

Wednesday, January 20, 2021

To: New York Community Banks

FROM ICBA

SBA issues PPP loan forgiveness materials

The SBA last night issued a series of Paycheck Protection Program loan forgiveness materials after the program fully reopened to all participating lenders Tuesday.

The materials include:

- [Interim Final Rule on Loan Forgiveness Requirements and Loan Review Procedures as Amended by Economic Aid Act](#)
- [PPP Loan Forgiveness Application Form 3508](#)
- [PPP Loan Forgiveness Application Form 3508EZ](#)
- [PPP Loan Forgiveness Application Form 3508S](#)
- [Borrower's Disclosure of Certain Controlling Interests](#)

Last night's issuance followed the release earlier Tuesday of a [Q&A on second-draw PPP loans](#) and a reminder that first-draw PPP loans under review may be delayed in getting a second-draw PPP loan number. Lenders experiencing issues inputting loans should call the lender hotline at 833-572-0502 or send SBA a message by selecting "New Message" on the "Inbox" located on the Forgiveness Platform.

Additional PPP resources and information are available here:

- The [SBA](#) and [Treasury](#) PPP pages.
- ICBA's [PPP and EIP News](#) page.
- The Independent Bankers Association of Texas's [matrix of PPP updates](#) in the stimulus law.
- [ICBA's summary](#) of the stimulus package's community banking provisions.

Blog: Community banks earn victories with stimulus advocacy

While community bankers have hit the ground running in 2021, it is worth reflecting on their success in achieving much-needed emergency provisions in the end-of-year stimulus package, ICBA's Paul Merski writes in [Main Street Matters](#). Merski's blog post recaps the ICBA-advocated provisions in the Economic Aid Act, community bankers' intense lobbying and grassroots outreach, and what's ahead in 2021. [Read the blog post.](#)

SBA: 60K PPP loans approved in first week

The [SBA said](#) it approved approximately 60,000 PPP loan applications submitted by nearly 3,000 lenders and worth more than \$5 billion during the program's first week of reopening. In a news release, the SBA said:

- First-draw PPP loans are for borrowers that did not receive a PPP loan before Aug. 8, 2020.
- Second-draw loans are for eligible small businesses with 300 employees or less that previously received a first-draw loan.
- The PPP remains open until March 31 or until funding is exhausted.

FHFA extends foreclosure, eviction moratoriums

The FHFA said Fannie Mae and Freddie Mac will [extend](#) the moratoriums on single-family foreclosures and real-estate-owned evictions from Jan. 31 until at least Feb. 28. The foreclosure moratorium applies to enterprise-backed, single-family mortgages. The REO eviction moratorium applies to properties that have been acquired by an enterprise through foreclosure or deed-in-lieu-of-foreclosure transactions.

Daily COVID-19 update from FS-ISAC: The daily coronavirus update distributed by the Financial Services Information Sharing and Analysis Center is available on ICBA's [Pandemic Response resource center](#).

FROM OTHER SOURCES

- President-Elect Biden today will sign dozens of executive orders after his inauguration, including extending a freeze on evictions through the end of March. He will also ask federal agencies to extend their foreclosure moratoriums on federally guaranteed mortgages and request that the Education Department consider extending a pause on interest and principal payments for federal student loans until Sept. 30. ([The Washington Post](#))
- In the first week of the relaunched Paycheck Protection Program, about 60,000 borrowers were approved for more than \$5 billion in loans, according to the Small Business Administration, with the first set of applications mostly handled by community and small lenders. The SBA carved out time for them to process the loans exclusively. In a signal that the loans were being approved for smaller businesses, an SBA spokesperson said that the average PPP loan was below \$20,000 for first-time borrowers and less than \$75,000 for second-time borrowers during the week. ([The Wall Street Journal](#))
- Treasury Secretary designate Janet Yellen invoked an enduring era of low interest rates to lawmakers in support of President-Elect Biden's \$1.9 trillion Covid-19 relief proposal. She told the Senate Finance Committee the slew of spending - from aid to small businesses and the unemployed to funding for state governments - was needed to fight the pandemic, while playing down concerns about the debt it creates. <https://www.bloomberg.com>
- The federal government is pressuring large lenders to go live this week with another round of a key federal pandemic loan program despite many unresolved issues, sparking an industry scramble to get lending platforms ready. The Paycheck Protection Program (PPP) reopens to large lenders on Tuesday, with many big banks including JPMorgan Chase & Co, Wells Fargo & Co and Bank of America, ready to start accepting applications, their representatives said.

FROM NEW YORK

- Governor Cuomo in his budget address Tuesday painted [two potential paths for this year's financial plan](#) — one to stability and regrowth if the federal government fills the \$15 billion budget gap he's projecting, and another to tax increases and generations of debt if Washington gives him a lesser \$6 billion. One of the biggest results of the latter would be a tax increase on those making more than \$5 million a year, which Cuomo has resisted but has now offered his own version of out of necessity. A host of other 'revenue actions' was proposed Tuesday, [including a new state and local sales tax](#) imposed on the vacation home rental industry.
- Governor Cuomo had one overriding message Tuesday as he delivered his annual budget address from New York's state Capitol: If Washington doesn't send New York \$15 billion as part of a pandemic relief package, he'll have no choice but to slash public payrolls, cut services and raise taxes on the rich. Cuomo argued that the state is uniquely entitled to those funds because the pandemic hit New York so hard last spring and was comparatively defenseless thanks to federal government "bungling." https://www.politico.com/states/new-york/albany/story/2021/01/19/cuomo-warns-of-tax-hikes-dire-cuts-if-feds-cant-find-15b-1358381?mkt_tok=eyJpIjoiWVdNek0yTmpPRE0wWW1VdyIsInQiOiJORjINTDUwRmJPSUJSQjc2bzROa3paRnJrMUK4M0dKdGVkVzhieGFzRVNVTIRoU2FWUDRGSnJ4TnBCOVU3UFg3YmVMdUlXajE2dGtRV1JGQTI5b3VBMlhaVUdrc3FDTm9wWXMrVXN1a2J5aFwwRk9yeFJVY0t0QnRidmJxamFSU1kifQ%3D%3D
- The Governor separately announced that the state has administered 79% of the first COVID vaccine dosages received from the federal government as Mayor de Blasio warned that the city could run out of its current stockpile by the end of the week. Statewide 835,875 people have received their first shot while 83,995 have gotten the two required doses. <https://webcache.googleusercontent.com/search?q=cache:26gxSRHwluUJ:https://www.ny>

[dailynews.com/coronavirus/ny-cuomo-covid-vaccine-hospitalization-20210119-qxnjrysnwnff5ppxsdnbv5lui-story.html+&cd=2&hl=en&ct=clnk&gl=us](https://www.dailynews.com/coronavirus/ny-cuomo-covid-vaccine-hospitalization-20210119-qxnjrysnwnff5ppxsdnbv5lui-story.html+&cd=2&hl=en&ct=clnk&gl=us)

- Governor Andrew Cuomo's budget proposal is drawing criticism from both sides of the aisle. [Read More](#)
- Governor Andrew M. Cuomo today updated New Yorkers on the state's progress during the ongoing COVID-19 pandemic. The number of New Yorkers hospitalized with COVID has climbed above 9,000 for the first time since early May. There were 9,236 patients hospitalized statewide, 1,614 patients in the ICU, 1,049 patients intubated, the statewide positivity rate was 7.06% and there were a total of 167 COVID-19 deaths in the state. For full detailed and a breakout of the data by area: <https://empirereportnewyork.com/governor-cuomo-updates-new-yorkers-on-states-progress-during-covid-19-pandemic-49/>
- Americans paused on Tuesday to recognize the 400,000 people who have died during the COVID-19 pandemic in the last 10 months. **The death toll is highest in New York, where 40,000 people have died. In New York City, there was a ceremony overlooking the Statute of Liberty.** [More here](#)
- The number of New Yorkers hospitalized with COVID-19 has climbed above 9,000 for the first time since early May as the nation has now suffered 400,000 COVID-related deaths since the pandemic began, [the Daily News reports.](#)
- New York City is on track to run out of COVID vaccine supplies starting Thursday, Mayor de Blasio said Tuesday. Without more doses, [the city would have to cancel vaccination appointments for Friday](#)

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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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