



Supporting Small Businesses, Driving Our Nation's Economic Recovery Forward

A Communications Toolkit

Nation's Leading Banks Lift Up Consumers & Small Businesses, Drive Economic Recovery



Leading banks, in coordination with the SBA, helped build the infrastructure to facilitate the Paycheck Protection Program (PPP) and ensure its success, working around the clock to submit applications.

The Paycheck Protection Program: Saving Jobs, Supporting the Backbone of the American Economy.

Banks created the PPP framework in a matter of days. Within 2 weeks of its launch, banks issued

 **30 YEARS** worth of SBA loans, totalling more than **\$342B**

Within its first 4 months, PPP covered more than



80% of eligible U.S. small business employment, supporting



51M JOBS

Nation's Leading Banks Moved Heaven & Earth to Make the Paycheck Protection Program a Reality.

CHASE 

BANK OF AMERICA 

PNC 

TRUIST 

WELLS FARGO

TD Bank

America's Most Convenient Bank®

KeyBank 

usbank

M&T Bank

Huntington
Welcome.

FIFTH THIRD BANK

BMO Harris Bank

Citizens Bank

In total, leading banks provided

 **MORE THAN HALF OF PPP FUNDS** or **\$405B**

and extended

4.1M LOANS

In 2020

13 out of the **15** top lenders were CBA members.

The average PPP loan from leading banks was

\$100K



More than **99%** of PPP loan value has been forgiven for businesses that completed the forgiveness process.

Over the past year, banks navigated

132



rule changes, procedural notices, form revisions, & FAQ's from the SBA.

Here's how banks overcame enormous obstacles to save millions of small businesses.

Immediately following the passage of historic and bipartisan legislative packages, bankers worked day and night to implement new federal programs to deliver emergency relief to the American people. The banking industry, in coordination with the Small Business Administration, built the infrastructure to facilitate the Paycheck Protection Program, which was intended to keep employees on payroll and help employers cover rent, utilities, and other operating costs.

Even at the onset of the crisis, the stakes could not have been higher. The week before the PPP launched, 6.6 million Americans had filed for unemployment benefits. America's small businesses and their employees were in need of a lifeline – and that lifeline was an entirely new, untested program. Although there were significant challenges in the initial implementation and execution of the PPP, bankers ultimately provided over 4.8 million small businesses the support they needed in just the first 90 days of the program's launch. Many of the nation's

MARCH 2020

MARCH 27 | The CARES Act is signed into law, allocating \$349B to PPP.



MARCH 31 | Treasury Secretary Steven Mnuchin says the SBA & Treasury expects the PPP to be “up and running by April 3.”

APRIL 2020

APRIL 2 | The evening prior to PPP's launch, SBA issues the 1st interim final rule & PPP borrower & lender applications.

APRIL 3 | PPP opens. Banks seek clarity on lender obligations, hold harmless, & BSA requirements. By 5PM ET, 11,400 loans were processed by 875 institutions, totaling \$3.6B. Lenders report issues with SBA's E-TRAN system.

APRIL 9 | By 2:30PM ET, reports indicate 480K+ PPP loans made for more than \$124B. Lenders get mixed info about promissory note language or authorizations and still await details. Banks await SBA loan authorization docs. E-TRAN delays cause major issues for lenders. Small businesses fear funds will deplete.

APRIL 10 | PPP opens to independent contractors & self-employed.

APRIL 13 | Banks shift significant resources, focusing nearly half of workforce on PPP application processing. As major E-TRAN issues persist, the system goes down preventing loan processing for the day.



APRIL 16 | 1.6M+ loans, worth \$342B+

APRIL 17 | PPP halted as funds are depleted.

APRIL 18 | The Paycheck Protection & Healthcare Enhancement Act is signed, adding \$484B to the PPP. SBA Administrator Jovita Carranza & Sec. Mnuchin announce PPP will resume April 27.

leading banks reallocated significant internal resources to administer the program, in some cases more than 70%, with nearly every banker – including bank CEOs – working around the clock to process applications and deliver much-needed assistance.

The program closed on August 8, 2020, and did not reopen for the remainder of the year. The SBA and lenders shifted their focus towards implementing the daunting task of forgiveness for the 4.8 million PPP borrowers. As economic conditions worsened at the end of 2020, the PPP was reauthorized, and a Second Draw PPP loan was established for those small businesses most severely impacted by the pandemic. Over the course of a year, lenders and borrowers navigated 132 different rule changes, procedural notices, form revisions, and FAQs from the SBA. Nevertheless, through the PPP, more than 10.7 million loans were distributed, totaling \$780 billion in economic relief for employees and employers across the country.



MAY 2020

JUNE 2020

APRIL 27 | At 10:30AM ET, PPP reopens. Within minutes, E-TRAN yields widespread system issues, leaving lenders unable to process loans. SBA lowers batch numbers as banks work through the night to process loans amid E-TRAN challenges.



APRIL 28 | 2.1M+ loans, worth \$394B+

MAY 15 | SBA releases a PPP loan forgiveness application after the safe harbor expires, indicating it will soon publish guidance.



MAY 16 | 4.3M+ loans, worth \$511B+

MAY 21 | SBA issues long awaited Procedural Notice - Protection Program Lender Processing Fee Payment and 1502 Reporting Process.

JUNE 5 | The Paycheck Protection Program Flexibility Act was signed into law, which significantly altered the parameters of the program, including an extension of the loan term to 5 years on new loans, a reduction in the payroll ratio requirement on usage of funds from 75/25 to 60/40, and a lengthening of the covered period to use funds from 8-weeks to 24-weeks.



JUNE 6 | 4.5M+ loans, worth \$513B+



JUNE 20 | 4.6M+ loans, worth \$514B+

JUNE 30 | The Senate passed S. 4116, extending the PPP deadline to August 8, 2020. The bill would go on to pass the House the next day, and be signed into law by President Trump on July 4.



JUNE 30 | 4.8M+ loans, worth \$521B+

In a Time of Crisis, Bankers Stepped Up to Serve

When a deadly global pandemic hit our communities, bankers worked day and night to implement new federal programs to deliver emergency relief directly to the American people. This commitment was felt in every community across the nation. When the country shut down, bankers went to work.



Truist CEO sees ‘intensifying’ crisis, bank doubles pandemic donations to \$50 million

Charlotte Observer | May 20, 2020

Bank of America Awards Housing Commission \$100,000 for COVID-19 Relief

Times of San Diego | August 25, 2020

Behind PNC’s \$88 billion commitment to invest in communities

American Banker | April 28, 2021

Retail bank efforts to increase customer communication, introduce customer relief and community support efforts and deliver strong digital banking services have helped them score high marks for customer satisfaction in a very challenging year.

J.D. Power 2021 U.S. Retail Banking Satisfaction Study | March 27, 2021

Wells Fargo donates \$13 million to six Bay Area nonprofits helping small businesses survive the pandemic

San Francisco Chronicle | April 28, 2021

Citi Donates \$100M to Covid-19 Relief

Banking Exchange | April 28, 2021

JPMorgan Chase makes \$30 billion commitment to help close America’s racial wealth gap

CNBC | October 28, 2020

In response to COVID-19, Bank of America is offering deferrals on home loans, auto loans, and credit cards

Business Insider | April 7, 2020

Dayton bank [PNC], Ohio nonprofit team up to provide \$10 million to Ohio businesses

Dayton Daily News | March 9, 2021

Federal PPP loan have saved 2.7 million city jobs, report says

Crain’s New York Business | April 9, 2021

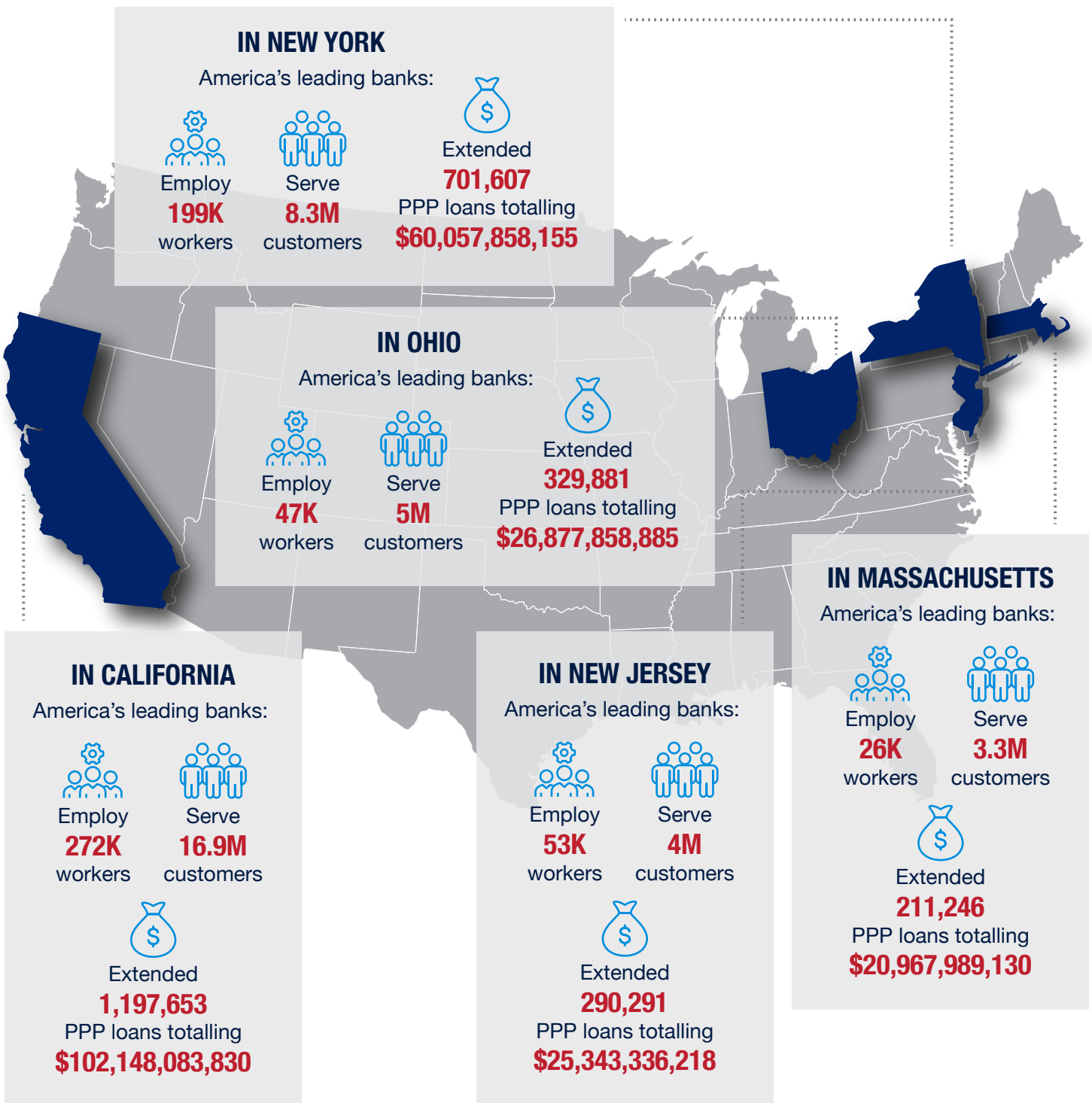
Wells Fargo rolls out waivers, aid in response to coronavirus outbreak

Reuters | March 20, 2020

By The Numbers

At a Glance: How Banks Support Jobs Across the Country

The nation's leading banks account for 1.7 million jobs in America, extend roughly \$4 trillion in consumer loans and provide \$275 billion in small business loans annually. Over the past year, banks helped build the infrastructure to facilitate the Paycheck Protection Program. Through the PPP, lenders distributed more than 10 million forgivable loans totaling over \$780 billion to small businesses in need.



Small Businesses Share How Nation's Leading Banks Helped Keep Doors Open, Save Jobs



Bankers moved heaven and earth to distribute PPP loans to small businesses across America, distributing 30 years' worth of funds in just the first two weeks of operation, totaling more than \$342 billion. The program ultimately saved millions of jobs and helped employees put food on the table for their families during a time of great economic uncertainty.

IN NEW JERSEY



A South Jersey bakery is putting hoagie-roll makers back to work thanks to a coronavirus PPP loan

The Philadelphia Inquirer | April 14, 2020

“We like to say that banks are these places that give you umbrellas when it stops raining,’ [Charles ‘Chad’ Vilotti, a partner at Liscio’s Italian Bakery Inc. in Glassboro] joked after the bank wired the loan proceeds into Liscio’s account late last week so he could start calling back laid-off workers. But with this taxpayer-backed program, the bakery’s longtime bankers at TD Bank ‘gave us an umbrella, almost at the first sign of rain.’”

IN CALIFORNIA



PPP Loan saved Mission District tavern from going under amid coronavirus

KRON, San Francisco | May 4, 2020

“Getting the PPP loan mid-April was like oh god, thank god, thank god. [...] We brought back all of our full-time employees which felt great to be able to say, ‘hey I can pay you! Thank god I can pay you!’”

IN MASSACHUSETTS



Boston business relies on bank to keep them afloat

Boston 25 News | April 27, 2020

“Chris Stoddard, owner of Lucky Finn Cafe in Massachusetts said the PPP loan was critical in keeping his business open. Without the relationship his restaurant had with a local bank the relief they received would not have been possible: ‘What I realized pretty quickly is the only way to submit a PPP application was going to be through the relationship that existed already.’”

IN OHIO



Central Ohio business shares how PPP loans kept their employees around

10 WBNS Columbus | March 10, 2021

“Idefanso Bravo works at Dos Hermanos, a Mexican restaurant in central Ohio. When COVID-19 hit, he was let go from his job. ‘I have two kids. You’re waiting for the paycheck every week because you need to pay rent, you need to pay for food,’ said Bravo. Thanks to a PPP loan, he was able to come back to work. Lisa Gutierrez, Owner of Dos Hermanos used 80% of the funds to bring back her workers, including Bravo, saying ‘it’s a much easier, better phone call to tell people it’s time to come back. Without it, I don’t even know if we would’ve survived.’”

IN NEW YORK



PPP loan was like a 'gift from God' for Cheektowaga biz

Buffalo Business First | June 2, 2020

“Joyce DeLong’s business went from surging to sagging in March as the shadow of the coronavirus reached the Western New York economy. She immediately laid off her four employees, and she and her husband hunkered down to try and save the business, Allegra Marketing and Print, on Union Road in Cheektowaga[...] Allegra was approved for a Paycheck Protection Program loan through KeyBank on April 14 and brought back its employees. [...] The company’s business trickled back in, and it is now at about 70% of its previous volume.”

America's Leading Banks Help Fuel Job Growth & Ignite Our Economy



When COVID-19 hit our communities, millions of small business owners were forced to implement staffing changes or shutter their operations altogether at no fault of their own. Fortunately, through the Paycheck Protection Program (PPP), **112 of the nation's leading banks** were able to administer more than **4 million loans** worth more than **\$405 billion** – more than half the total dollar amount lent through the program – helping drive our economic recovery forward and ensure small businesses could keep their doors open, their lights on, and employees on the payroll.

Earlier this month, SBA confirmed most funding allocated for PPP has now been exhausted. Consumer Bankers Association CEO Richard Hunt released a statement in response, touting the remarkable role that banks played to administer this federal relief program:

“Over the past year, banks across the country have moved heaven and earth to support the American people. In coordination with the SBA, banks worked around the clock to stand up an entirely new government program designed to provide relief to small businesses amidst unprecedented economic headwinds.”

Now, American economy is on a path to recovery and new data suggests economic growth will be sustained in the months ahead:

Earlier this month, the Commerce Department reported U.S. GDP grew by **6.4%** during the first quarter, the best performance since 1984.

Rising consumer optimism, continued federal stimulus, and ample job openings are fueling a red-hot economy.

Further, while the pandemic brought challenges, America's small businesses are poised for growth. In a new report released by TD Bank, small business owners report they are doing better than expected as the economy continues to gain steam:

- **41%** of small business owners expect to grow their revenue in 2021 while only **9%** anticipate a decline.
- **57%** of small businesses expect to expand hours and/or operations.
- **37%** of small businesses are considering expanding product lines and services to grow business revenue or increase profits.

Throughout the last year, the strength of our financial system and America's leading banks was critical to sustaining our economy and helping small businesses not only survive, but thrive:

- As FDIC Chair McWilliams recently said at the CBA Washington Forum, banks "served as a vehicle to [economic] recovery."

- The nation's leading banks entered the pandemic from a position of strength, and as OCC Acting Comptroller Paulson stated at CBA's Washington Forum, "The performance you've seen out of banks over the last year during this pandemic is proof that when you start a downturn with a strong banking system, both the economy does better & the banks do better."
- A recent report from the Federal Reserve noted "among other actions, banking organizations have waived fees and restructured loans to ease financial burdens, continued to lend to households and businesses, and took steps to maintain safe and sound operations."

Large banks, in coordination with the SBA, helped build the infrastructure to facilitate PPP, working around the clock to submit applications on behalf of millions of American small businesses:

- In just one year, lenders issued **166 years** worth of SBA loans, with large banks distributing **4.1 million loans** (41%) worth more than **\$405 billion** (53%).
- **11** of the top **15** lenders through all of PPP were CBA members, accounting for over **1.9 million loans** worth more than **\$176 billion**.
- The average loan from large banks amounting to less than **\$100,000**, spanning nearly every industry.
- A report from the American Enterprise Institute concluded PPP covered more than **80%** of eligible U.S. small business employment, supporting **51 million American jobs** in its first four months of operation.

Amidst ever-changing guidance from federal agencies, CBA served as a valuable resource to America's leading banks and the communities they serve:

- ✓ CBA helped banks navigate **132** different rule changes, procedural notices, form revisions, and FAQ's from the SBA.
- ✓ CBA has led daily calls with more than **70** of the nation's leading banks to help them navigate PPP and other federal relief programs administered through banks.
- ✓ Working closely with SBA, the Department of Treasury, and lawmakers on Capitol Hill, CBA advocated for necessary changes to these programs to ensure their success.
- ✓ CBA led a coalition of business owners, non-profits, business trade groups and financial services associations in pushing for the passage of streamlined forgiveness for loans less than \$150,000, amounting to the equivalent of **\$7 billion** of additional small business relief.

Bottom line: Even as the Paycheck Protection Program winds down and the economy recovers, America's leading banks will continue to support America's small businesses, drive our economic recovery forward, and help finance the American dream.

Working with the Small Business Administration, banks set up the infrastructure for the Paycheck Protection Program in a matter of days and delivered critical emergency relief to struggling small businesses when they needed it most. Below are responses to charges you will hear levied against banks, which overcame significant bureaucratic challenges and time constraints to administer an entirely new government program, distribute hundreds of millions of dollars, and save tens of millions of jobs.

CHARGE: “Banks failed to detect and prevent fraud within the Paycheck Protection Program.”

- That’s not true. Only a small percentage of total PPP funds examined in 2020 – less than one percent – have been flagged over concerns of fraud.
- Of that small percentage, a vast majority – more than 75 percent of the loans in question, according to Bloomberg – were dispersed by financial technology companies, which are not regulated and supervised like larger financial institutions, where the rate of fraud is substantially reduced because the marketplace is so well regulated and supervised.

CHARGE: “Women-owned and minority-owned businesses were underserved by banks distributing Paycheck Protection Program loans.”

- Banks stood up the Paycheck Protection Program as Congress intended in under 7 days in the midst of an unprecedented crisis, working day and night to create new systems, overcome crippling technical issues, and navigate unclear and ever-changing guidance so they could distribute emergency funds to struggling small businesses and help employers keep employees on payroll.
- As the New York Times wrote, “After Congress created the program in last year’s CARES Act, President Donald J. Trump’s administration [...] put a priority on getting money to needy businesses fast. Just seven days after the law was signed, the earliest applicants received their checks. But the haste meant the rules were mostly written on the fly.”

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- Further, data on demographics is limited. Historically, banks are not permitted to ask and do not know the race or ethnicity of business owners. Even with the PPP program specifically, banks were not asked to collect that information. As the New York Times also wrote, “data on the Paycheck Protection Program’s racial breakdown has been scarce.”
- Congress, the Small Business Administration, and banks worked to address gaps in the PPP, increase access to capital, and support minority-owned small businesses in low- to moderate-income communities. These actions included technical changes to PPP such as adjusting the calculation on the maximum PPP amount for sole proprietors and designating an exclusive two-week period for businesses with fewer than 20 employees to apply for loans, as well as extensive outreach to the areas hardest hit by the pandemic about how to access small business relief through PPP and other bank-led programs.
- As our nation’s economic recovery picks up steam and the PPP winds down, banks are committed to continuing their work to improve access to capital for small businesses, regardless race, zip code, or banking relationship.

CHARGE: “Banks prioritized existing customers, inadvertently disadvantaging women-owned and minority-owned businesses that do not traditionally have banking relationships.”

- When the PPP launched on April 4, banks started receiving tens of thousands of applications an hour. Time was of the essence, and without the requested regulatory relief from the Treasury Department – which would have waived the time-consuming anti-money laundering (AML) requirements to onboard a new client – in the early stages of the PPP, banks knew focusing resources on the applications of existing customers would mean more money out the door in less time, and ultimately more jobs and small businesses saved – the goal of the Paycheck Protection Program.
- Recognizing the challenges with this approach as the PPP went on, and without the requested regulatory relief, banks conducted extensive outreach to the areas hardest hit by the pandemic about how to access small business relief through PPP and other bank-led programs specifically designed to support women-owned and minority-owned businesses.