FOR IMMEDIATE RELEASE
April 15, 2020

Paycheck Protection Program funds expected to dry up soon, banks urge borrowers to remain calm

DENVER – With daily numbers indicating that emergency funds available to small businesses through the Payroll Protection Program (PPP) will be exhausted very soon, banks are urging borrowers to be calm.

In just 10 days, small business borrowers have acquired nearly every penny of the $349 billion in PPP funds Congress appropriated to help keep them afloat amid the COVID-19 pandemic.

Banks stepped up to fund the $349 billion to borrowers on behalf of the U.S. government so banks are waiting right alongside their customers for the government funding, he added.

“Banks have done everything they can,” said Don Childears, chief executive officer of the Colorado Bankers Association. “Banks have been their customers’ friends and advocates before this crisis, they will be there through it and will be standing by their customers long after this is over.”

The latest data show Colorado getting more than 2.7 percent of total U.S. PPP loans and more than 2.3 percent of loan amounts, although the state is 1.7 percent of U.S. population.

In the meantime, small business borrowers are encouraged to investigate other funding avenues from the SBA’s Main Street Lending Program and its Emergency Injury Disaster Loans (EIDL), as well as the Small Business Administration’s traditional 7a program.

For borrowers whose applications are already in the system, Childears urged them to remain calm and connect with their bankers about getting those funded. “There shouldn’t be anything that jeopardizes what has been processed,” he said.
And for those businesses still waiting, he added, “Take a deep breath. We expect Congress to appropriate more money – and next time we shouldn’t experience the government’s startup headaches we had in the first round of funding.”

He also stressed that individuals who are waiting on Economic impact checks from the U.S. Government to remain calm. Data processors that serve the bulk of banks in the U.S. have been stressed – and even experienced temporary outages – due to large volumes of customers going online to check if the cash payment has been deposited in their accounts.

“We know customers are eager to know when that money arrives. Those payments are going out in weekly batches,” he said, adding that those Americans for whom the IRS does not have bank account information will wait a little longer for paper checks to come in the mail.

The IRS has developed a website, “Get my payment,” which allows taxpayers to track their Economic Impact payments by entering their tax return information for 2018 or 2019.

And customers can rest assured that their banks will process these payments immediately – and that the safest place for their money is in their bank. “Not a penny of FDIC-insured money has ever been lost and it’s not going to happen now,” Childears said.

Additional resources are being made available to consumers, including a new IRS website that will allow individuals to provide the government with their routing number and account number so their payment can be sent by direct deposit versus a slower paper check. As identifiers, they will need to provide from their 2019 tax return their Adjusted Gross Income and Taxes Due.

Lastly, Childears encouraged consumers to use two CBA-run websites to assist them with the financial impacts of COVID-19. SmallBizLending.org is a site to help small businesses access funding, while FinancialInfo.org is armed with a wealth of information to help consumers protect their hard-earned money.

About the Colorado Bankers Association

The Colorado Bankers Association represents more than 95 percent of the 131 banks in Colorado, which have $146 billion in assets, 1,482 branches, and 21,172 proud professionals. CBA advocates for Colorado banks of all sizes and charter types before governmental bodies and the public to continually promote and improve the banking industry amid challenge and a changing environment. CBA proactively seeks to increase benefits for bank customers, improve value for shareholders, and grow a stronger business climate for banks and our local economies. CBA supplements its effective advocacy with superior industry-specific information and education for bankers, and various high-quality products and services. CBA focuses on creating a stronger economy and helping Coloradans realize dreams by building better banks.