Business Community and Financial Institutions Advise Patience as the Paycheck Protection Program Launches

Financial Institutions offer customers additional help

LANSING, Mich., April 3, 2020 /PRNewswire/ -- **The Community Bankers of Michigan, Michigan Bankers Association, Michigan Credit Union League & Affiliates, and the Michigan Chamber issued the following statement today on the newly launched Paycheck Protection Program:**

The Paycheck Protection Program (PPP), passed under the Coronavirus Aid, Relief and Economic Security (CARES) Act, launches today, Friday, April 3. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The loans will be forgiven if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

There is high interest in this program. The PPP was passed under the CARES Act one week ago today. Financial Institutions received the guidance from Treasury less than 24-hours ago and have been working to establish channels for their customers.

Michigan's financial institutions entered this pandemic from a position of strength and are well-equipped to help their communities.

Things businesses can do right now:

1. **Determine your eligibility.**
   Small businesses with 500 or fewer employees—including nonprofits, veterans' organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.
2. **Talk to your financial institution.**
   If you are experiencing or expect to experience cash flow problems, contacting your lender is the critical first step.
3. **Plan for the next 3-6 months.**
   Many businesses have sufficient funds or access to capital for the first 2-3 months. However, we don't know how long the pandemic will last, so look ahead, both in terms of a potential lengthening of the pandemic and also in how you will handle recovery and re-opening of the business if you are currently closed.
4. **Be ready to produce required information quickly to help your lender with your application.**
   All loan programs still require some information in order for the lender to underwrite the loan, including the ones created through the CARES Act. Be ready to produce required documentation quickly to help your lender with your application.
5. **Don't panic and draw on lines of credit unnecessarily.**
   There is plenty of liquidity in the system (unlike the financial crisis in 2008) so don't panic and draw on lines of credit unnecessarily. Just like we are encouraging consumers to keep excess cash in insured financial institutions, keep the lines

of credit intact until you absolutely need to access them. There may be costs associated with accessing those funds and if you don't need to incur the added expense, don't.

6. **Have patience.**
   The financial sector wants to help you through these unprecedented times, but not all programs are in place yet, and even when they are, technology can cause hiccups or delays (e.g. systems crashing). We are proud to work with our partners in the business and financial services community to help guide Michigan's economy through this unique and challenging time.

"Bankers across the state of Michigan have worked long hours this week to prepare for the roll out of the SBA Paycheck Protection Program for Michigan businesses," stated Mike Tierney, president and CEO, Community Bankers of Michigan. "The Paycheck Protection Program is designed to help business owners retain their most important asset – their employees – through these troubled times. Michigan banks are the economic engine of the state. They have been there for their communities in every past crisis and they will be there for Michigan through this crisis."

"Working with small businesses is the backbone of what our industry does," explained T. Rann Paynter, President and CEO, Michigan Bankers Association. "Financial institutions of all sizes throughout Michigan were helping their small business customers with a range of assistance programs before the government approved this initiative. While, the PPP program is an added and critical tool, there are other options available to small businesses in need. Please communicate with your lender to learn more."

"Credit Unions join with banks in urging patience with the SBA PPP rollout," stated Dave Adams, President/CEO of the Michigan Credit Union League & Affiliates. "Congress moved swiftly, and the SBA has done it's best to be ready. Lenders continue to seek a refined process that expedites the flow of funds while protecting the interests of all parties. These steps may take longer than first expected but credit unions are ready to join with banks in making these emergency loans available as quickly as possible."

"We understand that many Michigan businesses, dealing with the economic fallout of COVID-19, are desperate for a piece of the $349 billion Paycheck Protection Program (PPP)," said Wendy Block, Vice President of Business Advocacy and Member Engagement for the Michigan Chamber. "The PPP is aimed at helping small and medium sized business retain workers and pay bills during the COVID-19 pandemic."

"We encourage businesses to be patient," continued Block. "If you are a business owner and you are interested in applying for a PPP loan, we'd encourage to direct your inquiries to the financial institution where you have your business. This will ensure the quickest turn-around time on your application."

Community Bankers of Michigan
The Community Bankers of Michigan is a 250-member trade association serving community banks, and their financial services partners, throughout Michigan. With headquarters in East Lansing, Michigan, the Community Bankers of Michigan is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, professional education programs, and high-quality products and services. For more information visit cbofm.org. One Mission. Community Banks.

Michigan Bankers Association
The Michigan Bankers Association (MBA), the voice of the banking industry since 1887, consists of Michigan financial institutions with more than 2,800 branches located throughout the state. The MBA promotes strong communities and economic activity in Michigan by advancing a positive business environment. MBA assists banks by offering products and services to reduce expenses and increase profitability through the strength of the association. For more information, visit www.mibankers.com.

Michigan Credit Union League & Affiliates
Organized in 1934, the Michigan Credit Union League & Affiliates (MCUL) is a trade association representing Michigan's credit unions. Based in Lansing, Michigan, MCUL works to strengthen the credit union community and its image by providing advocacy on important issues, coordinating cooperative initiatives and by providing high-quality solutions that help credit unions succeed and enrich the lives of their members. For more information, visit www.mcul.org.

Michigan Chamber of Commerce
The Michigan Chamber of Commerce is a statewide business organization representing nearly 5,000 employers, trade associations and local chambers of commerce who employ over one million Michigan residents. It was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

SOURCE Michigan Chamber of Commerce

For further information: Contact Information: Community Bankers of Michigan: Kate Angles, 517-336-4430, kateangles@cbofm.org; Michigan Banker Association: Alyssa Harasim, 810-845-0857, aharasim@mibankers.com; Michigan Credit Union League: Rick Weaver, 800.262.6285, ext 485, Rick.Weaver@mcul.org; Michigan Chamber of Commerce: Wendy

Block, 517-927-5135, WBlock@michamber.com

---

https://michamber.mediaroom.com/2020-04-03-Business-Community-and-Financial-Institutions-Advise-Patience-as-the-Paycheck-Protection-Program-Launches