

AS SBA'S PAYCHECK PROTECTION PROGRAM BEGINS TODAY DEPARTMENT OF BANKING AND STATE'S BANKS URGE PATIENCE

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THURSDAY, APRIL 2, 2020—The CARES Act's Paycheck Protection Program (PPP), administered by the Small Business Administration (SBA), begins today for small businesses, and next week for independent contractors. The Department of Banking and the Connecticut Bankers Association are urging patience among business borrowers who will be seeking loans through the PPP.

Commissioner of Banking Jorge Perez said, "The participating banks will be helping any businesses or person to access the program, and we are reminding people that this is a brand new program that is literally still under development as of today, by the U.S. Treasury Department and Small Business Administration (SBA). While it may take a bit longer than customers may anticipate, we expect that each customer will receive equal and careful treatment to process their loan application under the PPP." Commissioner Perez added, "We want to make sure this is done right and the people get the help they need. Everyone who needs access to the PPP should check with their bank for information on when they will begin accepting applications. We expect a very busy first day tomorrow and just want everyone to be aware of the fact that it may take a few days for the SBA program to be fully capable of processing the expected volume of applications. We urge your patience."

Under the CARES Act, the \$2.2 trillion stimulus package approved by Congress and signed into law by President Trump late last week, the PPP authorizes up to \$349 billion in SBA U.S. Government-guaranteed loans to small businesses and contractors to pay their employees and other key expenses during the COVID-19 crisis. The loans can be accessed through a participating SBA lender and loan terms will be the same for all businesses. There is also a loan forgiveness feature that is still being clarified.

"We're just getting started, and our banks will be there for you," Connecticut Bankers Association President & CEO Tom Mongellow said today. "Many banks will be ready to accept applications from small business owners tomorrow when the program begins, but we do expect that nationwide, there will be an overwhelming number of applications, which may tax the SBA's system, especially given the newness of this massive and critical program. That is why we are simply asking for patience from our customers—as we are all in this together."

"We'd also like to point out that businesses and people should not apply at multiple banks, as the system will only allow one loan per tax payer. And, if your business doesn't need a PPP loan right now, please leave the system open for those businesses and their employees that do have a need" Mr. Mongellow added.

Businesses interested in the PPP should closely review the information and application form for borrowers on the U.S. Treasury Department's website before contacting your bank. This will help you to identify the documents you will need to collect and present to your bank. Those resources can be found on the Treasury Department's website here:

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>.