

News Release

Banks Supporting Small Business Through Paycheck Protection Program



For immediate release
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Utilizing the Paycheck Protection Program (PPP) loan program made available through the CARES Act,* the banks of Indiana are helping small businesses remain viable throughout the COVID-19 pandemic. Bankers have been working nearly around the clock to assist small businesses and prevent layoffs through PPP loans backed by the U.S. Small Business Administration.

At issue, however, are processing delays and other technical difficulties resulting from the program's hasty rollout. In order to assist small businesses in securing PPP loans, banks must first access the SBA's "E-Tran" platform. Due to overwhelming demand, many banks throughout the nation have not yet been able to access E-Tran, despite multiple efforts.

Yet there has been progress. As of the morning of April 13, just over one week after PPP loans were first made available:

- Nationwide, 860,000 loans for \$213 billion by 4,500 lenders have been granted delegated authority to disperse. The figure of loan dollars approved is growing continually, having already increased by more than \$35 billion since end-of-day Friday.
- Statewide, nearly 100 Indiana-headquartered banks have successfully gained access to E-Tran or an alternative filing platform, SBA Connect, made available for banks to use and are now working with small businesses to help them secure loans. That number is expected to increase, as other banks unable to access E-Tran or SBA Connect are continuing in their efforts to participate.

Another challenge presented by the PPP loan program is that lenders must make the first disbursement of each loan within 10 calendar days of loan approval. This fast turnaround is logistically difficult, though banks are eager to rise to the challenge to support the small business sector. PPP loans will save jobs by allowing small businesses to meet payroll during the pandemic lockdown.

"The banks of Indiana are committed to helping small businesses through Paycheck Protection Program loans," said Amber R. Van Til, president and CEO of the Indiana Bankers Association. "Bankers are working diligently, sometimes through the night, to process these loans as quickly as possible to make sure that small business stays in business. These efforts will help preserve jobs and livelihoods for Hoosiers."

The CARES Act injected \$350 billion into the Paycheck Protection Program, and additional funds of \$250 billion have been requested. A major benefit of PPP loans is that they will become forgivable if received funds are applied to payroll, rent and utilities.

Small business owners affected by the COVID-19 pandemic – including sole proprietors and independent contractors – are encouraged to reach out to their banks for assistance. For more information about the coronavirus 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.

Indiana Bankers Association

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