



# Community Bankers Association of Illinois

*One Mission. Community Banks.®*

Good Afternoon Community Bankers,

The Treasury Department and Small Business Administration has answered some questions that many community banks have had and provides more guidance on authorizations, terms and conditions for the Paycheck Protection Program (PPP). ICBA President, Rebeca Romero Rainey, sent the following update this morning:

## **SBA Provides Guidance on PPP Authorizations, Terms and Conditions**

The Treasury Department and Small Business Administration just answered key questions ICBA has been asking about the **Paycheck Protection Program**. In overnight updates to the **agencies' PPP frequently asked questions**, the agencies confirmed the following:

- Lenders do not need to receive the usual separate SBA Loan Authorization document for the PPP loan in order for it to be guaranteed, though lenders must execute SBA Form 2484 (the PPP Lender Application form) for each PPP loan and receive a loan number for each originated PPP loan.
- Lenders may include in their promissory notes for PPP loans any terms and conditions, including those relating to amortization and disclosure, that are not inconsistent with Sections 1102 and 1106 of the CARES Act, the PPP interim final rule and guidance, and SBA Form 2484. (For example, the act, interim rule and Form 2484 specify the 1 percent interest rate, two-year maturity and six-month payment deferral.)

SBA has also launched an email address for questions at: [7aPaycheckLoanProgramQuestions@sba.gov](mailto:7aPaycheckLoanProgramQuestions@sba.gov). However, the auto reply notes that SBA might not be able to provide an individual response due to the high volume of inquiries and cannot answer E-Tran or Capital Access Financial System questions via that email address. E-Tran assistance questions should continue to be directed to the hotline 833-572-0502 or [cls@sba.gov](mailto:cls@sba.gov).

Further, SBA has clarified that E-Tran users should choose "PPP" from the drop-down menu. Do not choose "7(a)," which will apply a set of requirements that aren't relevant to PPP.

ICBA has added this latest information to **our own FAQs on the PPP** and other elements of the federal response to the COVID-19 outbreak, including details of the Federal Reserve's new liquidity facility for PPP loans. These latest updates follow PPP clarifications earlier this week related to promissory notes, disbursements, and loan forgiveness.

Nevertheless, key questions remain unanswered. ICBA continues to ask Treasury and the SBA to provide definitive guidance on whether banks can lend to their directors with eligible small businesses and when owner draws or distributions count as payroll costs.

ICBA will continue working to keep you informed of the latest developments. Thank you for your efforts to support local communities at this challenging time.

Sincerely,

Rebeca Romero Rainey  
President and CEO  
Independent Community Bankers of America



[CONTACT CBAI](#)