

Ohio Banking Industry Stands Ready to Help Small Businesses through Payment Protection Program



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COLUMBUS – Ohio's banks are mobilizing to help distribute \$349 billion in emergency Small Business Administration loans to small businesses through the SBA Paycheck Protection Program, which officially launches today. As this program begins, the Ohio banking industry emphasizes that application volume will be very high as financial institutions qualified to offer these loans work to keep up with demand and that certain parts of the program still await clarification from the federal government.

“The volume of applications is expected to be high,” said OBL President and CEO Mike Adelman. “Financial institutions are in the process of collectively reviewing guidance released overnight from federal agencies. Even with the latest guidance, certain details remain unclear.”

“It is important to emphasize that Ohio banks are here to help,” added Adelman. “Once the appropriate SBA processes are clarified and forms are all available, OBL members stand ready to serve their customers and communities.”

“The OBL thanks the Ohio Congressional delegation for supporting the creation of this new SBA program to aid local businesses during this unprecedented crisis. We remain in contact with them as PPP details unfold.”

“It is important to note that PPP loans aren't the only way our banks are helping their customers,” explained Adelman. “They were working with Ohioans to find solutions before PPP became available and will continue to do so after the program. Ohio's banks are in a strong position to play a key role in re-starting the economy as we move past this difficult time.”

The OBL also recommends the following four things businesses can do right now:

- 1: Talk to your lender, if you have not already done so. 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 have not already done so. Many businesses have sufficient funds or access to capital for the first 2-3 months. We do not know how long the pandemic will last, however, so look ahead, 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: Do not panic and draw on lines of credit unnecessarily. There is plenty of liquidity in the system. 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 do not need to incur the added expense, do not add one.

“Ohio banks are strong and have various ways they are helping business customers,” added Adelman. “Their top priority is focusing on the economic sustainability of the communities they serve.”

For more information, please visit www.sba.gov.

About the Ohio Bankers League

The Ohio Bankers League is the trade association for the Ohio banking industry – and is Ohio’s only organization focused on meeting the needs of all banks and thrifts in the Buckeye State. For more than 125 years, the OBL has been the voice of the Ohio banking industry fostering a cooperation that has made it one of the strongest and most reputable financial trade associations in the country. By linking banks, bankers, and industry experts – and by pooling their intellectual and capital resources – the OBL serves as a powerful creator of knowledge and collective resources. The non-profit association is comprised of 170+ FDIC-insured financial institutions including commercial banks, savings banks, and savings and loan associations ranging in size from \$14 million to \$3 trillion in assets.