



Wells Fargo not opening up PPP loans, despite Fed facility

Wells Fargo [reiterated](#) Monday night that it will not open up its small business Paycheck Protection Program loans to companies with more than 50 employees, despite an [announcement from the Fed](#) that it would set up a facility to buy the loans from banks.

Why it matters: Wells Fargo's announcement shows that even with a Fed backstop one of the country's largest banks will still not be participating in a program designed to help businesses on the verge of collapse because of the coronavirus outbreak.

- The Fed's facility is designed take the loans off of banks' balance sheets, freeing them up to provide loans to more firms.

Background: Because of restrictions placed on Wells Fargo after its [fake accounts scandal](#), the bank has told customers it must turn away struggling small business customers, as Axios' [Courtenay Brown noted](#).

- Customers were left wondering why the bank didn't signal its lending limitations sooner, since it has been operating under the asset cap since 2018.
- Wells Fargo declined to comment on that or the Fed's program.

What we're hearing: The faulty rollout and bank issues associated with PPP have put the futures of companies and employees in serious jeopardy as many were counting on the program to survive the next couple months.

- Joe Shamie, CEO of furniture manufacturer **Delta Children**, told Axios he has "held up [his] end of the bargain" and kept employees on payroll, even as he's had to dip into his own savings.
- However, if he's not able to access government funding through the program soon he's not sure what comes next.

The big picture: The \$350 billion government-backed program, a key part of the \$2.2 trillion [coronavirus relief bill](#), the CARES Act, has been plagued by problems since even before it launched on Friday.

- Banks say they are still unable to access Small Business Administration platforms, and businesses consistently report issues accessing application forms.
- The SBA loan processing platform crashed and was down for hours on Monday, preventing lenders from processing any loans, [Bloomberg reported](#).