



Arkansas Banker Association
1220 West Third Street
Little Rock, AR 72201
(501) 978-3609

For Immediate Release

Arkansas Banks Stand Ready to Help, Encourage Patience as Paycheck Protection Program Launches

LITTLE ROCK, AR. – April 3, 2020 – The Paycheck Protection Program (PPP) will offer some relief to small businesses in Arkansas, and Arkansas banks want to help borrowers through this process. Bankers ask for patience from the public as they work through the initial phase of the program. Application volume is already very high and the financial institutions qualified to offer these loans will strive to keep up with demand.

“Sheer volume won’t be the only reason the program will take time,” said Arkansas Bankers Association President and CEO Lorrie Trogden. “Banks are in the process of reviewing guidance released late Thursday evening from federal agencies and regulators as they prepare to counsel their customers on the Paycheck Protection Program.”

Even with the latest guidance, several aspects of the emergency program remain unclear. Many borrowers filled out the sample application posted to the Treasury website earlier this week, but that form changed late last night. In addition, the SBA has not yet issued final procedures for banks to complete back-end processing. Lenders that have not traditionally participated in SBA loans are waiting for the SBA to release a lender application process so that they can participate and assist in getting much needed relief into the hands of small businesses in their communities.

Despite that, Arkansas banks that can are accepting applications. Banks are here to help. Once the appropriate SBA government forms and processes become available, your Arkansas banks stand ready to serve their customers and communities.

“Keep in mind that PPP loans aren’t the only way Arkansas’ banks are helping their customers,” explained Trogden. “They worked one-on-one with their customers to find solutions before PPP became available, and they will continue to do so after the program is done. The good news is that Arkansas’ banks entered this pandemic from a position of strength and are well-equipped to help their communities.”

The ABA also recommends the following five things businesses can do right now:

- 1: Talk to your lender, if you haven’t already.** If you are experiencing or expect to experience cash flow problems, contacting your lender is the critical first step.
- 2: Plan for the next 3-6 months, if you haven’t already.** Many businesses we’ve heard from have sufficient funds or access to capital for the first 2-3 months. We don’t know how long the pandemic will last, however, 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.
- 3: 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.
- 4: Don’t panic and draw on lines of credit unnecessarily.** There is plenty of liquidity in the system (unlike during 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.

5: Have patience. The banking industry 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).

Please visit [sba.gov](https://www.sba.gov).

The Arkansas Bankers Association (www.arkbankers.org) founded in 1891, is the voice of Arkansas's \$100 billion banking industry, which is composed of small, regional, and large banks that together employ more than 27,000 people. It is the state's largest and oldest banking industry organization, providing a variety of member services, including educational programs, products and services, publications and a comprehensive government relations program.

For More Information: Lorrie Trogden, President/CEO
Arkansas Bankers Association
lorrie.trogden@arkbankers.org | 501.978.3602