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July 10, 2020

FOR IMMEDIATE RELEASE

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PAYCHECK PROTECTION PROGRAM JULY UPDATE

RALEIGH, N.C. – Since the launch of the Small Business Administration (SBA) Paycheck Protection Program (PPP) on April 3, 2020, North Carolina bankers have continuously worked to serve our communities and small businesses. As of June 30, 2020, the SBA reported that 121,917 North Carolina small businesses have received \$12.4 billion in PPP funding. 1.2 million North Carolina jobs have been supported by the PPP, and 80% of the total small business payroll in the state has been covered by PPP loans as of the June 30 date. Eight of the top ten national PPP lenders are headquartered in North Carolina or have a significant presence in the state.

From the beginning of the COVID-19 pandemic, North Carolina banks have worked with their customers to help them with their financial challenges, including payment deferrals, loan modifications, interest-only payments, mortgage and home equity payment forbearance with no late fees, and suppression of credit bureau reports on affected loans. Each customer is unique, and banks have worked with their customers to develop tailored solutions that are best for each situation.

“North Carolina banks have done remarkable work throughout this pandemic. They have committed significant resources and manpower to support their customers and their communities. The pivotal role banks played in the Paycheck Protection Program has supported 1.2 million jobs in North Carolina and covered 80% of the payroll of small businesses in our state,” said NCBA President & CEO Peter Gwaltney. “Our banks are strong and are committed to helping their customers and communities through the remainder of this pandemic.”

On the national level, SBA also reported the following statistics as of June 30, 2020:

- 95.5% of PPP funding has been distributed by banks;
- 90.3% of PPP loans have been originated by banks;
- 78.2% of PPP lenders are banks;
- 27% of PPP funds went to small businesses in low- and moderate-income areas (as defined by the Community Reinvestment Act);

- 22.5% of PPP funds went to small businesses in Historically Underutilized Business Zones (HUB Zones);
- 20.1% of the total number of PPP loans went to small businesses in rural areas;

“North Carolina banks entered this pandemic from a position of strength, thanks to record capital and liquidity levels, as well as prudent planning and risk mitigation,” stated NCBA Chairman, Charles Frederick, market leader of North Carolina for TD Bank. “We are proud of the role we have played in the recovery of our state’s economy, and we look forward to continuing to assist our customers and communities through the PPP extension of August 8.”

Small businesses should visit www.sba.gov to learn more about the Paycheck Protection Program and gather the required information before applying for a PPP loan with their primary bank. Not every North Carolina financial institution is a fit to participate in the program. If your bank is not a participant in the Paycheck Protection Program, small businesses should inquire with other lenders.

ABOUT THE NORTH CAROLINA BANKERS ASSOCIATION:

The North Carolina Bankers Association brings together all categories of banking institutions that best represent the interests of our rapidly changing state. Proudly serving North Carolina’s banking industry since 1897, the NCBA is the professional trade organization providing advocacy, leadership and support for its dynamic membership base. The Association has two subsidiaries, Centrant Community Capital and Community Bank Services (CBS). Centrant Community Capital provides permanent debt financing for workforce apartment communities and housing in a number of states. CBS offers insurance and employee benefit products and publishes a quarterly magazine, *Carolina Banker*. For more information, visit at www.ncbankers.org.

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