Governor Ducey Announces New Steps To Protect Families And Small Businesses From Foreclosure

News Release

March 30, 2020

PHOENIX — Governor Doug Ducey today announced a cooperative agreement with the state's banks to protect small businesses and families from eviction and foreclosure. Banks also committed to expediting the application and approval of small business loans as part of the $349 billion Paycheck Protection Program passed by Congress and signed into law last week.

Under **the agreement (https://azgovernor.gov/sites/default/files/arizona_bankers_associatior 19_march_25_2020_0.pdf)**, banks are suspending evictions and foreclosures for at least 60 days, with the potential to extend that period for the duration of the state's emergency declaration. Additionally, most banks have adopted a payment deferral program for business loans under guidance from banking regulatory agencies, and many banks are working directly with consumers on payment deferrals for certain consumer loans.

Governor Ducey met with banking leaders last week along with leaders in other industries including utilities, telecommunications, and commercial real estate to affirm commitments to protect Arizona small businesses and families amid the economic disruptions caused by COVID-19.

"We know many families and businesses are in need of immediate relief, and with April 1st fast approaching this agreement will help ensure no Arizonan loses their home or business at the end of the month," said Governor Ducey. "We have a long road ahead of

us, and we'll need the continued partnership of Arizona's banks and landlords to help those facing economic loss because of COVID-19. I'm grateful to Arizona's banks for stepping up during this time of need as part of Arizona's all-hands-on-deck relief efforts."

While borrowers will continue to be expected to meet their financial obligations under the agreement, this flexibility will provide a needed lifeline to those facing foreclosure or eviction. Arizonans are encouraged to notify their bankers if they are experiencing short-term hardship related to COVID-19 ahead of their payment due dates.

"This flexibility will help ensure that families and businesses are not evicted or foreclosed upon because of COVID-19-related financial difficulties," said Jack Barry, Arizona Bankers Association (AzBA) Chairman. "This is a difficult situation for all of us, and the banking sector in this state is committed to doing everything we can to assist Arizonans in this time of need."

Additionally, Arizona banks are working to deliver small business loans as part of the federal Paycheck Protection Program — a new program established by the Coronavirus Aid, Relief, and Economic Security Act signed by President Trump on Friday, March 28. The program will allow banks to lend up to $10 million to small businesses and sole proprietors who have been disrupted due to COVID-19. The federal Small Business Administration (SBA) is finalizing details of the program and Arizona banks expect to begin accepting applications for the loans within two to three days after federal guidance is issued. Banks expect that approved borrowers will be able to access loan funds within five business days of their applications.

Arizona banks are partnering with the Arizona Commerce Authority to proactively reach out to small businesses to help prepare them for the short application process.

"While we don't have the specific requirements from the SBA yet, we do know borrowers will need to have an IRS issued Employer Identification Number, payroll records, and a short statement of how their business has been negatively impacted by COVID-19," said Paul Hickman, AzBA President. "Businesses interested in applying for

the loans should prepare that information now so they can apply immediately after banks begin lending."

Additional details about the Paycheck Protection Program and other COVID-19 financial resources can be found at **azcommerce.com/covid-19/business-financial-support (http://azcommerce.com/covid-19/business-financial-support)**.

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