



FOR IMMEDIATE RELEASE

Contact: Amanda Markow, Communications Manager,  
601.948.6366 or amarkow@msbankers.com

## **Mississippi Banks continue to assist with CARES Act's Paycheck Protection Program**

### **Loans**

**April 7, 2020** - In response to the novel coronavirus (COVID-19) disease's impact across the country, Mississippi banks are working around the clock to assist borrowers, including through the new the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Small Business Administration (SBA) continues to add new Mississippi lenders as often as possible, despite the system crash yesterday, April 6. Mississippi banks are still working overtime and doing everything they can to help customers apply for the Paycheck Protection Program (PPP) loans.

The U.S. Treasury Department and Small Business Administration issued further guidance for the CARES Act's Paycheck Protection Program (PPP) on April 2 and again on April 6, which will provide up to \$350 billion in fully forgivable loans to help small businesses maintain payrolls during the coronavirus pandemic.

With many small businesses and banks concerned about money running out, we hope that the Senate will approve up to \$250 billion in additional funding as early as Thursday, April 9. This additional funding would be crucial to the program and to Mississippi businesses.

Banks have been working to quickly interpret this guidance and provide funds to customers as fast as possible, and Mississippi bankers ask for patience from the public as the program begins. Some banks still await final approval from the federal government to make these loans, while some banks are now eligible to make these loans.

"Please remember that PPP loans aren't the only way that Mississippi's banks and bankers are helping their customers," said Gordon Fellows, president and CEO, Mississippi Bankers Association (MBA). "Your banks are continuing to work through understanding all of the options available to best fit each of their customers. We will all have to be patient as we work through this process. Mississippi's banks understand the urgency of supporting small businesses and are committed to doing all they can to support small employers all around our state that are struggling with unprecedented challenges right now. The SBA PPP program provides a great tool for banks to help customers, and our banks are eager to work with local small businesses to take advantage of this program."

Above all, Mississippi banks want their small business customers to know that they stand with them, ready to help them navigate these very difficult times. The PPP will be a tremendous help to businesses and non-profit organizations and our local economy, and banks are working hard to create other solutions for their customers, too. Mississippi banks are well-positioned and well-capitalized to assist their customers during this public health crisis.

For ongoing updates on the PPP and what Mississippi banks are doing, please visit [msbankers.com/PPP-loans](https://msbankers.com/PPP-loans).

## PPP FAQ:

**Who is Eligible?** *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.”*

**When can a business apply?** *Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. There is a nationwide funding cap of \$349 billion on this program.*

**How does the guarantee work?** *Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees”*

**Will this loan be forgiven?** *You will owe money when your loan is due if you use the loan amount for anything other than payroll costs, mortgage interest, rent, and utilities payments over the 8 weeks after getting the loan. Due to likely high subscription, it is anticipated that not more than 25% of the forgiven amount may be for non-payroll costs. You will also owe money if you do not maintain your staff and payroll.*

*Small businesses can apply for these loans at any participating bank or other lenders that are designated by the federal government.*

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Since 1889, the Mississippi Bankers Association has been the statewide trade association of the state’s banking industry. The MBA supports its member banks through education, advocacy, communications, and products and services. Learn more at [www.msbankers.com](http://www.msbankers.com).