



NEWS FROM THE FRONT- 4/27/2020

Court Issues Temporary Restraining Order on May 1 Extension of Emergency Stay at Home Order

A Clay County Circuit Court judge granted a temporary restraining order blocking the extension of Governor Pritzker's Stay at Home Order from taking effect on May 1. The current stay at home order that runs through April 30 is not affected. The order is in response to a lawsuit filed by State Representative Darin Bailey questioning the constitutionality of the Governor issuing continuous emergency orders. The Illinois constitution allows the Governor to issue an emergency order for 30 days. The General Assembly has not met or taken official action in over a month, leaving the Executive branch to set policy during the crisis.

The Governor's Office announced it will quickly appeal the ruling, so this issue is far from decided.

Governor Will Extend Stay at Home Order, Require Face Masks in Indoor Public Spaces

Governor JB Pritzker announced a new Executive Order, extending the state's "stay at home" order initiated on March 21 to May 31. The new executive order will allow for a phased-in reopening of state parks (campgrounds remain closed) and golf courses; greenhouses and garden centers, as well as dog groomers, to reopen as essential businesses; and retail stores to fulfill telephone and online orders. Beginning May 1, individuals must wear face masks in public indoor spaces; essential businesses and manufacturers must provide face masks to employees and establish occupancy limits, staggering shifts, and operate only essential lines for manufacturing.

Governor Pritzker believes the state may not see its peak of COVID-19 cases until mid-May and does not want the state to fully reopen until there are improvements in contact tracing, testing capacity, supply of personal protective equipment, and availability of treatment.

Illinois is operating under a Midwestern coalition with Michigan, Ohio, Wisconsin, Minnesota, Indiana, and Kentucky to coordinate reopening the economy.

Coordination does not necessarily mean that every state will take the same action at the same time. The four factors that will determine when best to reopen the economy will be:

- Sustained control of the rate of new infections and hospitalizations
- Enhanced ability to test and trace
- Sufficient health care capacity to handle resurgence
- Best practices for social distancing in the workplace.

CBAI has been in contact with IDFPR and the Governor's Office to ask for guidance on the requirement to

wear face masks indoors. We have asked the Governor to issue a specific carve out in the order that allows financial institutions to make their own rules about customers wearing face coverings, including requiring customers to temporarily remove face coverings for identification purposes.

[Click here to read the proposed Modified Executive Order](#)

Illinois Supreme Court Orders Limit to Freezes on Personal Bank Accounts

Last week Governor Pritzker issued an emergency executive order (2020-05) suspending new garnishment proceedings, wage deductions and citations to discover assets. In response, the Illinois Supreme Court ordered a limit to freezes on personal bank accounts for the duration of the Governor's executive order. The new court order directs financial institutions to release funds "in accordance with the direction from counsel for the judgement creditor sent by e-mail, United States mail, third-party commercial carrier, or personal delivery." The order doesn't absolve garnishees from filing answers with the court that should disclose the amount of money released as part of the order. The order doesn't absolve debtors of liability.

[Click here to read the Illinois Supreme Court Order](#)

State Pulls Back Workers' Compensation Rule for Front Line Essential Employees

Last week the Illinois Workers' Compensation Commission issued an emergency rule creating a rebuttable presumption that front line essential employees, including employees of financial institutions, who contacted the virus would automatically be assumed to have contracted the virus at work and be eligible for workers' compensation benefits. The Illinois Retail Merchants Association (IRMA) and Illinois Manufacturers' Association (IMA) filed a lawsuit on behalf of the greater employer community and were successful in getting a temporary restraining order issued by a Sangamon County judge. Following the court ruling, the Commission announced that they would withdraw the controversial rule. CBAI appreciates the efforts of IRMA and IMA on behalf of all Illinois' employers.

Illinois Treasurer Increases Disaster Loan Program to \$500 Million

Illinois Treasurer Mike Frerichs announced an additional \$250 million is being made available through the Small Business COVID 19 Relief Program to give banks additional liquidity to continue serving small business customers affected by the crisis. In the first month of the emergency program, the Treasurer's Office committed \$220 million of the original \$250 to 27 banks and credit unions. CBAI appreciates the collaborative effort of the Treasurer and his staff to provide needed resources to small business through this partnership with community bankers.

[Click here to read State Treasurer Frerichs' Press Release](#)

IDFPR Makes Suggestions on Stimulus Check Cashing for Non-Customers

State chartered financial institutions received the following suggestion from IDFPR on cashing federal stimulus check for non-customers:

In response to the fiscal strains that the COVID-19 Pandemic has placed on the country, the Federal government has authorized "Economic Impact Payments" also known as stimulus payments be made to qualifying individuals. While a number of these payments have been made by direct deposit, roughly 70 million Americans will receive their stimulus payment via paper check issued by the US Treasury.

The Illinois Department of Financial and Professional Regulation, Division of Banking is urging state-chartered banks to waive all check cashing fees for these stimulus checks and allow for check cashing, when possible, for non-customers. We will encourage all non-customers that are seeking to cash their stimulus check with a bank to call ahead of time to make sure they are following proper procedures and have the proper identification.

In this pivotal time of financial hardship, it is important to support those that are hit the hardest by this crisis. We appreciate Illinois banks stepping up to help in this moment of need.

CBAI has been informed by the Department that this is only a suggestion, not official guidance and does not carry the force of law.

CBAI Joins SBA in Outreach to Small Business Owners on PPP

CBAI's David Schroeder joined Bo Steiner of the SBA and Congressman Dan Lipinski on a webcast explaining the Paycheck Protection Program to small business owners in Illinois' 3rd Congressional district this past weekend. Schroeder highlighted the importance of community banks in small business lending and provided helpful suggestions for small businesses that were not able to access the PPP during the first round of funding. Steiner described the various SBA relief programs and their requirements. CBAI continues to work with public officials and our partners in the business and ag communities to help educate small business owners about relief efforts they can find at their community bank.

CBAI thanks Congressman Lipinski for hosting this information session, we will continue to work with the entire Illinois Congressional Delegation and the SBA to ensure relief benefits are appropriately designed and quickly delivered by community banks to benefit small business and their communities.

PPP Resources

Newly Released: [Treasury Interim Final Rule to Calculate Maximum Loan](#)

- [Amount for PPP Loans to Seasonal Employees](#)
 - [List of Participating SBA Lenders](#)
 - [Updated SBA FAQ April 26,2020](#)
 - [How to Calculate PPP Loan Amounts by Business Type](#)
 - [Guidance on Participation Sales for Paycheck Protection Program Loans](#)
 - [Treasury PPP Page](#)
 - [CBAI COVID-19 Resources](#)
 - [ICBA COVID-19 Community Banking Resources](#)
-

Notes from Washington DC

[FHFA Supports Small Business by Allowing Federal Home Loan Banks to Accept Paycheck Protection Program Loans as Collateral](#)

[Federal Reserve Board announces interim final rule to delete the six-per-month limit on convenient transfers from the "savings deposit" definition in Regulation D](#)

Notes from Springfield

The Illinois General Assembly cancelled session days for the week, still no word on when they plan to return to Springfield.

Governor Pritzker outlined the projection that the coronavirus pandemic will create a revenue shortfall of about \$7.3 billion over the next two fiscal years, including \$2.7 billion in the current FY20 and \$4.6 billion in FY21, beginning July 1, 2020.

Governor Pritzker closed Illinois schools for the remainder of the school year and students will finish the school year with distance learning.

Illinois secured an agreement with 20 private student loan services to provide relief for approximately 138,000 borrowers who were not covered under the federal CARES Act student loan relief program.



For more information, or if you have any questions or comments, please contact [Jerry Peck](#) or [Megan Peck](#) at 800/736-2224.