

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

Description:

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Comment ID: 137216

From: University of Denver Strum College of Law, Nicholas Shine

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

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Comments:

Date: Apr 24, 2020

Proposal: Regulation O: Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks [R-1714]

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First name: Nicholas

Middle initial: B

Last name: Shine

Affiliation (if any): University of Denver Strum College of Law

Affiliation Type: Educational (Edu)

Address line 1: 18 South Fairfax Street

Address line 2:

City: Denver

State: Colorado

Zip: 80246

Country: UNITED STATES

Postal (if outside the U.S.):

Your comment: Bolstering the paycheck capabilities of small businesses proposed by this rule is a great idea. The spread and impact of the Coronavirus has impacted us all, especially small businesses. However, I do have some concerns. The criteria for a small business as stated on the SBA website mainly consists of the number of employees when it comes to determining eligibility. I do not believe this metric is sufficient to prevent businesses that may be impacted but otherwise will sustain minimal loss to have a windfall of money forgiven by this rule. The criteria for which businesses can apply for this rule must be more stringent. A small business that makes millions of dollars in net income is eligible for this forgiveness. I believe the intent is to help suffering businesses. The money for this program is finite and smaller businesses who may depend on this forgiveness to stay afloat deserve the benefits from this rule while higher earning small business do not deserve to cut costs as a result of this rule. Thank you.