



IN THE NEWS

SBA and Treasury Announce New EZ and Revised Full Forgiveness Applications for the Paycheck Protection Program

Today, the U.S. Small Business Administration (SBA), in consultation with the Department of the Treasury, posted a revised, borrower-friendly Paycheck Protection Program (PPP) loan forgiveness application implementing the PPP Flexibility Act of 2020, signed into law by President Trump on June 5, 2020. In addition to revising the full forgiveness application, SBA also published a new EZ version of the forgiveness application that applies to borrowers that:

- Are self-employed and have no employees; OR
- Did not reduce the salaries or wages of their employees by more than 25%, and did not reduce the number or hours of their employees; OR
- Experienced reductions in business activity as a result of health directives related to COVID-19, and did not reduce the salaries or wages of their employees by more than 25%.

The EZ application requires fewer calculations and less documentation for eligible borrowers. Details regarding the applicability of these provisions are available in the instructions to the new EZ application form.

Both applications give borrowers the option of using the original 8-week covered period (if their loan was made before June 5, 2020) or an extended 24-week covered period. These changes will result in a more efficient process and make it easier for businesses to realize full forgiveness of their PPP loan.

[EZ Forgiveness Application »](#)

[Full Forgiveness Application »](#)

Two PPP Loan Forgiveness Webinars Offered by IDFP and SBA

IDFP and SBA are offering two free webinars to discuss the forgiveness application process for PPP loans. One will be geared toward lenders and one toward borrowers. Please feel free to share the link with your customers if you think they would find it helpful. After the webinar, they will also share a link to the recordings for those who are unable to participate in the live version.

[Webinar for Borrowers »](#)

[Webinar for Lenders »](#)



Mnuchin Testifies on PPP as ICBA Grassroots Continue

Treasury Secretary Steven Mnuchin told Congress that Treasury and the SBA are developing new guidance and forms to simplify Paycheck Protection Program loan forgiveness. Testifying before the Senate Small Business Committee, Mnuchin also said the PPP reform law enacted last week will improve the process.

ICBA worked with committee senators to press Mnuchin on the forgiveness process and continues calling on community bankers and small-business owners to urge Treasury and SBA to make the process less complex.

The custom grassroots messages echo this week's ICBA statement for the Senate hearing and letter to the agencies advocating a simpler application form, online PPP loan-forgiveness calculator, forgiveness presumption of compliance, and more.

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Smaller Lenders Lead Both PPP Rounds: Data

Lenders under \$10 billion in assets have made more than 2.26 million Paycheck Protection Program loans worth more than \$224 billion through both rounds of funding, the Small Business Administration reported. According to an SBA summary of loan approvals through June 6, lenders from \$10 billion to \$50 billion in assets made more than 704,000 loans worth nearly \$100

billion. Combined, the two asset classes account for more than 65 percent of approved loans and more than 63 percent of the approved dollar amount.
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Four Grassroots Campaigns Take on Credit Unions

ICBA is calling on community bankers to act on several grassroots campaigns related to the authority and oversight of tax-exempt credit unions. Community bankers can use ICBA's Be Heard grassroots action center to:

- Urge the National Credit Union Administration to expand on its proposal to increase transparency of credit union acquisitions of community banks. [Click Here »](#)
- Oppose the NCUA's proposed rule that would allow the largest and most complex credit unions to issue subordinated debt as an alternative form of capital. [Click Here »](#)
- Call on Congress to hold a hearing on the spike in credit unions weaponizing their tax-exempt status to purchase taxpaying community banks. [Click Here »](#)
- Submit comments on credit union acquisitions of community banks, subordinated debt, and congressional oversight. [Read More »](#)

CBAI Urges FDIC to Revise Brokered Deposit Restrictions

In a June 8, 2020, comment letter, the Community Bankers Association of Illinois (CBAI) urged the Federal Deposit Insurance Corporation (FDIC) to ease its proposed brokered deposit restrictions. CBAI supports modernizing the FDIC's brokered deposit rule to reflect today's banking practices and evolving funding strategies. Community banks rely upon third-party service providers to help them originate deposits to serve their local communities and effectively compete with large and regional banks, credit unions and fintech providers. However, if the FDIC's proposal is adopted as currently written, it will severely impact community banks' ability to serve their customers and communities. CBAI identified the problems with the proposal and made detailed recommendations to solve each one, which if adopted, will benefit Illinois community banks.

[Read CBAI Comment Letter »](#)

Regulators Seek Community Bank Feedback

Community bankers are encouraged to participate in a survey from state and federal regulators on a range of topics for research purposes. Survey results will be presented during the 21st Century Research and Policy Conference and used to inform policymakers and researchers about the opportunities and challenges facing community banks. Responses are due by July 15, 2020.

[Take the Survey »](#)

BOOST PRODUCTIVITY. REDEFINE SUCCESS.

Delivering a frictionless experience for your customers is a top priority for your success. And that's why we'll continue to work behind the scenes to advocate for open standards that foster innovation and competition, and ensure interoperability in the payments industry.

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Fed Expands Main Street Lending Program

The Federal Reserve Board expanded its Main Street Lending Program to increase access to small and mid-sized businesses. Among its changes, the Fed lowered the minimum loan amount from \$500,000 to \$250,000, adjusted the principal repayment schedule to begin after two years, and extended the term to five years. The Fed encouraged lenders to register for the program, which is designed to purchase 95 percent of each eligible submitted loan.

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Fed Kicking Off FedNow Community

The Federal Reserve is scheduled to host an upcoming webinar kicking off its FedNow community. Scheduled for 2 p.m. (Eastern time) Wednesday, June 24, the webinar will provide an update on FedNow developments and cover objectives of the community. Bankers can register to join the community to receive an invitation.

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Banks Face Rising Unemployment Fraud

Officials are warning of a spike in fraud targeting state unemployment insurance programs amid a rise in claims. According to *American Banker*, banks are being inundated with attempts to deposit phony unemployment checks, though fraudsters are primarily using prepaid providers.

The Washington Post reported that overwhelmed state unemployment departments have approved fraudsters for unemployment benefits, while Krebs on Security said the Secret Service is alerting field offices.

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FHFA Extends Fannie, Freddie Loan Flexibilities

The Federal Housing Finance Agency extended several loan-origination flexibilities offered by Fannie Mae and Freddie Mac during the COVID-19 national emergency. Flexibilities extended until at least July 31 include:

- Alternative appraisals on purchase and rate term refinance loans.
- Alternative methods for verifying employment before loan closing.
- Expanding the use of power of attorney and remote online notarizations for loan closings.
- Authority to purchase mortgages in forbearance.

ICBA is updating its frequently asked questions on the federal response to COVID-19 with information on the extension.

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CBAI Foundation Scholarships for Children and Grandchildren of Community Bankers

The CBAI Foundation for Community Banking is proud to present three annual \$4,000 Scholarships endowed by: *SHAZAM®*, *Kasasa* and *Community BancService Corporation*. Eligible students are children and grandchildren of community bankers and students who work at our members' community banks. *(These students are not eligible for the original Foundation Scholarships).*

Your community bank can be eligible for all three with your support of the Foundation. These scholarships are for the children and grandchildren of CBAI member bank employees, directors, and officers of community banks with a tax-deductible one time contribution/pledge of at least \$2,500 to the Foundation. Part-time employees of the bank who are high school seniors are also eligible. The presentation of these scholarships will be held at the Annual Recognition Program during CBAI's 46th Annual Convention in Indianapolis, IN.

If you would like to know how your bank can become eligible for these scholarships, please view the form below or contact **Valerie Johnston** or **Bobbi Watson** . *Nominations must be received by Friday, August 14, 2020.*

[Download Nomination Form »](#)



CBAI Foundation Essay Contest Scholarship Winners Announced

The CBAI Foundation for Community Banking has selected its 2020 Annual Scholarship Program winners. The program offers \$21,000 to high-school seniors via an essay-writing contest; \$500 is also awarded to the first-place winner's high school. This year, 90 CBAI member banks representing 246 students participated in the contest, which is a **free CBAI member benefit** .

The first-place scholarship of \$1,000 each year for up to four years of higher education was awarded to **Luke Cowan** , sponsored by **Buckley State Bank** . His high school, **Paxton-Buckley-Loda High School**, received a \$500 award.

[Read Complete List of Winners »](#)

Post Your Bank’s Job Opening on CBAI’s Career Center

Do you have a job opening at your bank? Post your classified ad on CBAI's Career Center! This online resource allows you to view and post classifieds and is a free member benefit for CBAI member banks. Contact **Valerie Johnston** to post your ad today!

FBI: Hackers Targeting Mobile Banking Apps

The FBI said it expects cyber actors to increasingly target mobile banking apps as more Americans use them. The bureau warned of app-based banking trojans and fake banking apps. It offered tips, such as obtaining apps from trusted sources, enabling two-factor authentication, and using strong passwords and good password security.

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CBAI LEGAL: Court of Appeals Reverses Lower Court to Uphold Guaranty

A federal court's dismissal of a lawsuit to enforce a guaranty was reversed on appeal by the U.S. Court of Appeals for the Seventh Circuit.

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MORE UPCOMING EDUCATIONAL TRAINING

CBAI Offering New E-Classroom Seminar Series

Community Bankers Association of Illinois, in conjunction with Focused Results, is offering a new "E-Classroom Seminar Series!" Topics include: Getting Results from Digital Sales Calls, Digital Coaching in the Now Economy, Best Practices in Branch Delivery, and The Pandemic's Financial Impact on Each Generation. These seminars utilize ZOOM. Each ZOOM meeting is a private, invitation-only meeting that is password protected.

[Register Now »](#)

Community Bankers School Postponed Until July 2021

After careful consideration regarding the health and safety of our bankers, faculty and staff, CBAI has made the difficult decision to postpone the Community Bankers School. It will reconvene in July 2021.

[Read CBAI's Announcement »](#)

[VIEW CBAI's EVENTS CALENDAR HERE](#)

MORE NEWS FROM SERVICES

The Baker Group: Baker Market Update

Investors around the world are fearfully greeting the new week as concerns rise over the likelihood of a second wave of COVID-19 infections making the rounds. As efforts to restart the wheels of commerce progress, 20 states have reported rising numbers of new cases while news from China reveals that Beijing has been placed under lockdown. These renewed fears are being blamed for today's world-wide sell-off in equities and the corresponding rally in the U.S. Treasury market.

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Wolters Kluwer Webinar: Keeping a Focus on Compliance in the Face of COVID-19

We are living in a historical moment. What was unimaginable yesterday are today's lessons learned. The pandemic is creating broad groups of vulnerable people, and protective regulatory programs are being rolled out in response. Compliance officers are operating through remote workforces, disrupted client contact, and hastily assembled regulatory programs – all while anticipating the potential for eventual regulatory scrutiny. Join these experts on June 18, 2020, from 3-4 p.m. ET, as they share strategies for maintaining compliance in the face of pandemic-driven regulatory developments, with a focus on:

- Fairness in Servicing - Mortgages and Consumer Credit
- Paycheck Protection Program Considerations from a Compliance and Review Perspective
- Community Reinvestment Act - Capturing and Reporting COVID-Related Community Development Activities
- **[Register Here »](#)**

CBIS: Cyber Terms 101

There are many types of cybercrime that can impact your business, community bank or organization. Building a better vocabulary around cyber security can give you a stronger foundation to help mitigate its many risks. The more you know, the

better equipped you'll be to protect your data, employees, customers and bottom line. Here's a list of key terms to help you brush up on your cyber vocabulary.

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