
From: Roberts, Jennifer [REDACTED]
To: Rosenberg, Jason M [REDACTED]; Scher, Peter L
Sent: 3/29/2020 8:51:53 PM
Subject: FW: PPP state of play as of last night

See note below from ABA.

[REDACTED] forwarded it.

I am very concerned about this statement:

Treasury would like for banks to go to their existing customer base as lenders will have all of the businesses information (payroll, etc).

They are assuming that "payroll" is an easy thing for us to verify. As we continue to state, we do not want to be in a position to verify anything.

In addition, small businesses often have more than one bank, so even if a customer has a relationship with us, we can't guarantee that we have the payroll.

I spoke to the tech guy at SBA and then our internal folks and we decided to ask him if he could meet this evening rather than tomorrow. (even though [REDACTED] thinks we should be able to fund the loan without the loan number, we know that the SBA is expecting we get the loan number). I texted him and asked if he would be amenable to a 15 min call this evening and his text said "Ok, I'm on a call with Treasury now, but will reach out when I am finished."

Bill Manger 15 minutes earlier told me he was going to be on a call with Mnuchin.

So... that validates the below in terms of Treasury taking the lead.

Just wanted you both to know what I am seeing and hearing.

Will brief you after the call with the tech guy.

From: Petno, Douglas B.
Sent: Sunday, March 29, 2020 3:03 PM
To: CBOC Working Group ; Roberts, Jennifer (CCB, USA)
Subject: FW: PPP state of play as of last night

From: [REDACTED]
Sent: Sunday, March 29, 2020 2:24 PM
To: Adams Jr., Richard M. [REDACTED]; Anderson, A. Scott [REDACTED]; Bentley, Stacey J. [REDACTED]; Camichael, Greg D. [REDACTED]; Castilla, Jill [REDACTED]; Cundiff, Luanne [REDACTED]; Deaton, Luther [REDACTED]; Jim Edwards [REDACTED]; Peter Gwaltney [REDACTED]; Hanes, Shan [REDACTED]; Howard Headlee [REDACTED]; Holoch, Kristie [REDACTED]; Hoskins, W. Wesley [REDACTED]; Howard Jaffe [REDACTED]; Jordan, D. Bryan [REDACTED]; Bryan Luke [REDACTED]; Packard, Matt C. [REDACTED]; Paige, Bradford C. [REDACTED]; Petno, Douglas B. [REDACTED]; Reuter, Jim [REDACTED]; Rieniets, James H. [REDACTED]; Robb, Daniel D. [REDACTED]; Rodeheaver, Carissa [REDACTED]; Scudder, Mike [REDACTED]

[REDACTED] Laurie Stewart [REDACTED] Jeffrey Szyperski
[REDACTED] Walker, Louise [REDACTED] Weigel, Patricia W.
[REDACTED] Yates, Daniel C. [REDACTED]

Subject: RE: PPP state of play as of last night

“Any FDIC bank, any credit union, any fintech lender will be authorized to make these loans” to a small business subject to certain approvals, Mnuchin said (on CBS news today)

IN US today there are :

5100 banks

5700 CUs

50 fintech lenders – I was just told by a marketplace lender

So approx. 11k lenders will be eligible to participate in the PPP – (subject to certain approvals)

The 350B will go quickly, I think.

From: Rob Nichols [REDACTED]

Sent: Saturday, March 28, 2020 2:49 PM

To: Adams Jr., Richard M. [REDACTED]; Anderson, A. Scott [REDACTED]
Bentley, Stacey J. [REDACTED]; Camichael, Greg D. [REDACTED]; Castilla, Jill
[REDACTED]; Cundiff, Luanne [REDACTED]; Deaton, Luther
[REDACTED]; Jim Edwards [REDACTED]; Peter Gwaltney [REDACTED]; Hanes,
Shan [REDACTED]; Howard Headlee [REDACTED]; Holoch, Kristie
[REDACTED]; Hoskins, W. Wesley [REDACTED]; Howard Jaffe
[REDACTED]; Jordan, D. Bryan [REDACTED]; Bryan Luke [REDACTED];
Packard, Matt C. [REDACTED]; Paige, Bradford C. [REDACTED]; Petno, Doug
[REDACTED]; Reuter, Jim [REDACTED]; Rieniets, James H.
[REDACTED]; Robb, Daniel D. [REDACTED]; Rodeheaver, Carissa
[REDACTED]; Scudder, Mike [REDACTED]; Laurie Stewart
[REDACTED]; Jeffrey Szyperski [REDACTED]; Walker, Louise
[REDACTED]; Weigel, Patricia W. [REDACTED]; Yates, Daniel C.

Subject: Re: PPP state of play as of last night

Just connected with the exec at treasury leading the PPP workstream - top line takeaways -

They are looking to make this simple for banks to implement, mindful of the potential for fraud. Their goal remains to have most forms and rules issued by Monday. Rules and processes for more complicated applicants may take a little while longer. They are still on track for banks to be ready to provide funding starting Friday they believe.

Rob

Rob Nichols
President and CEO
American Bankers Association
Sent from my iPad - please excuse autocorrect
Get [Outlook](#) for iOS

From: Rob Nichols

Sent: Saturday, March 28, 2020 1:09:40 PM

To: Adams Jr., Richard M. [REDACTED]; Anderson, A. Scott [REDACTED]
Bentley, Stacey J. [REDACTED]; Camichael, Greg D. [REDACTED]; Castilla, Jill
[REDACTED]; Cundiff, Luanne [REDACTED]; Deaton, Luther

[REDACTED]; Edwards, Jim [REDACTED]; Gwaltney, Peter [REDACTED];
Hanes, Shan [REDACTED]; Headlee, Howard M. [REDACTED]; Holoch, Kristie
[REDACTED]; Hoskins, W. Wesley [REDACTED]; Jaffe, Howard
[REDACTED]; Jordan, D. Bryan [REDACTED]; Luke, Bryan [REDACTED];
Packard, Matt C. [REDACTED]; Paige, Bradford C. [REDACTED]; Petno, Doug
[REDACTED]; Reuter, James A. [REDACTED]; Rieniets, James H.
[REDACTED]; Rob Nichols [REDACTED]; Robb, Daniel D. [REDACTED];
Rodeheaver, Carissa [REDACTED]; Scudder, Mike [REDACTED]; Stewart, Laurie
[REDACTED]; Szyperski, Jeff [REDACTED]; Walker, Louise
[REDACTED]; Weigel, Patricia W. [REDACTED]; Yates, Daniel C.

Subject: PPP state of play as of last night

Sat March 28 1:00pm

Board-

After intense negotiations, the House and Senate approved and the President signed into law the Coronavirus Aid, Relief and Economic Security Act (CARES Act). ABA was successful in advocating for some meaningful banking provisions that will help banks serve the needs of their customers during the crisis. While these provisions are meaningful, ABA spent and continues to expend a great deal of time working on the provision that significantly expands lending through the Small Business Administration (SBA).

As you may know, SBA in an average year provides between \$20-25 billion in loans. The CARES Act authorizes the SBA to lend \$350 billion through a new initiative, the Paycheck Protection Program (PPP). The program is intended to assist businesses, including 501c3s, impacted by COVID by providing 100% guaranteed 7(a) loans – SBA’s flagship lending program – to cover payroll costs, interest on mortgage payments, rent obligations, and utilities. Banks currently authorized to administer 7(a) loans, non 7(a) lenders and potentially non-banks are expected to be the primary delivery mechanism for the distribution of these loans.

Without question, this will be one of the most massive lending efforts this country has ever instituted for small businesses. Over the past week, ABA has held several conversations with SBA officials, Treasury, members of Congress, state associations, national banking trades and most importantly bankers to determine how the industry can be most helpful in administering this program as quickly, efficiently and in a safe and sound manner. You may be interested to know that on Thursday we held a webinar with SBA and over 3,700 bankers participated. What is apparent is lenders need unambiguous guidance if they are going to meet the Administration’s goal of delivering these loans to customers by the end of next week.

During our call yesterday with Treasury officials, we learned that Treasury has taken over the task of developing the guidelines and loan application. Although SBA will continue to play a significant role in this program, Treasury at the highest levels is committed to turning this process around quickly – the goal is within the next 24-72 hours. Their commitment is to have guidelines, which waive several traditional 7(a) loan requirements and that require minimum information from customers and a one-page loan application, available on SBA, Treasury and lender’s websites by early next week. Treasury would like for banks to go to their existing customer base as lenders will have all of the businesses information (payroll, etc). This will allow loans to move quickly.

Without question, this is a heavy lift for the Administration and SBA. Banks will be called on to play a significant role and many have expressed their desire to do so. We will continue to be actively involved in discussions with Treasury and SBA and will be certain to share information with you and all of our member banks. We have heard so many stories of how banks are helping their customers, particularly businesses customers during this difficult time. The Paycheck Protection Program can be another tool that banks can use to assist. Our goal is to ensure that banks can make these loans in a safe and sound manner.

Things are moving very quickly here right now – but we will keep you posted as developments warrant.

As an aside, I think it’s probable the 350B is used very quickly (Treasury anticipates this too) and in that scenario we expect Congress will appropriate more funds for the PPP.

Rob

PS – the US chamber did a handy guide that summarizes what we know to date about PPP – they did nice job and I attached it.

Rob Nichols
President and CEO
American Bankers Association

Go to <http://www.aba.com/coronavirus> for a comprehensive range of resources to assist banks as they respond to COVID-19. The page is regularly updated to include the latest guidance from financial regulatory agencies and public health authorities. It also includes business continuity recommendations as well as guidance on how to communicate with employees, customers and the public.