



Community Bankers Association of Illinois

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U.S. House Passes and President Trump Signs \$2 trillion Coronavirus Relief Package

The United States House of Representatives passed the \$2 trillion coronavirus relief package early this afternoon. This massive bill provides relief to American workers, small businesses and hard-hit industries across the country. The House acted after the United State Senate passed the legislation 96-0.

There were several hours of debate with members from both parties expressing strong support for the bill. As the vote was being called, Congressman Thomas Massie (R-KY-4th) attempted to delay the process with several parliamentary maneuvers but was quickly and soundly defeated in his attempts. The passage was by voice vote, which proved the strong bipartisan support for this legislation as well as accommodated those House members who were unable to travel to participate in the debate and record their vote. President Trump signed the bill late this afternoon.

Some of the major provisions include: \$350 billion for small business loans; \$250 billion in unemployment insurance benefits; \$500 to the Treasury Exchange Stabilization Fund for loans, loans guarantees, and other investments for distressed business including \$25 billion for passenger air and \$4 billion for cargo air carriers; \$130 billion for hospitals; \$150 billion for state and local governments; and \$250 billion for direct payments to individuals. The direct payments will be in the form of an IRS rebate check of \$1,200 per individual (\$2,400 married) with an additional \$500 per child. All residents with an adjusted gross income of \$75,000 and below will receive the payments that will phase out \$5 per \$100 over \$75,000 and totally phase out for single incomes over \$99,000 (\$198,000 married), and \$146,500 for head of household with one child.

Obviously one of the biggest pieces of this package for community banks is the \$350 billion for small business "paycheck protection" loans through the SBA 7(a) program. The guarantee level is 100 percent through year-end 2020. Eligible borrowers include COVID19-affected businesses with fewer than 500 employees per physical location. The maximum loan size is \$10 million, and loan payments are deferred for at least six months but not more than a year. Loan proceeds used for up to eight weeks of payroll, mortgage interest, rent and utilities are forgiven and reimbursed to the lender by SBA, and the portion of the loan that is not forgiven has a term of 10 years. Borrower and lender fees are waived for this program, but the bill contains language that requires the administrator to reimburse lenders for processing the loans. The fees are five percent for loans of \$350,000 and under, three percent for loans between \$350,000 and \$2,000,000, and one percent for loans over \$2,000,000. The program will be available to all current 7(a) lenders as well as lenders that do not currently participate in the 7(a) program according to criteria to be established by the Secretary of the Treasury. Finally, instead of determining ability to repay, lenders must determine whether a business was operational on February 15, 2020, and paid salaries and payroll taxes for employees or paid an independent contractor.

Unfortunately, we are hearing that the SBA could take two to four weeks to release formal guidance regarding this program. CBAI and the ICBA will be pushing the SBA for an expedited timeline on these rules. [Summary of ICBA and CBAI Supported Relief Legislation Related to Community Banks »](#)

Executive Order Allows Temporary Remote Online Notarizations in Illinois

Governor JB Pritzker issued an executive order today directing the Secretary of State to implement procedures for remote online authorization of documents. According to the order:

Residents of Illinois must continue to make critical personal and business decisions and finalize planning documents that often require the services of a Notary Public or a witness, but pursuant to CDC guidelines, those important in-person interactions should be avoided to the greatest extent possible to prevent the spread of COVID-19... It is necessary and appropriate for the State of Illinois to immediately take measures to promote and secure the safety and protection of the people of the State in response to this COVID-19 outbreak while ensuring that all Illinois residents may continue to make vital personal and business decisions and finalize necessary documents.

CBAI appreciates this action by the Governor. We are working with the Illinois Land Title Association, Illinois Realtors, Illinois Bankers Association and Illinois Credit Union League to address this concern. The coalition continues to work with the Secretary of State's Office to implement the order. The Secretary of State has a resource page on this issue.

We still have outstanding concerns with several county recorder's offices closing and limiting access to title and document searches. While the Governor's previous stay at home order specifies that recorder's offices are essential government services, we have been informed by the administration that they are allowing counties to make individual decisions on whether to continue to provide services. This creates considerable concerns for community bankers who are being hampered in their ability to provide vital services to customers. If you are experiencing issues with your county recorder, please contact [Jerry Peck](#).

[Secretary of State Resources »](#)

[Governor Pritzker's Executive Order »](#)



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