



Getting The Most Out Of The Last Days Of PPP

👉 **lending** **business customers**

Summary: As the PPP deadline draws near, opportunities still exist to help small businesses. We explore where to locate more customers, new legislation, and looking beyond PPP.

It has been reported that coyotes outrun roadrunners by 23 mph. Similarly, community financial institutions (CFIs) seem to have outpaced both regional and big banks when it comes to PPP loans.

Though the deadline for the PPP approaches and demand has slowed, great opportunities still exist. Today we discuss where to locate more demand, possible new legislation, and looking beyond the PPP eligibility period.

The latest SBA PPP report shows \$130B is still available, after over 4.5MM loan approvals. With an estimated 30MM+ small businesses in the US, more businesses may still be in need and qualify. The SBA shows 56K loans were approved for the week ending June 6th so the demand is still there. The average loan size is declining so larger financial institutions may not choose to participate, which leaves more opportunity for CFIs. Furthermore, the Treasury Department's new interim rules on partial forgiveness may provide more incentive for new applicants. But, finding new customers in a short time can be challenging.

Here are three areas which could prove fruitful.

1. **Target specific areas to leverage timeline.** PPP is a chance to reach out to smaller businesses where your organization did not have the time or resources to prioritize previously. But mobilize the troops, since the deadline is looming.
2. **Search online and social media.** Coronavirus restrictions have led to growth in e-commerce. Many businesses expanded e-sales and increased their online presence. They may be easier to find as a result. E-commerce will continue even after the coronavirus, so this could be a good investment area.
3. **Call other CFIs.** This option may sound unusual, but businesses have been turned away because some CFIs have reached their internal cap. Likewise, with the deadline approaching, some CFIs may not have the resources to process all new applications in time and would rather a CFI help their borrower than turning to a larger bank.

If none of those ideas make sense for you, or you have hit your cap, new legislation involving PPP could provide additional support. Three members of the Senate Committee on Small Business & Entrepreneurship are introducing legislation to allow businesses who've already received funding to obtain more. The Prioritized Paycheck Protection Program Act would allow new lending to businesses with 100 employees or fewer. Companies must also show they've drained funding or are on pace to do so.

Finally, if you've processed all PPP you can find, you might want to shift your focus to the [Main Street Lending Program](#) (MSLP) to compete for clients at larger financial institutions. It's been widely reported small businesses felt these larger institutions prioritized larger clients. Though loans through the MSLP are not forgivable, you could, perhaps, help refinance an existing loan for some of those borrowers. Make sure to familiarize yourself with all of the qualifications and restrictions, but as the last few months have shown, CFIs can be quite creative.

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