

# **Assessment of Current Pandemic Issues for the Banking Community**

Presented by

The University of Tennessee at Martin

College of Business and Global Affairs: Dunagan Chair of Excellence in Banking

and

Tennessee Bankers Association

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## Table of Contents

Survey Summary .....	1
Introduction .....	2
Q1: Please select the range that best describes the population in the principle market area of your bank .....	3
Q2: Please select the asset range that best describes your bank .....	3
Q3: What is the total number of employees at your bank? .....	4
Q4: Please select the range that indicates the number of locations your bank has .....	4
Q5: Did your bank participate in the First round of the Paycheck Protection Program (PPP)? .....	5
Q6: Did your bank participate in the First round through a Loan Service Provider (LSP)? .....	6
Q7: Did your bank participate in the Second round of the PPP? .....	7
Q8: Did your bank participate in the Second round through a LSP? .....	9
Q9. In total ( <u>First</u> round and <u>Second</u> round), how many PPP loans and what dollar volume of PPP loans did your bank originate? .....	10
Q10. If possible, please specify how many PPP loans and what dollar volume of PPP loans your bank originated for the First Round .....	13
Q11. If possible, please specify how many PPP loans and what dollar volume of PPP loans your bank originated for the Second Round .....	14
Q12. What are some challenges that your bank experienced while originating the PPP loans? .....	16
Q13. What are some positive factors that your bank experienced originating the PPP loans? .....	17
Q14. If other financial stimulus programs (federal, state, or local) designed to offset adverse economic effects from the current pandemic are enacted, which would impact the bank’s decision to participated? .....	18
Q15. What are some areas in which your bank could have been better prepared for the current pandemic? .....	19
Q16. Identify some significant operational changes that your bank developed during the current pandemic that you anticipate adopting for future “normal” operations. ....	20
Q17. Identify some significant changes that your customers implemented during the current pandemic that you anticipate they will adopt and use more in the future. ....	21
Q18. Please indicate any staffing changes that occurred at your bank in order to accommodate the PPP process .....	22
Q19. Please provide any additional thoughts or observations related to your bank’s and/or your customers’ responses or experiences regarding the current pandemic. ....	24
References .....	25

## Survey Summary

In March 2020, the U.S. Small Business Administration (SBA) began assisting small businesses via the Paycheck Protection Program (PPP) and loan forgiveness with support from the Department of the Treasury. This present research study was conducted to assess issues experienced by the banking community regarding the PPP process.

A survey was sent out by the Tennessee Bankers Association to all 225 members (who are CEOs of banks in Tennessee) on June 22, 2020. There are 177 banks in Tennessee which were asked to participate in this study. As of July 14, 2020, 63 completed usable questionnaires had been received. These valid responses were used to compile this report based on a total of 19 questions in the survey.

**First round of PPP:** One question on the survey asked respondents whether their banks had participated in the First round of the PPP. Fifty-eight banks (92% of the respondents) participated in the First round, whereas five banks (8% of the respondents) did not. Forty-six banks provided the loan details indicating a total of 21,577 loans of approximately \$2.68 billion in total loans. Seven banks in this survey utilized a Loan Service Provider (LSP) such as BrightBridge Capital, etc.

**Second round of PPP:** Fifty-nine banks (94% of the respondents) participated in the Second round and four banks (6% of the respondents) did not. Forty-seven banks provided loan details indicating a total of 18,188 loans of approximately \$1.13 billion total loans. Eight banks in this survey utilized an LSP in the Second round of PPP.

**Both rounds of PPP:** Sixty-one banks which responded to this survey participated in both rounds of PPP with a total of 45,440 loans of approximately \$4.1 billion (total).

**Challenges and Positive Factors:** Banks experienced several challenges with the PPP process. The two most common challenges for banks while originating the PPP loans were “multiple interim rules submitted throughout the application process” and “timeliness of governmental guidance for applicants and lenders.” However, the respondents indicated two significant positive factors while originating the PPP loans were “assistance to small businesses” and “level of participation and bank’s commitment.”

**Better Preparation and Operational Changes:** The respondents noted that the two most significant areas in which they could have been better prepared for the current pandemic were: “ensuring PPE supplies were adequate/readily available” and the need for “technology to allow large numbers of associates to effectively work from home.” The respondents further stated that the two most significant operational changes due to current pandemic were: “certain employee’s ability to work remotely” and “internal technology for communicating with offices effectively (Zoom, Webx, etc.)”

**Changes in Customers and Changes in Staffing:** The respondents observed that their customers’ habits had changed significantly with regard to an “increase of customer’s activity obtaining electronic products and service” and “electronic documentation capability.” The banks also performed staffing changes to accommodate the PPP process, indicating that they “divided the additional work among existing employees” and worked “extended hours to meet customer demands and funding availability.”

**Additional Thoughts:** Comments submitted by survey participants included the following statements: “There is no way you can be prepared for every situation. We have seen some areas that we definitely need to make some improvements.” Furthermore, “The program was well received by our customers and made a difference for them and their employees.” etc.

# Assessment of Current Pandemic Issues for the Banking Community

## Introduction

Many small businesses nationwide are experiencing economic hardship due to the Coronavirus Disease 2019 (COVID-19). The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed by President Trump on March 13, 2020 in order to assist individuals, families, and businesses.<sup>1</sup>

The Paycheck Protection Program (PPP) and loan forgiveness were added to the CARES Act via the U.S. Small Business Administration's (SBA's) loan program with support from the Department of the Treasury. This program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.<sup>2</sup> PPP was initially funded to a level of approximately \$349 billion with additional \$320 billion in funds by April.<sup>3</sup>

On June 5, the Paycheck Protection Program Flexibility Act of 2020 was signed in law to modify provisions related to the forgiveness of loans of PPP. Notable revisions included extending the Covered Period from 8 weeks to 24 weeks and lowering the amount required to be used for payroll expenses from 75% to 60%.<sup>4</sup>

One other provision of the PPP Flexibility Act further revised the non-payroll portion of a forgivable covered loan amount from the previous 25% up to 40%.<sup>5,6</sup> On July 4, Congress extended the PPP program application deadline until August 8, 2020. By July 6, the SBA released data which stated that approximately 4.9 million Paycheck Protection Program loans had been made.<sup>7</sup>

This present research study is being conducted by The University of Tennessee at Martin (UTM) College of Business and Global Affairs (Dunagan Chair of Excellence in Banking) in partnership with the Tennessee Bankers Association (TBA).

This report identifies specific issues that the banking community is facing with regard to the Paycheck Protection Program (PPP). Additionally, this report assesses the steps which the banking community implemented in order to process the PPP loans. Furthermore, the respondents provided many helpful suggestions with regard to how the banking community might improve internal operational banking processes and customer experiences.

The survey questionnaire was developed with help of two Tennessee banks, along with the Tennessee Bankers Association (TBA). One of these banks is chartered in a rural community, and the other is chartered in a larger city in Tennessee. Both banks are participating extensively in the Paycheck Protection Program.

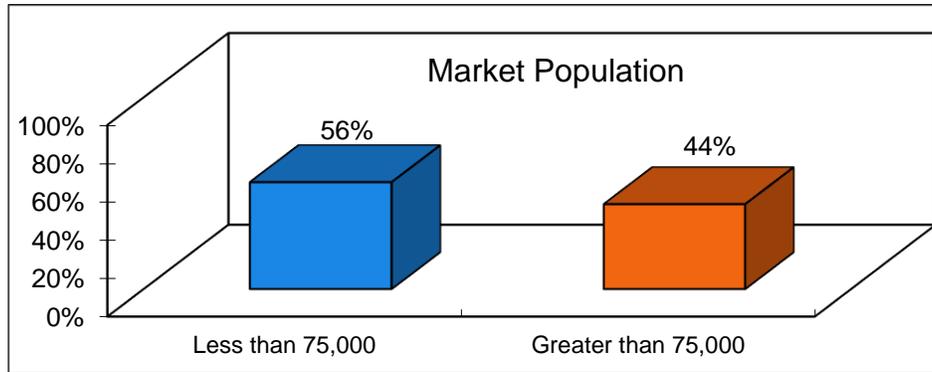
The survey was sent out on June 22, 2020 by the TBA to all 225 members who are CEOs of banks in Tennessee. There are 177 banks in Tennessee which were asked to participate for this study.

A total of 74 respondents had completed the survey as of July 14, 2020. However, some of respondents answered the survey two or three times. After deleting these duplicate responses, a total of 63 valid completed questionnaires were used for this report. We appreciate the bankers who participated in this survey to reach a 35% response rate.

There are a total of 19 questions on the survey. A detailed analysis of the results is presented next.

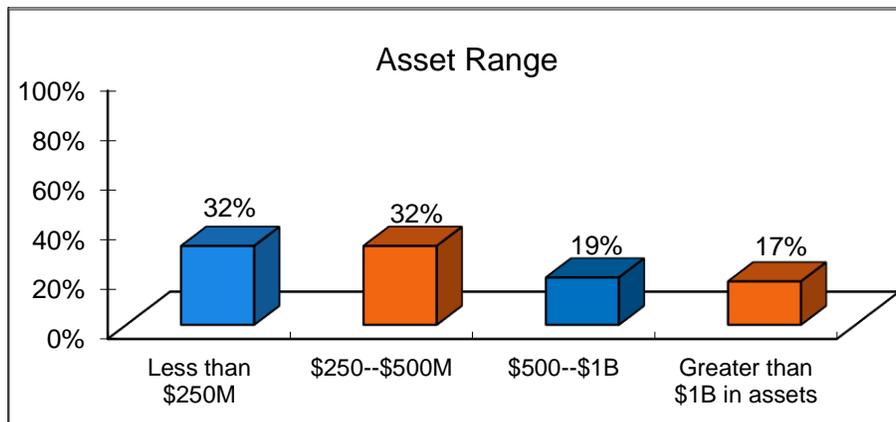
**Q1: Please select the range that best describes the population in the principle market area of your bank:**

	Count	Percent
Less than 75,000 people	35	56%
Greater than 75,000 people	28	44%
Total	63	



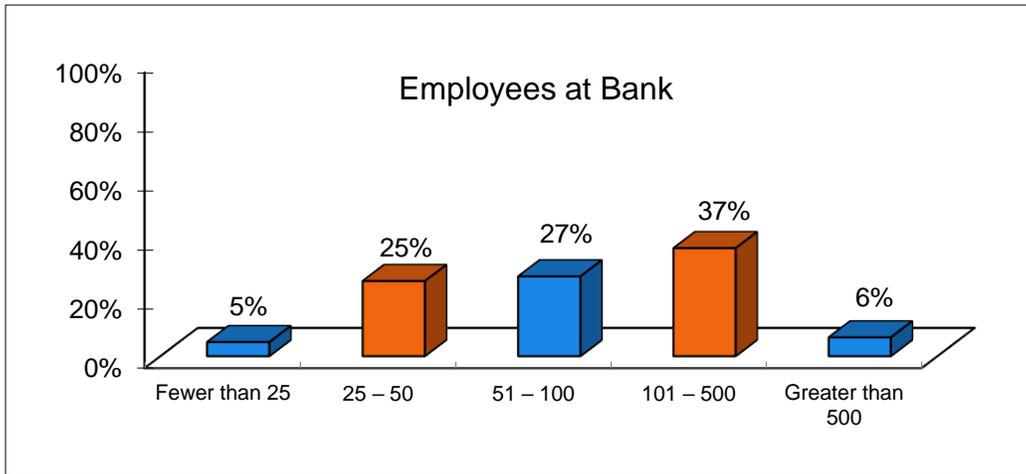
**Q2: Please select the asset range that best describes your bank:**

	Count	Percent
Less than \$250M	20	32%
\$250--\$500M	20	32%
\$500--\$1B	12	19%
Greater than \$1B in assets	11	17%
Total	63	



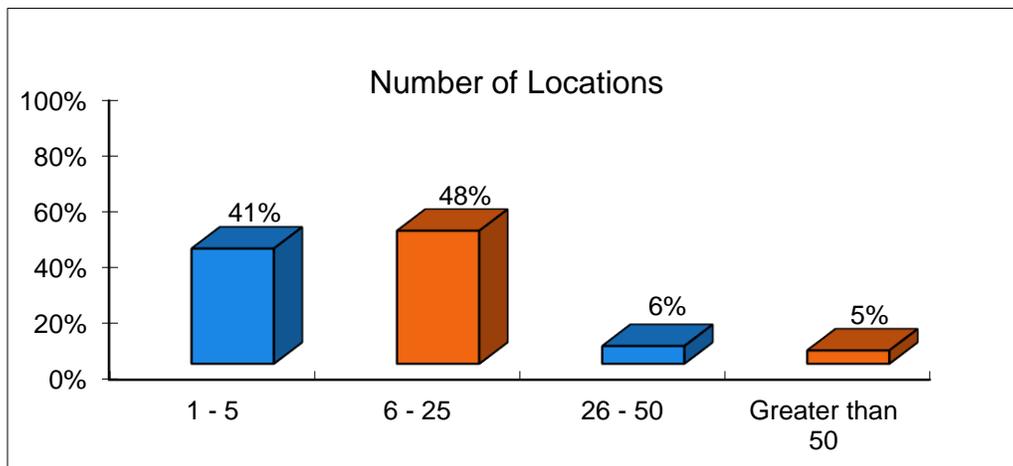
**Q3: What is the total number of employees at your bank?**

	Count	Percent
Fewer than 25	3	5%
25 – 50	16	25%
51 – 100	17	27%
101 – 500	23	37%
Greater than 500 employees	4	6%
Total	63	



**Q4: Please select the range that indicates the number of locations your bank has:**

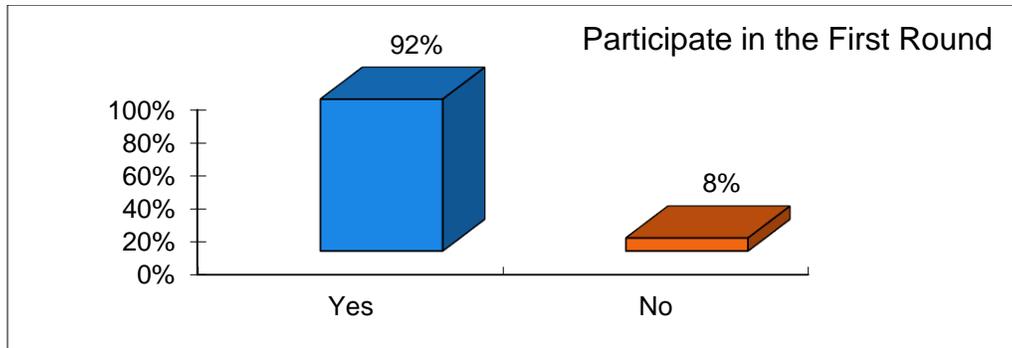
	Count	Percent
1 - 5	26	41%
6 - 25	30	48%
26 - 50	4	6%
Greater than 50 locations	3	5%
Total	63	



**Q5: Did your bank participate in the First round of the Paycheck Protection Program (PPP)?**

A total of 63 banks completed the survey. Fifty-eight banks participated in the First round, but five banks did not.

	Count	Percent
Yes	58	92%
No	5	8%
Total	63	



For the 5 banks that did not participate in the First round of the PPP, they provided the reasons:

- Bad experience with SBA in the past!!!
- We could not get access before funds were gone. We could not get access to SBAs eTran.
- Could not get access to the SBA E-TRAN system
- We tried. Got one loan in. Had to get hooked up electronically to SBA and purchase software.
- With sufficient reserves and minimal impact on our revenue, we felt the purpose of the program did not apply to us.

Table 5.1 shows the bank characteristics of the five banks which did not participate in the First round of the PPP.

Table 5.1 Data on banks which did not participate in the First round of PPP

Did not Participate	Population	Asset Range	# of Employees	# of Locations
Bank #1	Less than 75,000	Less than \$250M	25 – 50	1 - 5
Bank #2	Less than 75,000	Less than \$250M	25 – 50	1 - 5
Bank #3	Less than 75,000	\$250--\$500M	51 – 100	1 - 5
Bank #4	Less than 75,000	\$500--\$1B	51 – 100	6 - 25
Bank #5	Greater than 75,000	Greater than \$1B	25 – 50	6 - 25

**Q6: Did your bank participate in the First round through a Loan Service Provider (LSP)?**

There were fifty-eight banks which participated in the First round (Q5). Seven banks utilized a Loan Service Provider.

	Count	Percent
Yes	7	11%
No	56	89%
Total	63	

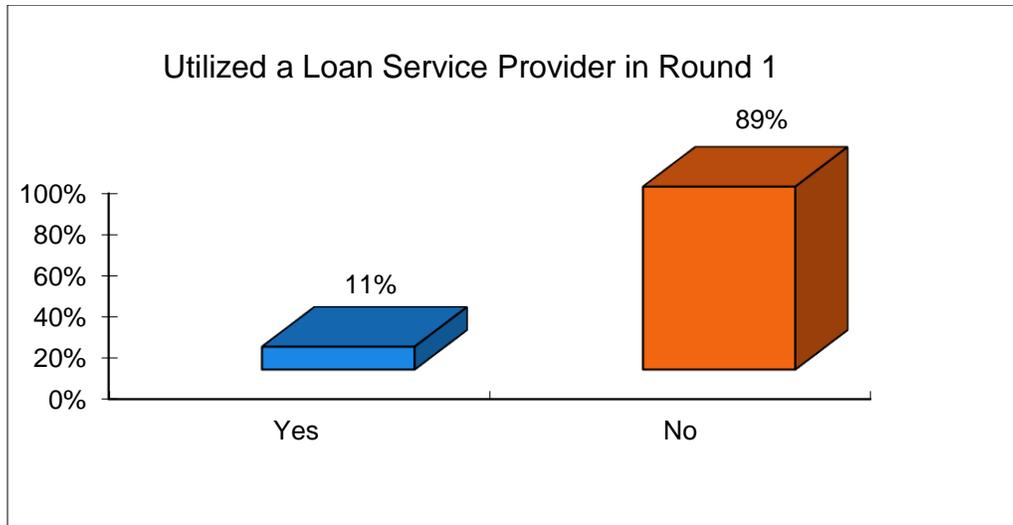


Table 6.1 provides the bank characteristics of the seven banks who utilized the Loan Service Provider (LSP) for their PPP.

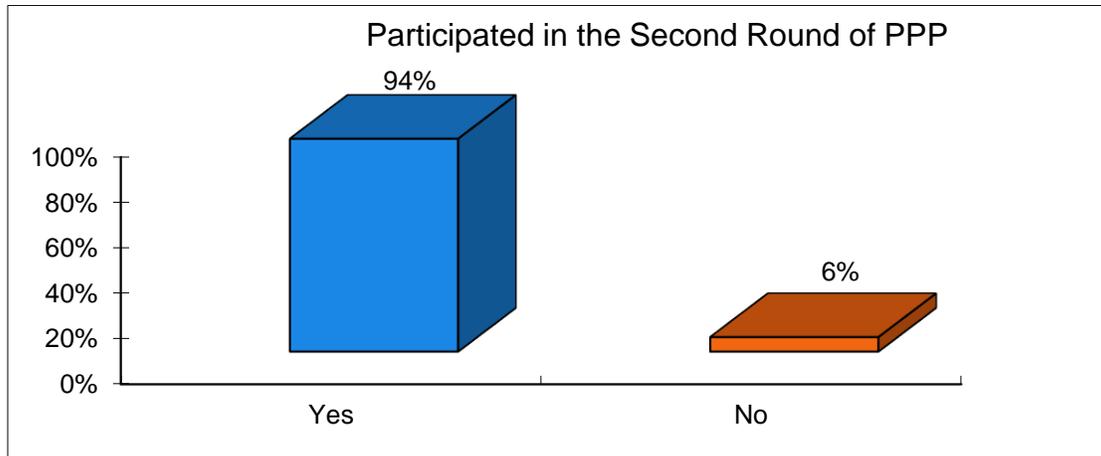
Table 6.1 Bank characteristics which utilized a Loan Service Provider (LSP)

LSP	Population	Asset Range	# of Employees	# of Locations
BrightBridge Capital	Greater than 75,000	\$250--\$500M	51 – 100	6 - 25
Fiserve	Greater than 75,000	Greater than \$1B	Greater than 500	Greater than 50
Kabbage	Greater than 75,000	\$500--\$1B	101 – 500	6 - 25
Kabbage	Less than 75,000	\$250--\$500M	51 – 100	1 - 5
Lendio	Less than 75,000	Greater than \$1B	Greater than 500	26 - 50
Sageworks	Less than 75,000	\$250--\$500M	51 – 100	1 - 5
Windsor Advantage, LLC	Greater than 75,000	Less than \$250M	25 – 50	1 - 5

**Q7: Did your bank participate in the Second round of the PPP?**

There were fifty-nine banks which participated in the Second round. Four banks didn't participate in the Second round. However, two banks didn't participate in either round.

	Count	Percent
Yes	59	94%
No	4	6%
Total	63	



As for the four banks which did not participate in the Second round of the PPP, they provided the following reasons:

- It was labor-intensive and very stressful for our small staff during the 1st round. We decided to not add any additional stress on them.
- other businesses needed more than us.

Table 7.1 provides the characteristic of the two banks which did not participate in both rounds.

Table 7.1 Characteristic of banks which did not participate in both rounds of PPP

Didn't Participate Both Round	Population	Asset Range	# of Employees	# of Locations
1	Less than 75,000	Less than \$250M	25 – 50	1 - 5
2	Greater than 75,000	Greater than \$1B	25 – 50	6 - 25

Table 7.2 provides the characteristics of the two banks which participated in the First round, but did not participate in Second round.

Table 7.2 Characteristics of banks participating in First round, but not Second round of PPP

<b>Participated in First round, but did not participate in Second round of PPP</b>	<b>Population</b>	<b>Asset Range</b>	<b># of Employees</b>	<b># of Locations</b>
1	Less than 75,000	Less than \$250M	Fewer than 25	1 - 5
2	Less than 75,000	Less than \$250M	25 – 50	1 - 5

Table 7.3 provides information for one bank which didn't participate in the First round, but joined the PPP in the Second round.

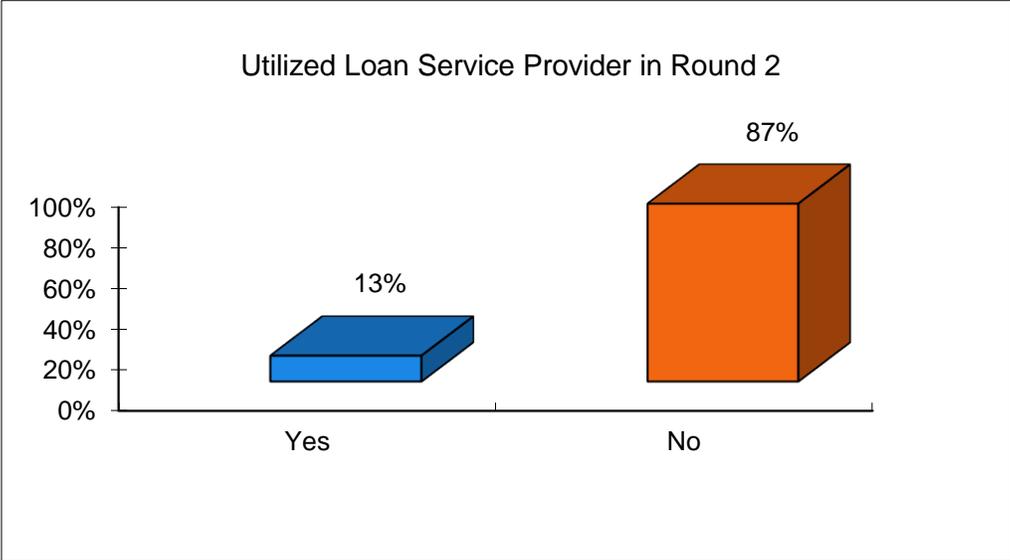
Table 7.3 Bank which did not participate in the First round, but joined in Second round of PPP

<b>Did not Participate in First round, but participated in Second round</b>	<b>Population</b>	<b>Asset Range</b>	<b># of Employees</b>	<b># of Locations</b>
LSP Service	Less than 75,000	\$250--\$500M	51 – 100	1 - 5

**Q8: Did your bank participate in the Second round through a LSP?**

The same seven banks which used an LSP service for the first round (from Q6) continued using the LSP service. One bank did not use an LSP service first round, but decided to use an LSP service the second round. Please refer to Table 7.3 (above).

	Count	Percent
Yes	8	13%
No	55	87%
Total	63	



**Q9. In total (First round and Second round), how many PPP loans and what dollar volume of PPP loans did your bank originate?**

A total of sixty-three (63) banks completed the survey. Two (2) banks didn't participate in either round of PPP.

Key points from the survey:

- \* The largest number of loans by a single bank in this survey was 15,000 loans.
- \* The largest dollar amount in total loans by a single bank in this survey was \$1,300,000,000.
- \* The smallest total number of loans by a single bank in this survey was 30 loans.
- \* The smallest dollar amount in total loans by a single bank in this survey was \$91,799.72

Number of Loans:	<i>Total:</i> 45,440 loans	Ranging from 30 to 15,000 per bank
Dollar Amount in Loans:	<i>Total:</i> \$4,113,621,756.01	Ranging from \$91,799.72 to \$1,300,000,000 per bank

Table 9.1 provides the range of loans for both First and Second rounds, along with the information regarding the number of loans and the number of banks in each range.

Table 9.1

Range of Loans	# of Loans	# of Banks
1 - 100	680	12
101 - 200	2,815	18
201 - 300	2,515	10
301 - 400	1,814	5
401 - 500	1,358	3
701 - 800	2,269	3
801 - 900	802	1
901 - 1000	954	1
1001 - 2000	7,433	5
2001 - 3000	2,800	1
7000	7,000	1
15000	15,000	1
Total	45,440	61

Table 9.2 (below) provides the range of dollar amount of loans for both First and Second rounds, along with the total dollar amount and the number of banks in each range.

Table 9.2

<b>Range of Loans (in Dollars)</b>	<b>Dollar Amount of Loans</b>	<b># of Banks</b>
1 - 1,000,000	1,430,809.81	3
1,000,001 - 5,000,000	39,031,880.00	11
5,000,001 - 10,000,000	82,837,460.20	10
10,000,001 - 15,000,000	102,604,977.00	8
15,000,001 - 20,000,000	73,000,000.00	4
20,000,001 - 30,000,000	147,534,915.00	6
30,000,001 - 50,000,000	289,859,491.00	7
50,000,001 - 100,000,000	479,284,000.00	7
100,000,001 - 500,000,000	598,038,223.00	3
1,000,000,000	1,000,000,000.00	1
1,300,000,000	1,300,000,000.00	1
Total	4,113,621,756.01	61

Table 9.3 lists additional information from Q6. The banks utilized the Loan Service Providers for their PPP loans with the total numbers of loans and the dollar amount of loans.

Table 9.3

<b>LSP</b>	<b># of Loans</b>	<b>Dollar Amount in Loans</b>
BrightBridge Capital	250	\$31,500,000.00
Flserve	15,000	\$1,300,000,000.00
Kabbage	83	\$3,709,154.00
Kabbage	60	\$5,000,000.00
Lendio	1,500	\$84,000,000.00
Sageworks	191	\$3,500,000.00
Windsor Advantage, LLC	45	\$790,504.00

Table 9.4 shows the five banks with the largest amount of loans from Table 9.2, along with the characteristic of numbers of employees (Q3), number of locations (Q4), and LSP service (Q6).

Table 9.4

<b>Amount of Loans</b>	<b># of Loans</b>	<b># of Employees</b>	<b># of Locations</b>	<b>LSP?</b>
\$103,038,223	1,076	101 – 500	6 – 25	No
\$170,000,000	1,957	101 – 500	6 – 25	No
\$325,000,000	2,800	Greater than 500 employees	Greater than 50 locations	No
\$1,000,000,000	7,000	Greater than 500 employees	Greater than 50 locations	No
\$1,300,000,000	15,000	Greater than 500 employees	Greater than 50 locations	Flserve

Based on the responses to Q3, there were 3 banks with fewer than 25 employees. Table 9.5 reflects the number of loans and dollar amount in loans with these three banks.

Table 9.5

<b>Banks with Fewer than 25 employees</b>	<b># of Loans</b>	<b>Dollar Amount in Loans</b>
Bank #1	151	\$10,200,000.00
Bank #2	30	\$3,100,000.00
Bank #3	37	\$1,700,000.00

**Q10. If possible, please specify how many PPP loans and what dollar volume of PPP loans your bank originated for the First Round.**

There were 58 banks which participated in the First round, but twelve banks didn't provide the First round loan information. Based on the available data, the smallest number of total loans was 1 and the largest one is 10,000 loans. The smallest dollar amount in loan was \$36,400 and the largest dollar amount in total loans was \$866,666,666.

Total Number of Loans:	21,577 loans	Ranging from 1 to 10,000 loans per individual bank
Total Dollar Amount in Loans:	\$2,681,507,094	Ranging from \$36,400 to \$866,666,666 in total value of loans

Table 10.1 provides the range of the number of loans for the First round, along with information regarding the number of loans and the number of banks within each range.

Table 10.1

Range of Loans	# of Loans	# of Banks
1 - 100	1,108	20
101 - 200	2,161	15
201 - 300	470	2
301 - 400	679	2
401 - 500	475	1
501 - 600	1,200	2
704	704	1
1500	1,500	1
3280	3,280	1
10000	10,000	1
<b>Total</b>	<b>21,577</b>	<b>46</b>

Table 10.2 (below) indicates the range of dollar amount of loans for the First round, along with the total dollar amount and the number of banks within each range.

Table 10.2

Range of Loans (in total \$)	Dollar Amount in Loans	# of Banks
1 - 1,000,000	1,926,890.50	4
1,000,001 - 5,000,000	15,669,966.00	5
5,000,001 - 10,000,000	75,654,473.12	11
10,000,001 - 15,000,000	109,505,000.00	9
15,000,001 - 20,000,000	49,000,000.00	3
20,000,001 - 30,000,000	137,800,000.00	5
30,000,001 - 50,000,000	75,708,969.00	2
50,000,001 - 100,000,000	292,937,616.00	4
267,000,000	267,000,000.00	1
782,000,000	782,000,000.00	1
866,666,666	866,666,666.00	1
<b>Total</b>	<b>2,673,869,580.62</b>	<b>46</b>

**Q11. If possible, please specify how many PPP loans and what dollar volume of PPP loans your bank originated for the Second Round.**

There were 59 banks which participated in the Second round, but twelve banks didn't provide the Second round loan information. The smallest total number of loans was 12, and the largest one is 5,000 loans completed in the Second round of PPP. The smallest loan was \$188,589, and the largest dollar amount in loan was \$433,333,334.

Number of Loans:	<i>Total:</i> 18,188	Ranging from 12 to 5,000 loans per bank
Dollar Amount in Loans:	<i>Total:</i> \$1,134,673,364.67	Ranging from \$188,589 to \$433,333,334 per bank

Table 11.1

	First Round	Second Round
Total Number of Loans:	21,577	18,188
Total Dollar Amount in Loans:	\$2,681,507,094	\$1,134,673,364

Table 11.2 provides the range of loans for the First round along with the information regarding the number of loans and the number of banks in each range.

Table 11.2

Range of Loans	Number of Loans	Number of Banks
1 - 100	1,106	23
101 - 200	1,918	12
201 - 300	1,038	4
372	372	1
601 - 700	1,277	2
1001 - 1500	3,757	3
3720	3,720	1
5000	5,000	1
<b>Total</b>	<b>18,188</b>	<b>47</b>

Table 11.3 indicates the range of dollar amount of loans for the First round, along with the total dollar amount and the number of banks in each range.

Table 11.3

<b>Range of Loans (in total \$)</b>	<b>Dollar Amount in Loans</b>	<b>Number of Banks</b>
1 - 1,000,000	6,908,199.22	9
1,000,001 - 5,000,000	51,823,276.45	16
5,000,001 - 10,000,000	29,660,199.00	5
10,000,001 - 15,000,000	101,147,750.00	8
15,000,001 - 20,000,000	52,600,606.00	3
20,000,001 - 30,000,000	83,200,000.00	2
30,000,001 - 50,000,000	158,000,000.00	2
218,000,000	218,000,000.00	1
433,333,334	433,333,334.00	1
Total	1,134,673,364.67	47

**Q12: What are some challenges that your bank experienced while originating the PPP loans? (check all that apply)**

There were 64 banks which responded to this survey question.

<b>Challenges</b>	<b># of Respondents</b>
Multiple interim rules submitted throughout the application process	58
Timeliness of governmental guidance for applicants and lenders	56
Lack of information regarding forgiveness parameters	55
Timeliness of receiving loan approval based on overload of SBA system	36
Concern of borrower eligibility	35
Access to SBA or affiliate's systems	33
Concern of adequate borrower documentation	27
Concern of adequate lender process through SBA systems	26

Other challenges:

- Concern that the government would change the rules to the point of these causing loss to the bank. This remains ongoing. Also, this was extremely taxing on the staff.
- Constant changes throughout the process in mid-stream.
- Lack of guidance of ongoing reporting requirements to SBA regarding PPP portfolio. Rule changes midstream (particularly PPFA) forced early PPP recipients to use their funds in ways that they would not have, had they had the benefit of receiving funds later. Many borrowers made 'bad' decisions based on the rules at the time that will have an adverse impact on the viability of their business over the longer term (if they survive).
- The current administration is so ill prepared, of course that found its way to PPP as well.
- Time frames...Minimal time frames involved to execute once instructions were received.
- We were not an active SBA lender. We had never done electronic signatures and this pandemic required us to buy new software and learn it. Plus, we are a small bank. We did not have the staff that could do this. I am a CPA and had backgrounds in payroll and tax law but no bankers knew the language of the documents that we were required to review to prepare the loans. Plus, our borrowers were clueless as to what they needed. We had to counsel and train them to send us the right documents electronically.
- As a state chartered financial institution engaged in the trust and wealth management business PPP's weren't needed

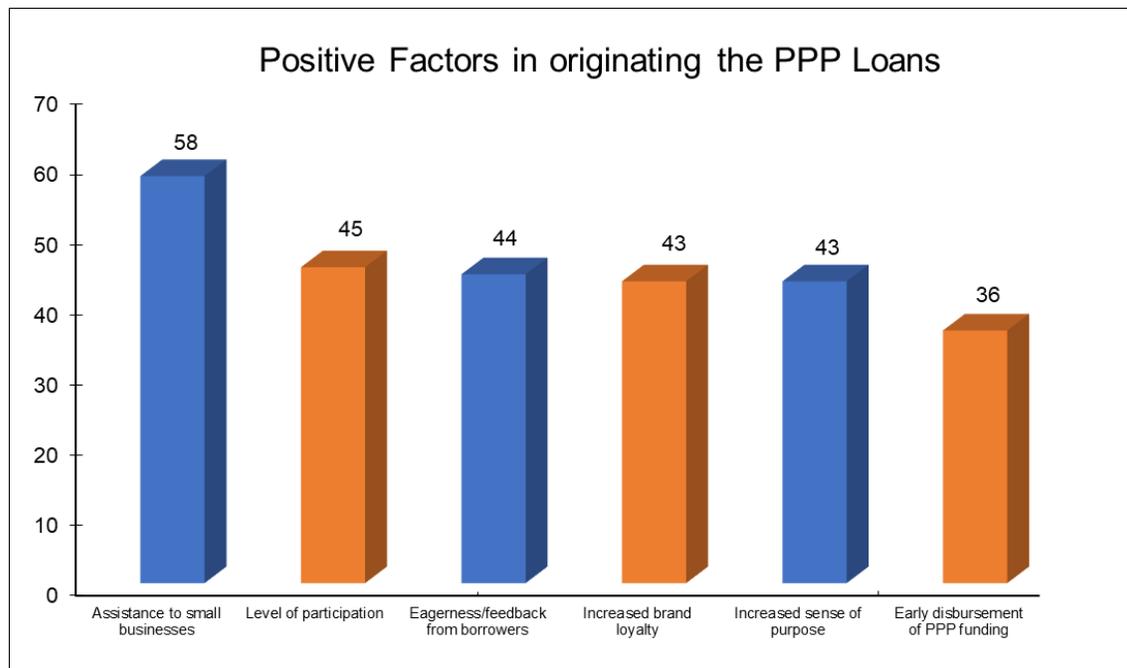
**Q13: What are some positive factors that your bank experienced originating the PPP loans?  
(check all that apply)**

There were 63 banks which responded to this survey question.

Positive Factors	# of Respondents
Assistance to small businesses	58
Level of participation and bank's commitment	45
Eagerness/feedback from borrowers	44
Increased brand loyalty and brand awareness	43
Increased sense of purpose and mission among bank associates	43
Early disbursement of PPP funding for small businesses	36

Other positive factors:

- Able to obtain new customers due to their bank either not participating or delaying submitting applications.
- Opportunity to bring new businesses in our doors
- Potential to acquire new business, although that remains to be seen
- Showed some of the people that are afraid of technology and change on our staff that we were capable of doing more or doing things differently. We were able to use electronic signatures!



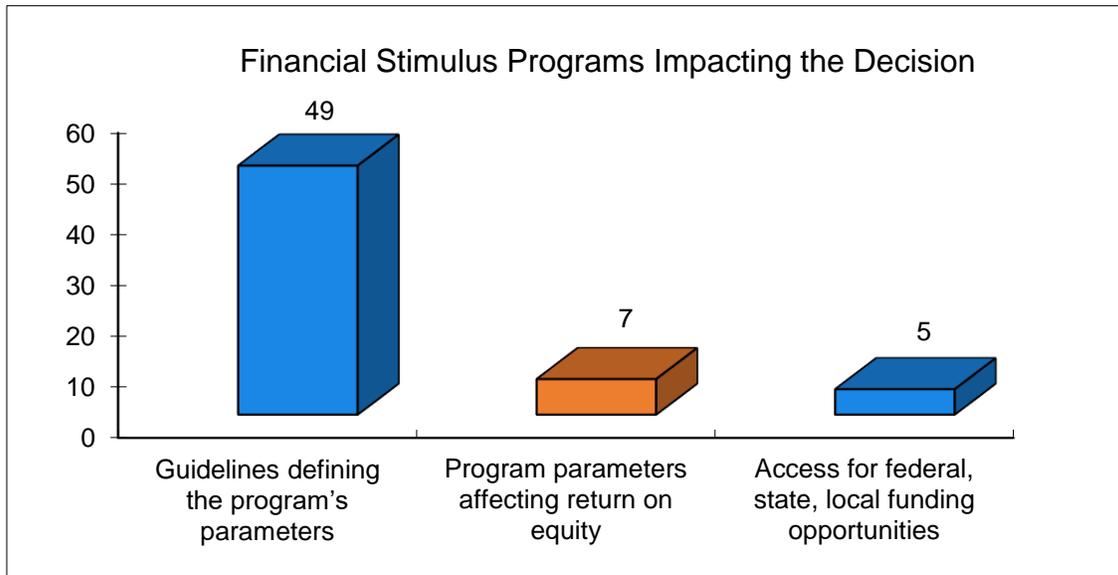
**Q14: If other financial stimulus programs (federal, state, or local) designed to offset adverse economic effects from the current pandemic are enacted, which would impact the bank’s decision to participate?**

There were 62 banks which responded to this survey question.

<b>Financial Stimulus Programs Impacting the Decision</b>	<b># of Respondents</b>
Guidelines defining the program’s parameters, rules, regulations prior to implementation	49
Program parameters affecting return on equity in respect to funding the program	7
Access for federal, state, local funding opportunities and/or availability	5
Other, please specify	1

Other impact:

- Benefit to bank, clients and community



**Q15: What are some areas in which your bank could have been better prepared for the current pandemic? (check all that apply)**

There were 63 banks which responded to this survey question.

<b>How to be Better Prepared for Current Pandemic</b>	<b># of Respondents</b>
Ensuring PPE supplies were adequate/readily available	36
Technology to allow large numbers of associates to effectively work from home	32
Contingency plan for personnel regarding staffing of offices	19
Earlier identification of the Pandemic - when to alter banking operations, lobby closure	19
Personnel impact and bank's impact regarding testing or the impact of a "positive" test of COVID-19	17
Identify primary and secondary employee listing to conduct effective operations & customer service limiting staff to pandemic exposure within bank offices	10
Defined business continuity plans	5

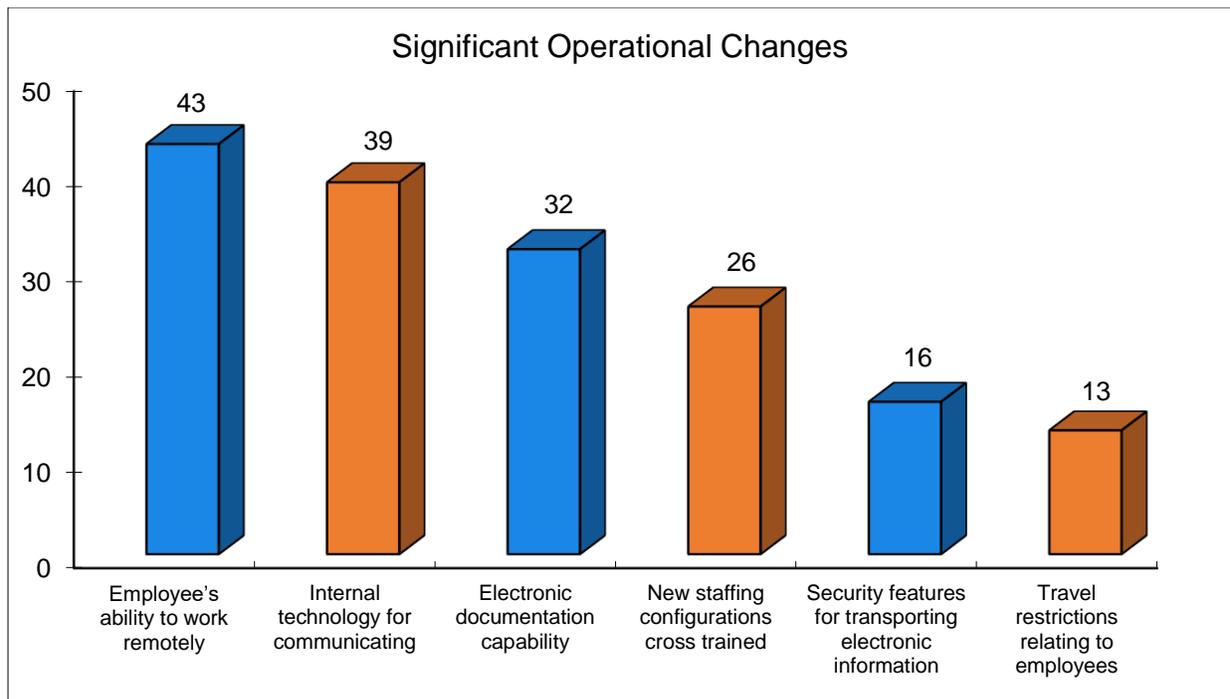
Other preparation issues:

- Everyone would have been more prepared, and would be better suited today, if the President, Governor and their current administrations would have taken this seriously in January, or yesterday.
- Lack of broadband internet in our County hampers several employees from working at home.
- More robust plans around physical separation of working teams for critical operational functions.
- Our business continuity plan worked well but may have included more individuals had we know the length of disruption.
- Willingness to change and do things differently.

**Q16: Identify some significant operational changes that your bank developed during the current pandemic that you anticipate adopting for future "normal" operations.  
(check all that apply)**

There were 63 banks which responded to this survey question.

Significant Operational Changes	# of Respondents
Certain employee's ability to work remotely	43
Internal technology for communicating with offices effectively (Zoom, Webx, etc.)	39
Electronic documentation capability	32
New staffing configurations where a larger percentage of branch associates are cross trained	26
Security features for transporting electronic information, internally and externally	16
Travel restrictions relating to employees	13



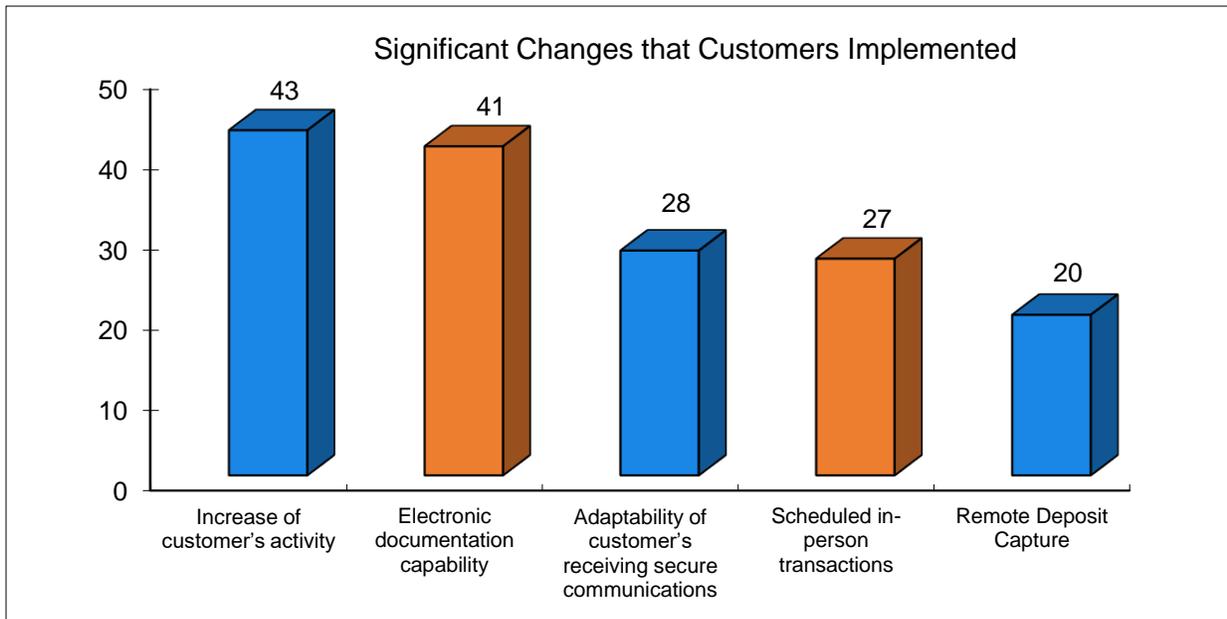
**Q17: Identify some significant changes that your customers implemented during the current pandemic that you anticipate they will adopt and use more in the future. (check all that apply)**

There were 63 banks which responded to this question.

Significant Changes that Customers Implemented	# of Respondents
Increase of customer’s activity obtaining electronic products and services	43
Electronic documentation capability	41
Adaptability of customer’s receiving secure communications from banking institutions	28
Scheduled in-person transactions (lock box/account opening/etc.)	27
Remote Deposit Capture	20

Other changes:

- We have been back open for 6 weeks and the transactions at our drive ins and on the phone app continue to remain considerably higher than prior to COVID 19.



**Q18: Please indicate any staffing changes that occurred at your bank in order to accommodate the PPP process: (check all that apply)**

There were 61 banks which responded to this survey question.

Staffing Changes	# of Respondents
Divided the additional work among existing employees	45
Working extended hours to meet customer demands and funding availability	44
Required specific individual employees to accept greater workloads	36
Established a team (on a voluntary basis)	29
Expanded part-time/student employee work hours	6
Hired temporary employees	1

Other staffing changes:

- Team was designated. Very hard to manage workloads. Not enough staff!

Table 18.1 showed the six banks who answered “Expanded part-time/student employee work hours” characteristics of the bank’s numbers of employees (Q3), number of locations (Q4), LSP service (Q6), and loan information (Q9).

Table 18.1

Expanded Part-time	# of Employees	# of Locations	# of Loans	Loan Amount	LSP?
1	Fewer than 25	1 - 5	232	\$23,259,504	No
2	51 - 100	6 - 25	157	\$5,000,000	No
3	101 - 500	6 - 25	453	\$25,944,337	No
4	101 - 500	6 - 25	1450	\$63,000,000	No
5	101 - 500	26 - 50	954	\$49,000,000	No
6	Greater than 500	26 - 50	1500	\$84,000,000	Lendio

Table 18.2 shows the one bank which answered “Hired temporary employees” characteristics of the bank’s numbers of employees (Q3), number of locations (Q4), and loan information (Q9).

Table 18.2

Hired Temporary Employees	# of Employees	# of Locations	# of Loans	Total Loan Amount
1	Fewer than 25	1 - 5	30	\$3,100,000



**Q19. Please provide any additional thoughts or observations related to your bank's and/or your customers' responses or experiences regarding the current pandemic.**

- I feel that we have done a pretty good job during the pandemic. There is no way you can be prepared for every situation. We have seen some areas that we definitely need to make some improvements. Overall, I feel the annual table top pandemic discussions prepared us for this situation, but I foresee in the future that these discussion will be taken more seriously.
- Our bank will look more at work from home and remote access. We will also look at the way we handle lobby traffic and business hours.
- Overall, the PPP was a positive for our bank. It gave community banks an opportunity to shine and show what it means to have a relationship with a bank which is nearly impossible at larger institutions.
- The Loan Forgiveness Applications are now available, yet we have yet to received SBA guidance on how to submit a decision on such.
- The pandemic challenged our team to accept technology in a meaningful way and within an expedited time frame. During the pandemic, we continue to discover and employ many efficiencies that have been and/or will be implemented this year.
- The process of scheduling in-office contact with customers worked pretty well. We had no specific issues in providing customer service to our customers. No complaints were documented during the time our offices were closed to customers.
- The program was well received by our customers and made a difference for them and their employees. We estimate 245 jobs were saved, well worth the effort!
- The smaller 'local community' bank's appeared to take a more personal approach than some of the larger regional banks. We had numerous applicants who applied with us because they had not heard back from their primary bank on their approval. Most of these same applicants did indeed have loans already approved at those larger institutions.
- The Tennessee Bankers Association has been an invaluable resource.
- While we, as bankers, hesitate to use or place change on our customers, this pandemic provided, or required, change to service our customer. Examples are re-directing to drive in facilities for an extended period, asking our customers to make appointments to be allowed to enter our facilities, doing more transactions (review of accounts) from an online basis. As in all things, there is a segment of the population that will complain about most anything. For the most part (95%+), our customers have been very good to accept the changes, and I believe long term, they will continue to use those sources to conduct normal business. Like most things, we struggle to get thru the immediate issues, and find that we can find benefit (in the long run) by changes we make today. I believe banking will change the way we do business from this pandemic, and a lot of the things we change will be positive for the bank and our customers.

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