

To: New York Community Banks

This morning, Treasury announced that the Loan Forgiveness Application has been amended, and that an EZ version of the form has been released. Please see the links provided below.

[https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Instructions\\_1.pdf](https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Instructions_1.pdf)

<https://home.treasury.gov/system/files/136/PPP-Loan-Forgiveness-Application-Form-EZ-Instructions.pdf>

<https://home.treasury.gov/system/files/136/PPP-Forgiveness-Application-3508EZ.pdf>

<https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>

-- John

# # # # #

**FROM ICBA**

### **Community banks report \$4.8B in Q1 net income**

Community banks reported quarterly net income of \$4.8 billion in the first quarter, a 20.9 percent decrease from a year ago, the FDIC reported in its latest [Quarterly Banking Profile](#). Despite weakening economic conditions, community bank net operating revenue rose and loan growth held steady at 5.8 percent year-over-year. However, provision expenses grew to \$1.8 billion—three times the amount reported in first quarter 2019. And the decline in average yield on earning assets surpassed the decline in average funding costs, reducing average net interest margins by 12 basis points to 3.55 percent. Overall, the banking industry reported a 69.6 percent decline in net income from a year ago as deteriorating economic activity increased provision expenses and goodwill impairment charges. The average return-on-assets ratio fell from 1.35 percent to 0.38 percent over the past year. The number of banks on the “Problem Bank List” rose from 51 to 54, which remained near historic lows. The Deposit Insurance Fund balance rose \$2.9 billion from the previous quarter, though the reserve ratio declined 2 basis points due to the growth in estimated insured deposits.

### **ICBA continuing PPP push at House hearing**

ICBA today is calling on the House Small Business Committee to consider additional Paycheck Protection Program reforms to simplify loan forgiveness. Among its recommendations in a [written statement](#) for today's PPP [hearing](#), ICBA is advocating a simpler form and a presumption of compliance for loans of \$1 million or less. ICBA continues calling on [community bankers](#) and [small-business owners](#) to urge Treasury and SBA to enact additional reforms to simplify PPP loan forgiveness. It also offers a [summary of the PPP reforms](#) signed into law June 5 that community banks can share with borrowers as well as [frequently asked questions](#) on PPP loan forgiveness. Questions on submitting 1502 reports can be directed to SBA's Fiscal and Transfer Agent, Colson Services Corp., at [info@colsonservices.com](mailto: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](#).

### **Powell urges Main Street program participation**

Federal Reserve Chairman Jerome Powell told Congress that the Main Street Lending Program will be open to receive loans in a little over a week. Testifying before the [Senate Banking Committee](#) on the Fed's monetary policy report, Powell encouraged banks to make loans to eligible borrowers. The Fed recently lowered the minimum loan amount from \$500,000 to \$250,000 to expand access to the program, which is

designed to purchase 95 percent of each eligible submitted loan. Powell is scheduled to testify today at a House Financial Services Committee [virtual hearing](#).

**Fed Main Street Lending Program webinar tomorrow**

The Federal Reserve is scheduled to host a webinar at 3 p.m. (Eastern time) tomorrow, June 18, on the Main Street Lending Program. The webinar will focus on legal documentation associated with the program and provide time for questions. [Register online](#).

**CFPB issues FAQs on credit reporting**

The Consumer Financial Protection Bureau [issued guidance](#) on consumer reporting during the COVID-19 pandemic. The frequently asked questions address company responsibilities for furnishing information to consumer reporting agencies about consumers affected by the crisis. ICBA also offers [comprehensive FAQs](#) on the federal COVID-19 response.

**FROM THE WHITE HOUSE**

**Program Overview**

- [Top-line Overview of PPP](#)
- [SBA Paycheck Protection Program Loan Report](#)
- [SBA Paycheck Protection Program Loan Report Round 2](#) – Updated 6/14
- [Summary of Paycheck Protection Program Round 2 Data](#) – Updated 6/15

# # # # #

**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](mailto:Johnw@ibanys.net); 716.880.0518)
- Stephen W. Rice, Director, Communications & Government Relations ([Stever@ibanys.net](mailto:Stever@ibanys.net))