

Thursday, June 25, 2020

To: New York Community Banks

## FROM ICBA

### **ICBA Offers Congress Stimulus Recommendations**

As Congress considers the next legislative package to address the economic fallout from the COVID-19 pandemic, ICBA weighed in with recommendations to support local communities. "ICBA and the nation's community banks encourage Congress to include in the next COVID-19 relief bill provisions that will directly support local economies, starting with needed reforms to the current Paycheck Protection Program," ICBA President and CEO Rebeca Romero Rainey said.

In its [letter to congressional leaders](#), ICBA recommended Paycheck Protection Program reforms, bank capital and accounting relief, liability protection, tax relief, agricultural support, and more. Meanwhile, ICBA continues calling on [community bankers](#) and [small-business owners](#) to urge the Treasury Department and SBA to enact additional PPP simplifications.

(**NOTE:** We have attached the letter ICBA sent Wednesday to Senate Majority Leader Mitch McConnell, Senate Minority Leader Chuck Schumer, Speaker Nancy Pelosi, and House Minority Leader Kevin McCarthy. In it, ICBA presents recommendations that they urge Congress to take into consideration for inclusion for the next legislative package to address the fallout from the current pandemic on small businesses and jobs. These recommendations were developed in consultation with community bankers from across the country representing rural, suburban, and urban markets. As you know, community bankers have a critical stake in finding solutions that will help their communities survive the crisis and rebound strongly once restrictions are lifted.)

### **Romero Rainey: PPP Shines Positive Light On Community Banks**

The Paycheck Protection Program has cast a national light on the role of community banks in supporting small businesses, ICBA President and CEO Rebeca Romero Rainey writes in [Main Street Matters](#). The spotlight is directing the nation's attention to all that community banks stand for, such as meeting the needs of underserved communities, individuals of moderate means, and small businesses. "I encourage community banks to continue to share their successes and help raise awareness of the role they play as the cornerstone of community," Romero Rainey writes. [Read the post.](#)

### **SBA Revises PPP Restrictions For Applicants With Felonies**

The SBA issued a new Paycheck Protection Program [interim final rule](#) revising its recently updated eligibility guidelines for borrowers facing criminal charges. Newly revised [borrower](#) and [lender](#) application forms dated June 24 incorporate the changes. Among its provisions, the agency's June 12 interim final rule determined that applicants are ineligible if an owner with 20 percent or more in equity is subject to pending criminal charges. Wednesday's revised rule limits the restriction to pending criminal charges for felony offenses. The new rule also limits PPP ineligibility restrictions for individuals on probation or parole. Under the new policy, individuals whose probation or parole commenced within five years for financial felonies and one year for other felonies will be ineligible.

ICBA continues calling on [community bankers](#) and [small-business owners](#) to urge the Treasury Department and SBA to enact additional PPP simplifications, including a loan-forgiveness calculator and presumption of compliance for certain loans.

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](#).

## FROM THE WHITE HOUSE

### PPP Program Overview

- [Top-line Overview of PPP](#)
- [SBA Paycheck Protection Program Loan Report](#)
- [SBA Paycheck Protection Program Loan Report Round 2](#) – Updated 6/22
- [Summary of Paycheck Protection Program Round 2 Data](#) – Updated 6/24
- [Lender Application Form](#) – Updated 6/24

## FROM THE SBA

SBA and Treasury have released new policy updates to the PPP program. In particular, this rule updates and clarifies the forgiveness procedures from the PPP Flexibility Act and the new forgiveness forms. Please encourage borrower to READ this rule and the new forgiveness applications, and if you have questions, feel free to direct them to our office.

### Highlights from the Rule:

- Businesses may apply for forgiveness at any time during the Covered Period once they meet the requirement for forgiveness. They do not have to wait until the end of the 24 weeks.
- Clarifies the amount that Owners may pay themselves under the new Rule.
- FTE safe harbor for businesses that can document in good faith an inability to return to the same level of business activity as the borrower was operating at before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19 (COVID Requirements or Guidance).

**PPP Interim Final Rule - Revisions to Loan Forgiveness Interim Final Rule and SBA Loan Review Procedures Interim Final Rule:** <https://www.sba.gov/document/policy-guidance-ppp-interim-final-rule-revisions-loan-forgiveness-interim-final-rule-sba-loan-review-procedures>

**Loan Forgiveness Forms:** <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program#section-header-8> Dan Rickman

Dan Rickman, Deputy District Director/Upstate New York

**U.S. Small Business Administration**

(315) 471-9393

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