



March 30, 2020

On behalf of every bank in Kentucky, we want to assure you that they are proactively working with small business customers to help them navigate the financial difficulties created by COVID-19. We want to summarize some of the opportunities that are available for small businesses.

Debt Relief

Banks can work with small business customers to offer a wide range of options designed to help them withstand the financial pressures **resulting from COVID-19**. Each bank is different, and each customer is unique, requiring conversations between customers and bankers that lead to appropriate solutions and productive outcomes. Options may include:

- Payment deferrals;
- interest-only payments;
- lower interest rates on loans in certain circumstances;
- waivers of fees and penalties;
- unsecured loans with favorable terms,
- low interest and no fees;
- SBA disaster loans
- SBA Payroll Protection Program loan

SBA 7(a) Payroll Protection Program (PPP)

These loans were approved by Congress on Friday, March 27, 2020. **The loans will not be available until guidance from the government is released, which should be any day.** Section 7(a) loans are made through your bank. These loans will provide businesses with fewer than 500 employees — including sole proprietors and 502(c)(3) nonprofits—access to nearly \$350 billion in loans during the “covered period,” which runs from February 15, 2020 through June 30, 2020. (Attached is more information about these loans.) Please recognize that although Congress approved \$350 billion for this program, that is available to all small business in the US. **It is expected that the fund will be depleted quickly, perhaps in one or two days after the guidance is released. (But, it is also expected that more funds may be made available by Congress in the future.)** **Small businesses should prepare NOW by accumulating as proof of the entire year of 2020 payroll expense and 2020 revenue.** You have to be able to show impact of COVID-19.

SBA Disaster Loans

These loans are made through the SBA (not through your bank) for small businesses and not-for-profit organizations who have suffered economically as a result of the coronavirus pandemic. They are officially called Economic Injury Disaster Loan and are available for the January 31, 2020 – December 31, 2020 covered period. These loans are applied for and disbursed directly from the SBA. You banker can get you more information or a small business owner can go directly to SBA and apply online here <https://covid19relief.sba.gov/#/>

Bank Operations

Kentucky banks are open for business and accessible. Most banks, but not all, have transitioned to limited lobby access and are directing customers to use drive-through facilities, ATMs, mobile banking and internet banking as much as possible. **However, small business customers make call for specific assistance or make appointments for essential banking services that cannot be delivered through more remote service means.**

Cash and Payments

There is no need for any bank customers to hoard cash or withdraw large sums of cash. It's unnecessary and creates a safety concern for both the customer and the banker. Our nation's banking system is strong, and there is more than enough cash in the system to meet the needs of consumers and businesses. It is important to remember that since the creation of the FDIC in 1933, no one has ever lost a penny in an FDIC-insured account.

Security

During this time of emergency, bank customers need to be on guard for scams. Resources we recommend are:

- [FTC Coronavirus Scams Page](#)
- [Insured Bank Deposits are Safe: Beware of Potential Scams Using the FDIC's Name](#)
- [FDIC: Avoiding Scams: Sticking to the Basics Can Go a Long Way](#)

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