



Tennessee Bankers Association Update on CARES Act Lending Implementation **April 1, 2020**

Banks across Tennessee are working around the clock to assist borrowers, including through the new Coronavirus Aid, Relief, and Economic Security (CARES) Act.

We understand there is a great deal of curiosity and anxiety about who can participate and how much funding is available for businesses.

Please urge your members to remain patient as Tennessee banks await Treasury to develop and release the final rules and guidance for these programs.

The CARES Act includes language that will allow all banks to participate in the SBA Paycheck Protection Plan (PPP) loan program. These loans will be available to businesses, including self-employed and independent contractors, non-profits (501 c3), and others with less than 500 employees to assist with their payroll and other business operating expenses.

With the U.S. Treasury's announcement of the program preceding the structure, the banks have not yet received clear guidance and rules as to how to make these funds available to their customers.

We know Treasury and the Small Business Administration are working as quickly as they can, and we are hopeful to have a complete picture of the program soon—possibly as early as the end of this week.

Know that even as these rules and guidelines are being drafted, your bank is still ready to help you navigate your business or personal financial situation. Please contact your banker to see what options you might have.

According to the Treasury, the PPP loan program is for:

- Payroll costs, including benefits
- Interest on mortgage obligations, incurred before February 15, 2020
- Rent, under lease agreements in force before February 15, 2020
- Utilities, for which service began before February 15, 2020

Also be diligent to avoid scams. Fraudsters have already begun targeting small business owners during these economically difficult times. Don't release any private information (especially

Social Security numbers, credit card information, or banking information) in response to an unsolicited call, letter, or email.

According to the Treasury, the targeted availability dates are:

- Starting April 3, 2020, small businesses and sole proprietorships can apply for loans to cover their payroll and other certain expenses
- Starting April 10, 2020, independent contractors and self-employed individuals can apply for loans to cover their payroll and other certain expenses