



Community Bankers Association of Illinois

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President Trump Signs Paycheck Protection Program Extension with Specific Allocation for Community Banks

President Donald J. Trump signed the bill to extend the Paycheck Protection Program (PPP) after the U.S. House of Representatives passed the bill yesterday afternoon. The legislation contains \$321 billion in new funds including an additional \$310 billion for PPP loan funding. The bill also includes an ICBA and CBAI advocated carveout for community banks to assure that these funds are not monopolized by the largest banks. A total of \$60 billion has been allocated as follows:

- \$30 billion for loans made by banks and credit unions that have assets between \$10 billion and \$50 billion.
- \$30 billion for loans made by community banks and credit unions with assets of less than \$10 billion.

The loan portals are expected to re-open soon (we've heard as early as today and as late as Monday) so that community banks can continue helping their small business customers. We will let you know as soon as we know when the portals will re-open. CBAI continues to urge prompt resolution of the existing operational failures and responses to unanswered questions after the problematic roll-out of the original round of funding for the PPP.

SBA Issued Updated Rules and FAQs

The SBA issued an additional supplemental interim rule and an additional FAQ on Thursday, April 23. [The newest FAQ, number 31, can be found here](#) .

The new interim rule does not answer questions we've been asking regarding how to report disbursements or how banks will receive fees, but they address the following issues:

- Is a hedge fund or private equity firm eligible for a PPP loan?
- Do the SBA affiliation rules prohibit a portfolio company of a private equity fund from being eligible for a PPP loan?
- Is a hospital owned by governmental entities eligible for a PPP loan?
- Are businesses that receive revenue from legal gaming eligible for a PPP Loan?
- Does participation in an employee stock ownership plan (ESOP) trigger application of the affiliation rules?
- Will I be approved for a PPP loan if my business is in bankruptcy?

The rule also provides a safe harbor for businesses who applied for a PPP loan in good faith, but did so based on a misunderstanding or misapplication of the required certification standard, as long as they pay back the loans before May 7. In other words, if a business certified a need for the funds when no need existed, they will be allowed to pay the loan back in good faith prior to May 7.

[See Interim Rule »](#)

SBA Webinar Provides Helpful Information

On Thursday, the SBA held a "How to Become a PPP Lender" webinar. Although this may not have been the most timely webinar, the SBA presenters did attempt to answer several outstanding questions. [Click here for the slide deck](#). The recording of the webinar will be on the SBA website, however, it is important to note that **we still need guidance from SBA/Treasury**. The presenters suggested how things may work, but they

recommend waiting for guidance, which we continue to request. While the call was helpful, clear-cut answers to the items below still remain to be seen:

- Expected Guidance for PPP Lenders
 - Loan Forgiveness Process
 - Disbursement Reporting and Lender Fees
 - PPP clarifications

Illinois Stay at Home Order to Be Extended Through May 30, Face Masks Will Be Required in Public Indoor Spaces

Governor JB Pritzker announced that he will extend his emergency stay at home executive order through the end of May. The order was first issued on March 21 and was previously extended through the end of April. The Governor said that he will review virus modeling in making decisions about future modifications or extensions of the order.

[See the Modified Stay at Home Order »](#)

Details released by the Governor's Office: The new executive order will include the following modifications, effective May 1:

OUTDOOR RECREATION: State parks will begin a phased re-opening under guidance from the Department of Natural Resources. Fishing and boating in groups of no more than two people will be permitted. A list of parks that will be open on May 1 and additional guidelines can be found on the Illinois Department of Natural Resources website. Golf will be permitted under strict safety guidelines provided by the Illinois Department of Commerce and Economic Opportunity (DCEO) and when ensuring that social distancing is followed.

NEW ESSENTIAL BUSINESSES: Greenhouses, garden centers and nurseries may re-open as essential businesses. These stores must follow social distancing requirements and must require that employees and customers wear a face covering. Animal grooming services may also re-open.

NON-ESSENTIAL RETAIL: Retail stores not designated as non-essential businesses and operations may re-open to fulfill telephone and online orders through pick-up outside the store and delivery.

FACE COVERINGS: Beginning on May 1, individuals will be required to wear a face-covering or a mask when in a public place where they can't maintain a six-foot social distance. Face-coverings will be required in public indoor spaces, such as stores. This new requirement applies to all individuals over the age of two who are able to medically tolerate a face-covering or a mask.

ESSENTIAL BUSINESSES AND MANUFACTURING: Essential businesses and manufacturers will be required to provide face-coverings to all employees who are not able to maintain six-feet of social distancing, as well as follow new requirements that maximize social distancing and prioritize the well-being of employees and customers. This will include occupancy limits for essential businesses and precautions such as staggering shifts and operating only essential lines for manufacturers.

SCHOOLS: Educational institutions may allow and establish procedures for pick-up of necessary supplies or student belongings. Dormitory move-outs must follow public health guidelines, including social distancing.

The Illinois Department of Public Health will also be issuing guidance to surgery centers and hospitals to allow for certain elective surgeries for non-life-threatening conditions, starting on May 1. Facilities will need to meet specific criteria, including proper PPE, ensuring enough overall space for COVID-19 patients remains available, and testing of elective surgery patients to ensure COVID-19 negative status.

CBAI Guidance During COVID-19 Crisis



CONTACT CBAI