

RESCINDED

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Outdated

Small Business Administration Lending: New Programs for Small Business Relief

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC) is providing awareness to banks¹ about new and expanded small business relief programs administered by the U.S. Small Business Administration (SBA). These programs are included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The SBA is streamlining its eligibility criteria and processes to enable more financial institutions to use these programs for eligible small business borrowers. The OCC encourages banks to consider prudently using these programs and will not criticize

banks' efforts to assist small business borrowers who have been affected by financial or operational challenges due to the coronavirus (also known as COVID-19).

Note for Community Banks

The information in this bulletin applies to community banks.

Highlights

The OCC encourages banks to consider providing loans under available SBA relief programs to small businesses.

- The Paycheck Protection Program (PPP), an expansion of the SBA's 7(a) loan program, allows borrowers to obtain loans that are fully guaranteed by the SBA and that may be fully or partially forgiven if certain conditions are satisfied. The PPP is available beginning April 3, 2020.
- The Economic Injury Disaster Loan and Loan Advance Program expands the SBA's existing disaster assistance loan program and waives certain requirements. Economic Injury Disaster Loans can provide a small business with a working capital loan of up to \$2 million. In addition, small businesses may request a loan advance from the SBA of up to \$10,000, which does not have to be repaid.
- The Debt Relief Program will pay the principal, interest, and fees for six months on existing 7(a) loans and new 7(a) loans originated before September 27, 2020.

Further Information

Please contact Atif Rafi or David Ni, Credit Risk Specialists for Commercial Credit Risk Policy, at (202) 649-6670.

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Related Links

- OCC Bulletin 2020-15, [Pandemic Planning: Working With Customers Affected by Coronavirus and Regulatory Assistance](#)
- SBA, [Coronavirus \(COVID-19\): Small Business Guidance & Loan Resources](#)
- SBA, [Paycheck Protection Program \(PPP\)](#)
- U.S. Department of the Treasury, [Assistance for Small Businesses](#)

¹ The term "banks" refers to national banks, federal savings associations, and federal branches and agencies of foreign banking organizations.

Topic(s): ■ [COMMERCIAL CREDIT](#) ■ [SMALL BUSINESS LENDING](#)