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Rhode Island Banks Committed to Helping Small Businesses, Advise Patience with Paycheck Protection Program Loan Process

April 4, 2020 (Providence, Rhode Island) The Rhode Island Bankers Association announced today that banks throughout Rhode Island are working around the clock to help their small business customers during the Coronavirus pandemic. Institutions across Rhode Island are working with their customers to modify loans, waive fees and provide other relief to small business owners and their employees.

Now, local banks are working diligently to implement the new Paycheck Protection Program (PPP), which was signed into law as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act just last Friday. The PPP makes \$350 billion in fully forgivable loans available to small businesses affected by the pandemic, provided the borrower meets the SBA guidelines. Funds may be used for payroll costs, mortgage interest payments, rent and utilities, however, at least 75% of the PPP funds shall be used for payroll costs in order for the loan to be forgiven.

The program launched Friday, April 3rd, however the US Department of the Treasury and the Small Business Administration (SBA) released additional guidance for banks and an updated application for borrowers as late as Thursday night and additional clarifications from the federal government are expected in the coming days.

Due to the evolving nature of this massive government program, the launch may take longer to implement for those institutions that are not already SBA-approved lenders. Rhode Island business owners are asked to be patient as banks execute this unprecedented new loan program in only seven days.

"Rhode Island's banks have been working around the clock to digest and implement the Payment Protection Program since the CARES Act was passed a week ago," said Gregory Derderian, Rhode Island Bankers Association President. "As with all new programs, the PPP's launch will likely have challenges, but will become easier in the days ahead. We ask for your patience during this time. If your bank seeks additional information from you, please respond back to them as quickly as possible."

"Rhode Island banks have been assisting local businesses since the start of the extraordinary Coronavirus pandemic. We ask for understanding as Rhode Island banks take on the monumental task of getting the program ready so that funds may be distributed as expeditiously as possible in the coming weeks to Rhode Island's small businesses," said Patricia Octeau, RIBA Executive Director.

Business owners wishing to apply should review the information available at: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>. Borrowers will need payroll records for the past year, Tax ID numbers, and information on each individual with more than a 20 percent ownership stake in the company.

About the Rhode Island Bankers Association

Since 1915, the Rhode Island Bankers Association has served its member banks as the voice of the banking industry in Rhode Island. Currently, the RIBA has 23 members, consisting of community, regional and national money center institutions with aggregate deposits totaling more than \$34 billion and employing over 10,000 Rhode Islanders. RIBA member banks and their employees together have contributed \$6.8 million to local 501(c)3 organizations, \$1.7 million to United Way of Rhode Island and bank employees have volunteered over 117,000 hours of service in the community. More information is available at www.ribankers.com.

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