

EL PASO INC. ■

PPP small-business rescue loans to help thousands of El Pasoans



Gelaine Apoan, owner of Mac's Downtown cafe, spent hours at the keyboard and on the phone with banks over two weeks trying to apply for a PPP loan. By the time she was able to submit an application, the program had run out of money. Photo by Jorge Salgado

The \$349 billion Payroll Protection Plan that Congress approved to soften the impact of the COVID-19 economic disaster ran out of money Thursday, but not before hundreds of local businesses were OKed for forgivable loans.

The loans will cover the paychecks of tens of thousands of El Pasoans for 8 weeks.

The grand total isn't in for El Paso yet. But the area's biggest local bank, WestStar, reported processing 1,054 of the 1,260 PPP loan applications it received for \$231 million before the Small Business Administration quit processing them.

That's when applications nationwide topped the \$349 billion that Congress appropriated to fund the program.

"The \$231 million will save the jobs of 33,109 jobs in our community," said Rick Francis, president and CEO of WestStar.

Francis added that the 206 companies whose applications the bank wasn't able to process "will be at the front of the line if Congress allocates additional money for this vital program."

EL PASO INC. ■

For WestStar, it was something of a moonshot that kept employees processing loans from 7 a.m. to 7 p.m. for 12 days straight, originating 1,054 loans in two weeks that will not have to be repaid if the borrower handled the money properly.

In all of 2019, WestStar originated about 900 loans.

Nationally, some 22 million Americans sought federal assistance through the PPP to stay in business and keep their employees paid for 2½ months.

Still, 43% of small-business owners think they'll have to close in the next six months without more help. That includes Gelaine Apoan, owner of Mac's Downtown cafe, who spent hours at the keyboard and on the phone with banks over two weeks trying to apply for a PPP loan to keep delivery orders coming and carry-outs going.

She tried going through her bank, Wells Fargo, whose participation in PPP was severely limited initially. After spending hours on hold, she said, she gave up.

"So I went to a local bank, WestStar," she said. "I talked to them on Tuesday. I had the paperwork by Wednesday, submitted it Thursday, and the PPP ran out of money.

"I should have gone with a local bank in the first place because they were much more helpful and nicer. They went out of their way for me, and I was even able to go in and see them."

Failing to get the loan after such an ordeal left her saying, "Support local business, and stop going to those damn chain restaurants! Banks too!"

Francis said it was unfortunate that Apoan came in so late, but she will be near the front of the line if Congress appropriates more money for the PPP – as expected.

"Let me just say she's going to make it in the doorway," he said.

Monty Rogers, president and CEO of El Paso's United Bank of El Paso del Norte, said his people also worked long hours processing SBA and PPP loan applications.

"We had 313 applications approved by the SBA for a total of approximately \$42 million," Rogers said Thursday. "We had funded about \$19 million of that already, and we've been funding a lot. I don't know where we'll end up today."

United Bank handles about 350 loan applications a year.

On Friday, Rogers said \$23.6 million in forgivable loans had been funded after the applicants filled out the final paperwork.

And since the money doesn't come from the SBA, but from the banks themselves, there's little delay in delivering the money to approved borrowers.

EL PASO INC.

Banks have quick access to additional funds through the Federal Reserve System.

But one big problem, Rogers said, was the lack of guidance at the federal level.

“There were a lot of times when we were wondering if we were following the rules or not,” Rogers said. “But I’m proud of our people because we were working around the clock. “Our main focus is just to get the money out as quickly as we can and in these people’s hands so they can use it.”

When everything came to a stop Thursday morning, he said, United Bank had just four PPP applications pending.

“We’ve received a lot of calls from people still wanting to submit applications, and we anticipate opening it back up,” Rogers said. “We’re still accepting applications and will put them in a queue until there’s more money.”

Nonprofits were also in the hunt, including the El Paso YMCA’s CEO Bill Coon, who brought down an \$842,000 PPP loan.

Despite national reports that the PPP money has been slow to reach small businesses, Coon said that wasn’t his experience.

“I got it,” he said. “It’s in the bank – literally in the bank. Now, at least 75% of that has to be used for staffing to be forgiven.

“We’ll be able to bring back most of our staff, over 220 people, and basically we’re paying them to stay home.”