to help alleviate temporary loss of revenue. EIDL assistance can be used to cover payroll and inventory, pay debt or fund other expenses. Additionally, the EIDL Advance will provide up to \$10,000 (\$1,000 per employee) of emergency economic relief to businesses that are currently experiencing temporary difficulties, and these emergency grants do not have to be repaid.

SBA's COVID-19 Economic Injury Disaster Loan (EIDL) and EIDL Advance

- The SBA is offering low interest federal disaster loans for working capital to small businesses and non-profit organizations that are suffering substantial economic injury as a result of COVID-19 in all U.S. states, Washington D.C., and territories.
- These loans may be used to pay debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact, and that are not already covered by a Paycheck Protection Program loan. The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.

- To keep payments affordable for small businesses, SBA offers loans with long repayment terms, up to a maximum of 30 years. Plus, the first payment is deferred for one year.
- In addition, small businesses and non-profits may request, as part of their loan application, an EIDL Advance of up to \$10,000. The EIDL Advance is designed to provide emergency economic relief to businesses that are currently experiencing a temporary loss of revenue. This advance will not have to be repaid, and small businesses may receive an advance even if they are not approved for a loan.
- SBA's EIDL and EIDL Advance are just one piece of the expanded focus of the federal government's coordinated response.
- The SBA is also assisting small businesses and non-profits with access to the **federal forgivable** loan program, the [Paycheck Protection Program](#), which is currently accepting applications until June 30, 2020.

For additional information, please visit the SBA disaster assistance website at [SBA.gov/Disaster](https://www.sba.gov/disaster).

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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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