

Proposal: 1714(AF88) Reg O; Loans to Executive Officers, Directors, and Principal Shareholders of Member Bank

Description:

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Comment ID: 137214

From: Renasant Mortgage Lending, Aaron Thomas

Proposal: 1714(AF88) Reg O; Loans to Executive Officers, Directors, and Principal Shareholders of Member Bank

Subject: R-1714 Reg O; Loans to Executive Officers, Directors, and Principal Shareholders of Member Bank

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Comments:

NONCONFIDENTIAL // EXTERNAL

Morning,

On the Interim Final Rule, comments were sought on the plain language and whether parts of the rule were difficult to comprehend. The rule was mostly easy to understand except for the portions below.

1. Which "certain PPP loans" are these? It appears the Board knows which loans these are. Examples or further description would be helpful. The phrasing is also unclear on what causes a loan to be subject to SBA lending restrictions. Do SBA lending restrictions continue to apply because certain PPP loans are subject to section 22(h)? Or does section 22(h) apply to certain PPP loans because of SBA lending restrictions? Essentially, what is the trigger or the cause for "certain PPP loans" continuing to be subject to section 22(h)?

"SBA lending restrictions continue to apply to certain PPP loans that also would be subject to section 22(h) and the corresponding provisions of Regulation O."

2. The following part is also somewhat unclear. Can the Board simply just not state what the other restrictions are instead of a general reference to "other restrictions" and then "section 22(g)." Simply stating the actual restrictions which still apply would contribute immensely to readability and plain language.

"This determination does not impact the application of other restrictions that may apply to PPP loans, including section 22(g) of the Federal Reserve Act or section 215.5 of Regulation O.<sup>24</sup> This determination also does not affect the SBA lending restrictions."

Thanks,

Aaron Thomas

Director Compliance Lending

245 Town Park Dr, Ste 190

Kennesaw, GA 30144

AThomas@renasant.com

Office: 678-932-3139

Mobile: 1-205-601-3008