

Community Bankers Association of Illinois ACTION ALERT



CBAI ACTION ALERT: Urge Congress to Replenish Small Business Loan Fund (PPP)

April 16, 2020

The Community Bankers Association of Illinois (CBAI) joins with the Independent Community Bankers of America (ICBA) in calling on Illinois community bankers to urge their Members of Congress to replenish the Small Business Administration's (SBA) Paycheck Protection Program (PPP) loan fund. This morning the program reached its \$350 billion funding capacity. As a result, community banks will not be able to load applications into the SBA's CAFS System. There will be no queue for PPP applications, no new lender applications will be accepted, and lenders may not adjust loan amounts within the system.

This small business loan fund has been used by 4,600 lenders nationwide. In Illinois, 44,453 loans have been approved totaling \$12,503,648,850. Despite the frustrating roll-out of this SBA program, many Illinois community bankers' struggles payed off last week and they were able to access the SBA's technology and approve the guaranteed loans. These loans are an important lifeline for many thousands of small businesses in Illinois and the fund needs to be replenished by Congress.

Please urge Congress to reach a strong bipartisan agreement for an additional \$250 billion in funds for the PPP. Other important improvements should include:

- Dedicating 25 percent of program funds to community banks with \$50 billion or less in assets;
- More workable loan terms to ensure community banks are not expected to extend credit at rates that are below funding costs;
- More flexibility in the timing of loan disbursements to ensure the smooth flow of funds;
- Expanded PPP loan uses to help small business meet significant non-payroll expenses;
- A robust lender safe harbor to facilitate and speed loan processing; and
- Temporarily suspending "beneficial ownership" rules for applicants that are not current customers.

Please share this Action Alert with your board members and senior management. We need a strong response from Illinois community bankers. Thank you for responding!

TAKE ACTION NOW!

