



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION
AND REGULATION

SR 20-10

April 6, 2020

**TO THE OFFICER IN CHARGE OF SUPERVISION AT EACH
FEDERAL RESERVE BANK**

**SUBJECT: Small Business Administration (SBA) and Treasury Small Business Loan
Programs**

Applicability: This letter is relevant to financial institutions supervised by the Federal Reserve and their service providers.

The Federal Reserve is issuing this letter to inform supervised financial institutions about several forms of relief available to small businesses affected by COVID-19 as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Federal Reserve encourages financial institutions to consider participating in programs administered by the Small Business Administration (SBA), as well as those programs offered by the U.S. Department of the Treasury (Treasury). The programs include:

- The Economic Injury Disaster Loan program under Section 7(b) of the Small Business Act, which provides funds to small businesses to cover economic injury resulting from the disaster, such as a loss of revenue; and
- The Paycheck Protection Program, which provides loans to encourage certain qualified small businesses to retain employees through the COVID-19 pandemic and includes loan forgiveness subject to certain conditions.

At the end of this letter, institutions can find links to the SBA and Treasury websites on their COVID-19 related programs. Consistent with Federal Reserve statements on institutions working with borrowers affected by COVID-19, Federal Reserve examiners will not criticize supervised institutions that prudently use these programs. Information on the Federal Reserve's COVID-19 supervisory and regulatory actions, as well as responses to questions from financial institutions, is available on the Board's public website, which is updated on a regular basis. A link to this website is also provided at the end of this letter.

Reserve Banks are asked to distribute this letter to the Federal Reserve-supervised institutions in their districts, as well as to their supervisory and examination staff. Questions may be sent via the Board's public website.¹

Michael S. Gibson
Director

Web links to COVID-19 Information:

- SBA Guidance - *Coronavirus (COVID-19): Small Business Guidance & Loan Resources* available at: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>
- Treasury's information on Assistance for Small Businesses available at: <https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>
- Federal Reserve information on COVID-19 Supervisory and Regulatory actions available at: <https://www.federalreserve.gov/supervisory-regulatory-action-response-covid-19.htm>

¹ See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>. To ensure that your question is properly routed, please select the "Coronavirus (COVID-19)" button on the feedback form.