

News Release
**Small Businesses Should Contact
Banks Now for PPP Funds**



For immediate release
April 22, 2020

The Indiana Bankers Association is urging small businesses that have not already applied for Paycheck Protection Program (PPP) funds to contact their banks now in preparation for a second round of funding. Yesterday the U.S. Senate passed legislation that includes more than \$300 billion in additional PPP funds, with the House expected to pass the legislation this week. Upcoming funds are anticipated to run out more quickly than initial funding, which was depleted within two weeks.

PPP loans, a provision of the CARES Act,* allow small businesses to make payroll throughout the COVID-19 shutdown, preventing layoffs and saving jobs. Employees benefit by continuing to receive pay during temporary business closings. Loans are backed by the Small Business Administration and forgivable if at least 75% of dollars received are applied toward payroll. The original round of \$350 billion in PPP funding, first made available on April 3, was depleted by April 16.

Small businesses of up to 500 employees are advised to prepare now for the application process with assistance from their banks. Though the SBA is not permitting applications to queue within the E-Tran application portal, advance preparation can help ensure that small businesses apply successfully once the portal reopens. There are some new parameters in this second round of funding, which banks can help small businesses address.

During the initial funding phase of PPP funding, according to an [SBA Paycheck Protection Program Report](#), 4,975 lenders nationwide worked with small businesses to complete applications for 1,661,367 loans approved before funds ran out on April 16, totaling \$342,277,999,103 in gross dollars. Indiana banks assisted in completing 35,990 PPP loans totaling \$7,491,445,351 in approved dollars.

“Small businesses that have not yet applied for PPP funds need to be prepared,” said Amber Van Til, president and CEO of the Indiana Bankers Association. “The initial round of funding lasted less than two weeks, and we anticipate even faster depletion of this new injection of funds. The IBA urges small businesses to reach out now to their bankers in order to be ready once new funds are available.”

For more information about COVID-19 and the Indiana banking community, visit: indiana.bank/covid-19-update-banks.

* Coronavirus Aid, Relief, and Economic Security Act

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The Indiana Bankers Association supports Indiana banking through issues advocacy, professional education, and products and services that enhance financial institutions' ability to help build better communities.

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