

# FHLBank Update

## Use of Community Lending Program to Fund Paycheck Protection Program (PPP)<sup>1</sup> Eligible Loans (CLP-PPP)

FHLBank Pittsburgh continues to monitor the negative impact of COVID-19 and identify opportunities to help members support community lending needs. Beginning at 9 a.m. on May 18, 2020, FHLBank will temporarily allow loans made by member institutions to entities eligible to receive PPP loans (PPP Eligible Entities)<sup>2</sup> to qualify under the Community Lending Program (CLP), consistent with regulatory standards applicable to FHLBank. CLP-PPP advances are available under, and part of, FHLBank's existing CLP product. As with current CLP lending, funding is available at FHLBank's cost of funds to support member lending under CLP-PPP, as established by the Coronavirus Aid, Relief, and Economic Security Act.

All CLP requirements and limits, plus the following additional limits, will apply to CLP-PPP advances:

- Available on a first-come, first-served basis until June 30, 2020, or until the CLP pool – which was recently increased to \$3.75 billion – is exhausted, whichever occurs first
- Includes a per-member limit of \$25 million<sup>3</sup>
- Advance terms cannot exceed one year

To participate, members must complete a CLP-PPP advance [application](#) and [worksheet](#). For more information, see the [CLP-PPP Advance FAQs](#), visit the [CLP webpage](#) or email [clp@fhlb-pgh.com](mailto:clp@fhlb-pgh.com).

### Additional Ongoing Resources

As a reminder, members can also take advantage of Banking On Business (BOB) funding to support small-business lending. BOB can provide up to \$200,000 to help small businesses that have underwriting challenges. The funds can be used for working capital, which can help small businesses currently in need of cash flow. About \$1.8 million in 2020 BOB funding is still available. See the [BOB webpage](#) for details.

Members can also participate in Home4Good, which supports those who are experiencing, or are at risk of, homelessness by channeling funds to local organizations that know how to help. This year, FHLBank and its Home4Good state housing finance agency partners will begin disbursing approximately \$7 million in Home4Good funds in May. Members can submit this [member co-applicant form](#) to pledge support. Forms must be emailed to [home4good@fhlb-pgh.com](mailto:home4good@fhlb-pgh.com) by May 15. See the [Home4Good webpage](#) for details.

We continue to monitor COVID-19's impact and assess additional ways to help members and the communities they serve. If you have questions, please contact your Business Development Manager or call 800-288-3400, option 2.

<sup>1</sup> PPP loans are guaranteed by the Small Business Administration (SBA) and authorized by and subject to requirements of the Coronavirus Aid, Relief, and Economic Security Act. Pub. L. 116-126.



<sup>2</sup> For purposes of CLP-PPP, "PPP Eligible Entities" shall mean those entities which meet both (1) the criteria specified in 15 U.S.C. § 636(a)(36)(D); and (2) implementing standards or guidance issued by the SBA.

<sup>3</sup> In addition to the \$25-million limit for PPP Advances, the overall combined PPP/CLP member limits of \$75 million per year, and \$175 million in total outstanding, also apply.

*Disclaimer: This is not advice or a recommendation to participate in any particular financial strategy.*