[Upstate New York's SBA director:](http://click.bizjournals.com/F1RWx00ls9U0t2kp000YP8A" \t "_blank)

[Best advice for small biz seeking PPP loans](http://click.bizjournals.com/F1RWx00ls9U0t2kp000YP8A)

[(and for lenders approving them)](http://click.bizjournals.com/F1RWx00ls9U0t2kp000YP8A)

By **Chelsea Diana**   Reporter, Albany Business Review

Apr 13, 2020, 12:42pm

[Bernard Paprocki](https://www.bizjournals.com/albany/search/results?q=Bernard%20Paprocki)  — director of the U.S. Small Business Administration office that covers Albany — said the agency has experienced an unprecedented volume of applications for the $349 billion Paycheck Protection Program in its first week.

More than 724,000 loans worth about $184 billion had been approved as of this past Saturday, according to SBA figures obtained by our sister publication, the Baltimore Business Journal.

The federal government essentially created a new program in a little over a week, and the process of getting the loans approved has been rocky at times.

"There are lots of changes and lot of wheels moving," Paprocki said in an interview with the Albany Business Review on Friday. "The programs, especially the PPP program, are evolving constantly. We are fine-tuning it, coming up with unforeseen issues of who is eligible ... As soon as you think you know it, there’s something else changing."

We spoke with Paprocki about what businesses and lenders can expect as more details about the Paycheck Protection Program come to light.

**What are some of the biggest misconceptions about the programs?**  If you use the proceeds as they are designed to be used — for payroll, utilities, rent and interest on your mortgage, 75% of that paid to employees — the loan is forgiven. That’s an attractive thing. Managing that aspect of it could be a little more difficult than people think. You have to have people on payroll for eight weeks to be eligible for forgiveness. The program ends at the end of June right now. Realistically, there's a small window to bring employees back on payroll.

**Best advice for companies that haven’t applied yet?**  It's first come, first serve. If you don’t have a banking relationship currently it will be more difficult. There's been a tendency for lenders to take care of their own customers first and then move to those that aren’t your customers. What we’re trying to do is look for different ways to bring in other types of lenders for businesses that don’t have existing relationships and who are finding it difficult to hand in an application. That’s what this program is supposed to do, help really small businesses. Hard to believe many businesses don’t have a relationship with a bank, but there are some. Those folks will find it more difficult than others. It's key for small businesses out there to participate, be patient and persistent. Everyone is extremely busy.

**Best advice for banks dealing with this process?**  Hire more lenders. It's hard for lenders to accept the fact that the treasury department and Small Business Administration want to get money into the hands of small businesses and do it quickly. From that perspective, we're cutting rules and regulations and reducing requirements that would have been previously required. Lenders are worried that we don’t mean what we say. They want that in writing, so there's a comfort in our guarantee. I don’t blame them. There's a level of trust that needs to exist between the federal government and lenders to get money to businesses without background checks and collateral requirements.

**What's your biggest worry?**  There could be a tremendous amount of bad players out there. That’s the nature of society these days. There have been instances of fraudulent websites, people trying to impersonate us and typical hacking and phishing and misrepresentation. Small businesses should be very careful of that, and make sure any websites they are going to are ours:  [SBA.gov](https://www.sba.gov/) . The chambers and other economic partners trying to do a great job, but be careful. You can't rely totally on the chamber because we've seen a lot of stuff, while well intentioned, wrong.

**What records should businesses keep to get forgiveness?**  Can’t tell you, don’t have an answer yet. There's supposed to be more to come on that and that has not been made available yet. The evidence you put together to support however much money you wanted to borrow was based on previous employment levels and salaries. Once that amount is determined, let's say someone gets $100,000, $75,000 has to go to employees. I would recommend keeping track of that using Paychex or whatever payroll service you use to keep the records and any additional records on utilities and rent.