



CARES Act Webinar | April 3, 2020
Questions with Answers

Q: Are any financial institutions actually in the portal submitting loans?

A: Yes, many community banks and some large banks are already lending.

Q: Can you send us an email if we can become a borrower under PPP?

A: We will announce this as soon as we hear and are prepared to handle requests once we are approved by the SBA.

Q: Does a credit union have to be an approved SBA Lender to participate in the PPP?

A: In order to be a lender, you must be an approved lender. Visit www.alloyacorp.org/alloyacares for more information.

Q: Who actually approves the loan application? SBA or the lender? Do the funds come from the lender or the government?

A: Under delegated authority from the SBA, the lender approves the loans. The funds come from the lender. The SBA provides a guarantee and may forgive the loan at a later date.

Q: So before an approved lender can commit to the loan, does it have to be approved by SBA?

A: No. Under delegated authority, the lender approves the loan under the set guidelines.

Q: Can the SBA loan be given to new members?

A: SBA Loans can be made to new members, but certain verifications are required so we advise higher levels of scrutiny for these applications.

Q: Can the Alloya CARES Grant cover money we have already spent?

A: Yes, it can. Just tell us the story!

Q: If a business has already laid off employees, do they need to rehire them? How long do they have to do rehire?

A: There are remedies if they have already laid off staff. See information links at www.alloyacorp.org/alloyacares after this call that specifically address the requirements in this situation.



Q: If Alloya is going to be an SBA Lender under the CARES Act, where should completed applications for the PPP by Alloya members be sent to?

A: If credit unions can become borrowers, we will have the info on www.alloyacorp.org/alloyacares.

Q: Should a credit union be an existing commercial (member business loan) lender if it wants to consider offering Paycheck Protection Loans?

A: Some experience in business lending is recommended but not required. It is a business decision of the credit union. These loans, if completed under the guidelines, are fully guaranteed.

Q: Are businesses eligible if their employees are actually working (e.g. telework) versus just being laid off (not working but still an employee / reduced hours) for the paycheck funds?

A: Yes, the program is designed to keep people working who may otherwise be laid off.

Q: Will the microsite provide the details of how the loan should be booked at the credit union? Deferred payment, payment selection (e.g. monthly, single pay), term, etc.

A: We can offer assistance, but each CORE system is unique, and they may be a better source for this question.

Q: Is the lending credit union required to distribute funds to the business with any restrictions or controls?

A: There are certain requirements and www.alloyacorp.com/alloyacares resources can help answer this more specifically.

Q: If we grant an SBA loan, are we required to house this loan on our CORE system?

A: Yes. Loan advances are made and serviced by the Lending credit union.

Q: Will there be a definite answer on whether credit unions can borrow under the PPP?

A: We are awaiting a definitive answer and the NCUA, SBA, and Treasury have all indicated that it is coming.

Q: Are the loans funded by the originator? I did not think it was, it's SBA funds and therefore the SBA takes the loss, right?

A: The funds are advanced by the lender but fully guaranteed by the SBA.



Q: Would Alloya be able to do the "back end processing" with the SBA (i.e. reporting, etc.) for any PPP loans we make to our members?

A: We have this under consideration and are testing systems and compliance abilities – more to come soon!

Q: Any programs for credit unions over \$100 million?

A: We are continually discussing ways to assist all members and will provide any solutions as soon as we develop them.

Q: Do you see credit unions modifying their ALM policy during this timeframe?

A: Yes. We have members stretching their policies around multiple areas. The NCUA has been issuing various guidance that we will post as we get it.

Q: If we become an SBA Lender, do we need to have E-Tran capabilities?

A: The requirements for each program can be found at www.alloyacorp.org/alloyacares.

Q: Does the 1% interest rate accrue on the date funds are provided to the applicant or is the initial period of time interest free, with interest only applying if the funding converts to a two-year loan?

A: Interest accrues from day one.

Q: Does anyone have the actual loan documents the borrowers will sign upon disbursement of funds and if so, could they please share them?

A: Links to everything you need are at www.alloyacorp.org/alloyacares.

Q: Do you foresee any reduction in current lines of credit?

A: We do not.

Q: I am sure this has been answered but I may have missed it. Does "guaranteed" mean if the borrower cannot pay back the loan we will NOT take a loss?

A: Correct.

Q: So when the loan turns into a grant how soon does the lender get their money back?

A: They have not published this detail for this at this point.



Q: Can an employer be selective in their hire back policy? A catering firm laid off their wait staff but still paid management – can they still apply or must they have all employees back on the payroll?

A: There are specific guidelines and www.alloyacorp.org/alloyacares has links to help answer these questions.

Q: If a small business only has the owners working, do they qualify for the program?

A: The answer is yes in MOST cases.

Q: How do we provide you with our name to receive access to the CLF through Alloya as our agent?

A: Alloya will be covering all members under \$250 million in assets. Any questions call or contact Alloya's Lending Department at lendingdepartment@alloyacorp.org.