



MD: If You Have Dark Spots, Do This Immediately (It's Genius!)



COLUMNISTS COMMENTARY CORONAVIRUS

COVID-19 SBA loan funds exhausted: At Devon Bank, ‘applications with no place to go’

“It leaves us stuck,” said David Loundy, the chairman and CEO of the 75-year-old family owned Devon Bank.

By Lynn Sweet | Apr 16, 2020, 8:24pm CDT

Facebook Twitter Share



Small Business Administrator Jovita Carranza at the White House discussing COVID-19 emergency relief loans. | Win McNamee/Getty Images

At a few minutes before 9 a.m. Chicago time on Thursday, an official with the Small Business Administration sent out an urgent email: “hitting limit in the next few mins,” said the message, obtained by the Chicago Sun-Times.

With funds appropriated by Congress exhausted, minutes later, the door slammed shut – for now – on the SBA accepting applications for two COVID-19 emergency loan packages. That’s the new Paycheck Protection Program – known as PPP – and existing Economic Injury Disaster Loans, both in enormous demand.

“It leaves us stuck,” said David Loundy, the chairman and CEO of the 75-year-old family-owned Devon Bank headquartered at 6445 N. Western Ave. with branches in Glenview and Wheeling.

These PPP loans for small businesses and nonprofits are urgently needed by employers to meet payrolls and remain viable until lockdowns are lifted.

Loundy said he had a backlog of 70 to 85 applications – asking for about \$10 million in loans.

“They are applications with no place to go. These are people who just won’t get money. They represent small business operators; they represent sole practitioners; nonprofit organizations; religious organizations, across the board,” Loundy said.

The door opened April 3 for the PPP loans, and by Thursday morning, the \$345 billion appropriation for the program was all gone.

Congressional negotiations to replenish the PPP pot with another \$250 billion on Thursday night were at a stalemate.

Democrats are looking for fixes in the PPP to help, in the second round of funding, small community banks like the Devon Bank, pushed to the end of the line when it came to processing applications for the PPP loans.

Loundy said Devon Bank, because it does relatively few SBA loans, had to go to a third party to process the PPP loan applications for the SBA – and they gave priority to their best customers.

Big national banks were able to work directly with the SBA. Applicants with relationships with lenders who applied right away fared best in the stampede for the federal cash.

As of Monday, in Illinois, 44,453 loans were approved, totaling \$12.5 billion. Across the nation, at least 1,035,086 loans were approved.

Rep. Brad Schneider, D-Ill., said, “In the last month I have been in touch with hundreds of small business owners across our district. They are angry, frustrated and they need support now, not next week or next month.

“The Trump administration, including Treasury and SBA, was already falling short getting the money Congress sent to them out the door as soon as possible, and failing to accurately communicate with businesses how to apply and when money would be received,” Schneider said.

As the PPP well was running dry, Reps. Jesús “Chuy” García and Danny Davis, Illinois Democrats, with other lawmakers asked the SBA and the Treasury Department “to conduct proactive outreach in underserved and minority communities.”

“Small businesses in underbanked communities and local lenders trying to compete with big banks are already facing significant barriers to participation in the PPP loan program. ...This relief program should not widen existing access gaps for borrowers and lenders,” they said.

On Wednesday evening, Treasury Secretary Steve Mnuchin and SBA Administrator Jovita Carranza — who is from Skokie — said, “The SBA has processed more than 14 years’ worth of loans in less than 14 days.”

FAQ

I emailed a question Thursday to Andrea Roebker, an SBA spokeswoman. “If a loan was approved before the announcement Thursday that the PPP funding ran out, even if it was last night or this morning, will the applicant get the money?

Roebker answered, “Yes, if the SBA approved the Paycheck Protection Program loan before the funding ran out, the applicant will receive their money.”

IN THIS STREAM

Coronavirus in Chicago, Illinois

- Pritzker expected to close all Illinois schools for remainder of academic year
- COVID-19 SBA loan funds exhausted: At Devon Bank, ‘applications with no place to go’
- Lightfoot extends reprieve for motorists, businesses until June 1

VIEW ALL 314 STORIES

NEXT UP IN COMMENTARY

Amid the frustrations of being stuck at home, a pink heart is slipped beneath Daddy’s door

Don’t let Trump starve the postal service to improve his reelection odds — or beat up on Jeff Bezos

In the aftermath of COVID-19, expanding Medicare, Medicaid could save lives
Trump administration must report COVID-19 nursing home deaths: Rep. Schakowsky
Better basketball: 1990s Bulls or today’s game? All the answers are right here in the text
Vote by mail on Nov. 3, just this once

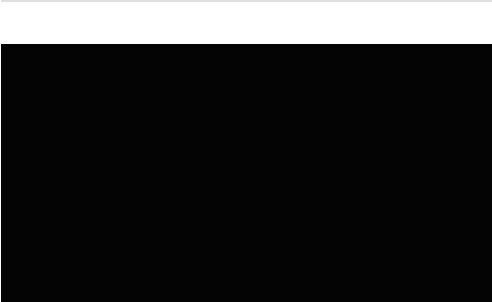
AD

Hey check this out, Chicago!



powered by saambaa

THE LATEST



CPS wrong to send 3rd quarter report cards amid pandemic, Chicago Teachers Union says

“The customary way of grading is inappropriate given remote learning during a global health pandemic,” said CTU President Jesse Sharkey.

By Nader Issa



NASCAR postpones Martinsville race, hopes to return at Charlotte

NASCAR said it is still committed to running all 36 Cup Series races this year and will consider holding events without fans.

By Associated Press



McCormick Place field hospital now accepting COVID-19 patients (LIVE UPDATES)

Get the latest news on how COVID-19 is impacting Chicago and Illinois. Follow here for live updates.

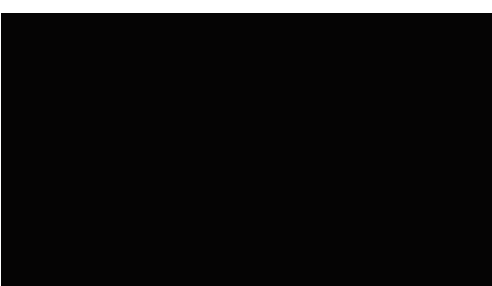
By Sun-Times staff



Pritzker expected to close all Illinois schools for remainder of academic year

The governor plans to announce the closures impacting 2.2 million students Friday afternoon, sources said.

By Nader Issa, Fran Spielman, and 2 others



Will Bulls coach Jim Boylen be returning? The situation remains fluid

Depending on the day, the same member of the Bulls organization can have a completely different opinion on whether Boylen will be back as coach. But only the new head of basketball operations, Arturas Karnisovas, will have the final say.

By Joe Cowley



Suburban firefighter dies after construction vehicle falls into water in Fox Lake

Mark Amore was using a Bobcat, grading gravel in a parking lot at Ben Watts Marina, when the vehicle got too close to the edge and fell in the water.

By David Struett



MD: If You Have Dark Spots, Do This Immediately (It's Genius!)

