

April 6, 2020

Dear Members:

On March 27, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. The CARES Act has several provisions designed to provide relief to individuals and small businesses. Chief among these, and pertinent to credit unions, is the Payroll Protection Program (PPP) for qualifying businesses. While **credit unions are not currently eligible to apply for these stimulus funds for themselves**, your business members may be looking to your institution for help receiving funds. And, with federal relief rolling out quickly over the last week, below is information that may be useful to you on this sweeping relief package for Americans.

PAYROLL PROTECTION PROGRAM (PPP)

The PPP is a nearly \$350-billion program intended to provide American small businesses with cash-flow assistance through 100 percent federally guaranteed loans. The U.S. Small Business Administration (SBA) will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. Small businesses and eligible nonprofit organizations, veterans' organizations, and tribal businesses described in the Small Business Act, as well as individuals who are self-employed or are independent contractors, are eligible if they also meet program size standards.

Currently, credit unions are not considered an eligible entity for the PPP; however, we are monitoring this very fluid situation and will notify you should this change. For additional information on the PPP, please review the resources below, so your credit union can further understand the PPP and how it may be leveraged by your credit union to provide relief to your small business members.

- [U.S. Small Business Administration PPP webpage](#)
- [U.S. Treasury Assistance for Small Business webpage](#)
- [CUNA News Now overview of PPP](#)

I also want to make sure you're aware of the Federal Reserve's webinar on the distribution of federal stimulus payments to individual taxpayers and small businesses, and important information regarding the distribution of cash to financial institutions. Registration for the on-demand version is available at [AskTheFed.com](https://www.federalreserve.gov/askthefed/).

Through the PPP, credit unions have the opportunity to help members access much-needed assistance. It is a complex program that is providing significant, wide-ranging relief on a rapid timeline. Corporate One will continue to monitor the situation and provide updates and resources that enable you to help your members during these unprecedented times.

Sincerely,



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