

Monday, July 20, 2020

To: New York Community Banks

## FROM ICBA

### **SBA planning PPP loan-forgiveness portal**

The SBA will soon release a portal to accept Paycheck Protection Program loan-forgiveness applications, Administrator Jovita Carranza told the House Small Business Committee. The SBA is working with the Treasury Department to offer the portal by the beginning of August, she said.

Also at the [hearing](#), Treasury Secretary Steven Mnuchin said Congress should consider automatically forgiving smaller PPP loans. ICBA strongly supports bipartisan legislation to forgive PPP loans under \$150,000, which is among ICBA's recommendations for the next economic stimulus legislation set for debate this week.

ICBA and 42 state community banking associations last week issued [specific recommendations](#) for the stimulus package. Community bankers can use ICBA's [Be Heard grassroots action center](#) to urge Congress to advance the policies, which include additional PPP reforms as well as capital, accounting, and tax relief.

### **Stats show community bank PPP impact: blog**

A recent report by the Institute for Local Self-Reliance shows how vital community banks have been to the COVID-19 response, ICBA President and CEO Rebeca Romero Rainey wrote in [Main Street Matters](#). The report found that nearly three times as many PPP loans were made per capita in the 10 states with the most community banks per capita. "In short, when there is a geographically stronger presence of community banks, more small businesses receive funds," Romero Rainey wrote. [Read the post](#).

## From Other Sources

- The White House is demanding a [payroll tax cut be included in the next coronavirus economic stimulus bill](#), as Senate Majority Leader McConnell prepares to reveal the legislation to serve as a starting point between Democratic and Republican lawmakers this week. Some Senate Republicans previously resisted the idea, White House economic adviser Stephen Moore said "high-ranking White House officials" told him that the White House could refuse to sign a final bill if it doesn't include a payroll tax cut.
- President Trump will begin discussions about a coronavirus relief package in "the trillion-dollar range" at the White House today with Senate Majority Leader Mitch McConnell (R-Ky.), Treasury Secretary Steven Mnuchin and other administration officials, including Mark Meadows, Trump's chief of staff. The talks will also include House Republican leader Kevin McCarthy ([Bloomberg](#))
- The Trump administration and Senate Republicans are looking at [tying tens of billions of dollars of school aid to incentives](#) or requirements to reopen in the fall, according to people involved in the talks. The aid may total between \$50 billion and \$100 billion for elementary and secondary schools, and \$20 billion to \$30 billion for higher education.
- Treasury Secretary Mnuchin told a House committee hearing on the CARES Act that the government should weigh the possibility of forgiving all small Paycheck Protection Program loans, which he said would also come with measures to prevent fraud. ([Washington Post](#))
- Politico reports that the banking industry is pressing Congress to convert millions of emergency small business loans into grants with minimal paperwork - an idea that some

lawmakers and watchdog groups warn could expose the government to massive fraud. [Fraud concerns loom over move to forgive small business loans](#)

- The Federal Reserve said nonprofit groups such as hospitals and universities will have access to the \$600 billion Main Street lending program. The nonprofits will have two loan options, and organizations with at least 10 employees, down from the previous threshold of 50, will be able to participate. ([Financial Times](#))

#### THE ECONOMY:

- [“U.S. Companies Lose Hope for Quick Rebound From Covid-19,”](#) (WSJ)“Big U.S. companies are deciding March and April moves won’t cut it. The fierce resurgence of Covid-19 cases and related business shutdowns are dashing hopes of a quick recovery, prompting businesses from airlines to restaurant chains to again shift their strategies and staffing or ramp up previous plans to do so. They are turning furloughs into permanent layoffs, de-emphasizing their core businesses and downsizing production indefinitely.
- ['Less Optimistic' and 'More Cautious': Top C.E.O.s Fret as Virus Cases Rise.](#) Many of the nation's business leaders are steeling themselves for a period of prolonged economic disruption and the prospect of a slow, halting recovery.

#### From New York

- It has all the makings of an end-of-session frenzy when state lawmakers return to Albany this week – mostly through virtual means from home or their offices – to take up hundreds of bills, although budgetary and fiscal issues likely will not be addressed, [The Buffalo News reports](#).

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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))**