

Did the Paycheck Protection Program (PPP) Funds get to Small Businesses? A Study of the Role of Community Banks in Texas

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Phase 1 of the Paycheck Protection Program (PPP) has been completed with roughly \$349 billion distributed to businesses across the country. The program was established as part of the \$3 trillion coronavirus relief bill passed in March 2020. A second round of an additional \$310 billion commenced in April 2020 while a third round is currently under consideration. PPP is administered by the Small Business Administration (SBA) which is a division of the U.S. Department of the Treasury. The initial idea of the program was that any business (for profit or nonprofit, veterans organization, or tribal concern) with 500 or fewer employees is eligible for a government-backed loan equal to eight weeks of its prior average payroll, plus an additional 25 percent of that sum to cover various other non-payroll operating expenses such as interest rent and utilities. The payroll amount was capped at a maximum of \$100,000 (annualized) for each employee unless the total amounts to more than \$10 million, which is the maximum for any individual firm. The loan was structured as having a two-year term and a 1% interest rate.¹

Further, the loans were actually more like grants in that the loans would be forgiven provided the business did not decrease their full-time employee headcount or decrease salaries and wages by more than 25% for any employee that made less than the annualized \$100,000 and if the business restored the full-time employment and salary levels by June 30, 2020. The general argument of various government officials was to support the small-business sector and to immunize it from insolvency until the coronavirus pandemic passed.

Demand greatly exceeded supply, to the point where the program ran out of money in 13 days.² As we are preparing this report, Phase 2 of the PPP has just completed with some modifications.

¹ See, PAYCHECK PROTECTION PROGRAM (PPP) INFORMATION SHEET: BORROWERS available at <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

² According to Intelligencer: "Bank of America was one of the few major lenders to participate in the PPP on opening day. Over the ensuing 72 hours, it received loan applications from 177,000 small businesses, which collectively requested \$32.6 billion in financing. If those loans were all approved, a single lender will have wiped out nearly 10

One reason for the modifications is that some large successful companies (e.g., Shake Shack, Ruth's Chris, Potbelly, Sweetgreen, Axios and the LA Lakers)³ received funds from phase 1 of PPP. To respond to these problems the House Select Subcommittee on the Coronavirus Crisis launched an investigation into the implementation of the PPP in June 2020 to determine whether larger companies were receiving loans intended for small businesses.⁴ The Report goes on to state:

“Although PPP has enabled many small businesses to weather the pandemic, the program would be more effective if Treasury and SBA implemented it consistent with congressional intent. In the CARES Act, Congress specifically encouraged the Administration to issue guidance “to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets,” including businesses owned by veterans, members of the military, socially and economically disadvantaged individuals, and women.⁵ On May 8, 2020, SBA’s Inspector General reported, “We did not find any evidence that SBA issued guidance to lenders to prioritize the markets indicated in the Act.”⁶The Inspector General also found that SBA failed to provide a demographic questionnaire with the PPP loan application, undermining SBA’s ability to determine whether lenders appropriately prioritized loans to underserved communities.”⁷

Accordingly, we ask the question: did PPP funds get to small businesses as intended? Unfortunately, the data do not exist to answer this question directly, so we take an indirect approach and examine the participation of community banks in the distribution of the first round of the PPP funds. We chose to concentrate on community banks because of their commitment to reinvest local dollars back into the community and to help create local jobs. For reasons of tractability (discussed below) we also decided to concentrate on the state of Texas both due to its

percent of the bailout fund in just three days.” Available at <https://nymag.com/intelligencer/2020/04/the-small-business-loan-programs-big-problems-explained.html>.

³ See, “Potbelly, Shake Shack, Axios: Here Are All The Companies Returning PPP Money After Public Backlash” available at <https://www.forbes.com/sites/sarahhansen/2020/04/29/potbelly-shake-shack-axios-here-are-all-the-companies-returning-ppp-money-after-public-backlash/#671af5827ea0> and “How, exactly, did the LA Lakers get a 'small business' loan?” available at <https://www.cnn.com/2020/04/28/politics/lakers-ppp-small-business/index.html>.

⁴ Among other problems related to oversight, the analysis identified 10,856 loans totaling more than \$1 billion granted to borrowers who received more than one loan and, more than 600 loans totaling over \$96 million that went to companies forbidden from doing business with the federal government. See Memorandum on Preliminary Analysis of Paycheck Protection Program Data, September 1, 2020 available at <https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/2020-09-01.PPP%20Interim%20Report.pdf>.

⁵ Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, §§ 1102, 1106 (2020).

⁶ Small Business Administration, Office of Inspector General, Flash Report: Small Business Administration's Implementation of the Paycheck Protection Program Requirements (May 8, 2020) (online at www.sba.gov/document/report-20-14-flash-report-small-business-administrations-implementation-paycheckprotection-program-requirements).

⁷ See Memorandum on Preliminary Analysis of Paycheck Protection Program Data, September 1, 2020, op.cit.

size and its large number of community banks. The relationship banking philosophy of community banks is designed to help small businesses grow and help families finance major purchases and build financial security. This aligns directly with the stated goal of the Paycheck Protection Program.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided financial relief for consumers, non-profits, and businesses alike through loan deferrals, Paycheck Protection Programs (PPP), and Economic Injury Disaster Loans (EIDL). For the most part, the banks in our nation were called upon for quick delivery of this relief. Even though the EIDL was a direct program administered by the U.S. Small Business Administration (SBA), the majority of businesses reached out to their local banker for advice and assistance.

Prior to the funds being available for the first round of PPP, the majority of the banks completed their loan extension process. The banks then answered the government call to begin lending under the PPP, even though the U. S. Treasury was still in the PPP rule making process.⁸ Bankers were asked to move forward with uncertainty, upon a promise from the government that they would have a good faith safe harbor. Since this pandemic began, bankers have been working, doing what they have done for years, serving their customers and community. We look at a slice of the banking efforts during this crisis. Specifically, we examine the initial distribution of PPP funds for the state of Texas with a focus on community bank participation.

Data Description

We begin with the list of Texas banks participating in the first round of PPP. We merge this list with a FDIC list of community banks to identify Texas community banks participating in the program. Then we hand code the other Texas first round PPP lenders into the following categories: stress-tested banks⁹, credit unions, non-bank lenders, and other banks. The category of ‘other’ banks are the Texas PPP lenders that are not identified for our specific categories.

This dataset comprises 147,461 loans after deleting any loan where the size of the loan was less than \$5,000.¹⁰ The data provided for the borrower includes: city, state, zip code, NAICS code, business type (e.g., LLC, corporation etc), veteran status, race/ethnicity, gender, profit/not-for-profit status, jobs saved, and congressional district. For loans under \$150,000 (more than 75% of all the loans) the specific amount is provided, but the borrower name is omitted. For loans of

⁸ The PPP was prepared in such a rush that it was subsequently found to contain a loophole that technically allowed firms to lay off their staff any time between February 15 and April 26 — and still secure loan forgiveness, so long as they rehired those workers by June 30. The solution was to adjust the terms of forgiveness. See, Intellegencer, op. cit.

⁹ We use the set of large banks identified for the initial stress testing under Dodd-Frank Act. We collect this list from Allen, Cyree, Whitledge and Winters (*Journal of Economics and Business*, 2018, vol. 98, p. 19-31).

¹⁰ The purpose of this restriction was to eliminate potential errors in the data. For example, one loan was for \$585 which supposedly retained 115 jobs. Similarly, a second loan of \$4400 was to support 158 positions. These small amounts could simply be “placeholders.” There were 1069 such eliminations, all of which took place on either 4/15/2020 or 4/16/2020. The placeholder argument may have some merit given 788 of the eliminations were for 0 or 1 job retained.

\$150,000 and larger the specific amount is omitted (ranges are provided), but the borrower name is listed. Finally, the lender name is provided with each PPP loan.

The SBA does not make any representations about the accuracy or completeness of any information that borrowers provided to their lenders. Not all borrowers provided all information. For example, approximately 75% of all PPP loans did not include any demographic information because that information was not provided by the borrowers or recorded by the lenders.

Results Related to Lenders

In April 2020, the National Association of Small Business (NSBA) conducted a survey of more than 980 small-business owners on how the corona virus was impacting their small business. Small business owners are concerned about the pandemic's effect on their businesses with 77% of small business owners stating that they are "very concerned" and 47% anticipate the largest impact to their business will be economic related.¹¹ The same survey reports 49% of small business owners have been impacted by reduced customer demand and 33% by delays or closures in supply chain. The tourism industry took the worst hit with sightseeing transportation facing a 62.1% decline followed by amusement parks and casinos losing 59.9% of its jobs (Pietsch, 2020). However, the types of small businesses that are believed to be particularly vulnerable and at the highest risk of closing are hotels, food services, educational services, mining and oil and gas.

Access to capital is a crucial need for small businesses, with bank lending determined to be the most significant source of external funding (Berger & Udell, 2002).¹² To investigate these early results, we commence by examining which banks were lending in PPP1, where the borrowers were and in which industries the borrowers operated. In the next section, we address the issue of access to capital for women and ethnic minorities.

Tables 1A and 1B provide a breakdown of the number of loans made by the different lender types. In both the under and over \$150,000 loan amounts, the greatest number and amount of loans in Texas are made by community banks. In the under \$150,000 category, Texas community banks made 66,192 loans (69.4% of all loans), totaling \$3,259,617,655. In the over \$150,000 category, these same banks made 28,195 loans (54% of all loans). Recall that we do not have specific loan amounts for this category, so we cannot make any statement on dollar amounts.

Insert Tables 1A & 1B about here.

Next, we provide an analysis of the major lenders with a breakdown of the lenders with 1,000 or more initial round PPP loans. Table 2A provides the list of lenders for loans under \$150,000 and Table 2B provides the list of lenders for loans over \$150,000. The under \$150,000 category contains 15 lenders. The largest lender is Frost Bank (categorized as an 'other' bank) that made

¹¹See (NSBA, 2020) available at <https://nsba.biz/wp-content/uploads/2020/04/COVID-19-Relief-Survey-2020.pdf>.

¹² Berger, A. N. and Udell, G. F. (2002). Small business credit availability and relationship lending: the importance of bank organizational structure, *Economic Journal* 112, F32 – F53.

6,698 loans. Frost is followed by eight community banks, one non-bank lender, one stress tested bank¹³ and four additional ‘other’ banks.

Insert Tables 2A & 2B about here.

In the over \$150,000 loan categories, Frost Bank is again the leading lender with 4,234 loans followed by two stress tested banks, two community banks and two ‘other’ banks, all having made more than 1,000 loans.¹⁴

Our analysis to this point shows that community banks are significant participants in the initial PPP loans in Texas. However, Texas is a large and geographically diverse state and Congress wanted PPP to serve rural markets. So, next we examine whether the community bank lending covered the entire state or was localized in urban settings. Figure 1 depicts the distribution of participating community banks across the state of Texas. Zip codes with a community bank loan are shaded orange. Almost the entire state is shaded orange. Figure 2 depicts the areas with first round PPP loans that are not served by participating community banks. These zip codes are shaded blue and very little of the state is blue. These maps suggest that community banks enabled PPP loans to reach rural markets in Texas.

We can draw zip code maps for each lender, but with several hundred lenders it is not feasible to provide these maps here. We did draw lender maps for Frost, Allegiance, and First Financial to determine if these large PPP lenders covered the state. The answer is no and with this it became apparent to us that to reach rural Texas a large number of community banks is required.¹⁵

Insert Figures 1 & 2 about here.

The purpose of the PPP program was to assist small businesses by targeting any business with 500 or fewer employees. The government-backed loan was equal to eight weeks of the business’ prior average payroll, plus an additional 25 percent of that sum to cover various other non-payroll operating expenses such as interest rent and utilities. We pose the question: how many people were helped by this program? One of the fields (not mandatory) recorded in the SBA database was the number of jobs retained.

In the under \$150,000 category (Table 3A) \$4,725,437,983 in loans were made with a view to saving 731,538 jobs – an average of \$6,460 per position. With the program being eight weeks long, the per job average equates to \$808 per week per job, which can equate to as little as \$646

¹³ We used the following list of stress tested major banks: JP Morgan Chase & Co., Citigroup, Bank of America Corp., Wells Fargo & Co., Goldman Sachs Group, Morgan Stanley, PNC Financial Services Group, US Bancorp, Bank of NY Mellon Corp., SunTrust Banks Inc., State Street Corp., Capital One Financial Corp., BB&T Corp., Regions Financial Corp., American Express Co., Fifth Third Bancorp, Keycorp.

¹⁴ It is worth noting that First Financial Bank (a community bank) was next on the list with 992 loans.

¹⁵ These maps are available upon request.

per job per week with the allowance for up to 25% of the loan for overhead.¹⁶ Community banks were responsible for distributing roughly 69% of the funds to save 66% of the jobs. In the over \$150,000 categories (Table 3B) community banks distributed funds with a view to saving 1,382,421 jobs – roughly 50% of all of the positions retained in the state through this program. Recall that the over \$150,000 categories do not report the exact amount of the loans, so we cannot calculate loan per job saved.

Insert Tables 3A & 3B about here.

Since the database records the zip code of the borrower, we were able to analyze the amount of the loans and the number of jobs save by sub-regions of Texas. We report these results for the under \$150,000 category in Table 3C. In Table 3D, we present the numbers of loans and the jobs retained in the sub-regions of Texas for the loans in excess of \$150,000. In both cases, the greatest number of jobs saved were in the urban centers of Houston and Dallas.

Insert Tables 3C & 3D about here.

Our next concern centered on which industries were served by the community banks. That is, did community banks concentrated on only a relatively small number of industries and did the community banks participate at a lower rate than other financial institutions. We present this information in Tables 3E and 3F. We perform this analysis by examining the NAICS codes assigned to the borrowers.¹⁷ In the under \$150,000 loan category, community banks lend on a comparable basis to other banks and stress-tested banks in all categories except Professional & Technical Services and Health Care and Social Assistance where they provide roughly 50% less of loans in these code groups relative to other banks and stress-tested banks. In the over \$150,000 category, community banks are again comparable in all but two code groups. Again, they did not make as many loans to Professional & Technical Services but they lead the way in lending into the construction trades.

Insert Tables 3E & 3F about here.

It could be argued that these analyses are too broad in that two-digit codes are very high level and thus could conceal considerable micro-level information. To address this issue, we examined the full six-digit codes for loans under \$150,000 and present the data in Table 3G. As can be seen, while community banks do not participate in some industries, the results are generally consistent

¹⁶ A 2018 Pew Research Center report says that 29% of American live in “lower class” with a median income of \$25,624 in 2016. Our weekly loan per job for PPP1 is \$646, which annualizes over 50 weeks to \$32,300. This suggests that PPP1 reached the intended workers.

¹⁷ A NAICS code is a classification within the North American Industry Classification System. The NAICS System was developed for use by Federal Statistical Agencies for the collection, analysis and publication of statistical data related to the US Economy. NAICS is a Self-Assigned System; no one assigns you a NAICS Code. What this means is a company selects the code that best depicts their primary business activity and then uses it when asked for their code. See: <https://www.census.gov/eos/www/naics/>.

with the higher level data that showed lower participation in the Professional & Technical code categories.

The National Association of Small Business (NSBA) survey states that the types of small businesses that are believed to be particularly vulnerable and at the highest risk of closing are hotels, food services, educational services, mining and oil and gas. Table 3G shows that community banks were active lenders in all of these categories except educational services. NAICS code sector 61 covers educational services and all of the categories of bank lenders show very limited initial PPP activity in this NAICS sector. Interestingly, community banks in Texas have significant PPP lending to religious organizations (NAICS = 813110).

Insert Table 3G about here.

Results Related to Gender and Race

Congress specifically encouraged the Administration to issue guidance “to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets,” including businesses owned by veterans, members of the military, socially and economically disadvantaged individuals, and women. Shortly after all the funds for the initial PPP loans were distributed the media began reporting discrimination against minority businesses in the distribution of the funds. Accordingly, this last section of our analysis examines the data from PPP in Texas for women and minority owned businesses.

The initial PPP loan data are for loans granted. This is an incomplete measure of the process as it only provides a measure of the outcome. There are no data on initial PPP requests and denials, which are the data needed to provide an informed analysis of discrimination. In addition, the borrower is not required to report demographic data and the lender is not required to collect it. The result is that the demographic data on the borrowers is mostly missing, so the available data cannot be considered a representative sample of the all the initial PPP borrowers. Thus, the reader should not draw any conclusions from these data and we only present the analysis to provide an informed response to media reports of discrimination.

Research on the relationship between gender and capital access¹⁸ finds limited access for women-owned and minority-owned businesses¹⁹. It is believed that this contributes to reduced opportunities for business growth²⁰. Women-owned firms in general are less likely rely on bank

¹⁸ Carter, S., Shaw, E., Lam, W., & Wilson, F. (2006). Gender, entrepreneurship and bank lending: The criteria and processes used by bank loan officers in assessing applications. *Entrepreneurship Theory and Practice* 31(3), 427-444.

¹⁹ Orser, B., Hogarth-Scott, S. and Riding, A. (2000). Performance, firm size, and management problem solving. *Journal of Small Business Management* 38(4), pp. 42 – 58.

²⁰ Carpenter, R., and B. Petersen (2002). Is the growth of small firms constrained by internal

financing for their businesses²¹, perhaps due to perceptions of potential discrimination in the lending process²². In the study by the Women’s Business Enterprise National Council (WBENC, 2018), 25% of women business owners sought business financing, compared to 33% of male business owners. However, Shepherd (2020)²³ notes that 57.4% of the SBA Microloan program’s loans went to women-owned or women-led businesses. Women entrepreneurs apply for approximately \$35,000 less in business financing than male entrepreneurs, and men receive an average loan size of \$43,916 while women receive an average loan size of \$38,942.²⁴

Our initial findings reveal substantial differences between the amount and number loans made to men and women. In the under \$150,000 category (Table 4A), women received 23.26% of the loans and men received 76.74% of the loans. The median initial PPP loan to women-owned business is about \$36,000 to save a median of six jobs (\$6,000 per job), while the median loan size for male-owned business is about \$41,000 to save a median of six jobs (\$6,833). We note that slightly more than 65% of the time the gender of the borrower was not indicated. In the over \$150,000 categories (Table 4B), women received 17.97% of the loans and men received 82.03% of the loans. These large initial PPP loans saved a median of 31 jobs for businesses owned by both genders. Again, caution is necessary in interpreting these statistics as in approximately 71% of the cases gender was not identified.

Insert Tables 4A & 4B about here.

The average minority-owned business in the United States operates with much less capital, even after controlling for factors influencing financing amounts. Further, these businesses tend to report less revenue and have less access to capital than non-minority-owned firms²⁵, and some minority-owned firms tend to be less profitable²⁶. Performance gaps can be attributed to factors including obtaining sufficient financial capital to buffer losses, achievement of efficient scale, and

finance? *Review of Economics and Statistics* 84(2), 298–309. Haines, G.H., Orser, B.J., & Riding, A.L. (1999). Myths and realities: An empirical study of banks and the gender of small business clients. *Canadian Journal of Administrative Sciences*, 16(4), 291–307.

²¹ Coleman, S. and Carsky, M. (1996) Understanding the market of women-owned small businesses. *Journal of Retail Banking Services* 18(2), 47– 49.

²² Coleman, S. (2000). Access to capital and terms of credit: A comparison of men- and women-owned small businesses. *Journal of Small Business Management*, 38(3), 37–52.

²³ Shepherd, M. (2020). Women-Owned businesses: Statistics and Overview. Fundera: <https://www.fundera.com/resources/women-owned-business-statistics> accessed 07/25/20.

²⁴ Shepherd (2020) op. cit.

²⁵ Prakash, P. (2020). Top small business loans for minorities. <https://www.fundera.com/business-loans/guides/minority-business-loans> accessed 07/25/20.

²⁶ Ortiz-Walters, R., & Gius, M. (2012). Performance of newly-formed micro firms: the role of capital financing in minority-owned enterprises. *Journal of Developmental Entrepreneurship* 17(3).

exploitation of business opportunities²⁷. The Kauffmann Foundation reports that Black-owned and Hispanic-owned businesses experience less favorable loan application outcomes than do White-owned and Asian-owned businesses even after controlling for firm- and owner-specific characteristics. The Kauffmann report concludes that Black and Hispanic entrepreneurs enter industries with low capital requirements and high failure rates, which weaken their firms' abilities to buffer losses and financial growth if they survive in early stages.

In the under \$150,000 category (Table 5A), approximately 82% of the loans do not document the borrower's race. Where race is stated it appears that 0.36% were American Indian/Alaskan Native, 17.48% were Asian, 1.8% were Black or African American, 15.77% were of Hispanic descent and 64.59% were White. In the under \$150,000 loan category, Asian-owned businesses borrow a median of \$37,000 and save a median of 7 jobs. Black-owned businesses borrow a median of \$42,800 and save 7 jobs. Hispanic owned businesses borrow a median of \$42,500 and save 7 jobs. White owned businesses borrow a median of \$44,100 and save 6 jobs. Note, these median loan amounts do not control for the industry of businesses. Recall, that professional and technical services (NAICS = 54) along with health care and social assistance (NAICS = 62) had substantial numbers of the initial PPP loans and are industries where small businesses likely pay higher salaries.

In the over \$150,000 category (Table 5B), approximately 85.69% of the loans do not document the borrower's race. Where race is stated it appears that 0.5% were American Indian/Alaskan Native, 9.82% were Asian, 2.31% were Black or African American, 17.54% were of Hispanic descent and 69.83% were White. In the over \$150,000 loan category median jobs saved are as followed: Asian (37), Black (38), Hispanic (37), and White (30). Due to the large number of missing data, we are unable to state whether any differences are significant.

Insert Tables 5A & 5B about here.

Our findings could be interpreted as support for the argument that Women and Minority-owned businesses did not receive the same levels of support in PPP. However, we again caution the reader against drawing such a conclusion due to the large amount of missing demographic data.

Conclusions

PPP is intended to provide short-term support to small businesses that are temporarily closed due to the COVID-19 virus and subject to the insufficient level of funding. It appears to have worked as intended and community bankers are significant contributors to the process.

It is not surprising to us that roughly 64% of the Texas-based first phase PPP lenders are community banks. The need to provide national liquidity quickly to businesses not only illustrates the value of the community bank, but also the value of the banking system with its diversity of

²⁷ Kauffmann Compilation: Research on Race and Entrepreneurship (2016). Ewing Marion Kauffmann Foundation.

size and location. Our results suggest that community banks in Texas were instrumental in distributing PPP loans to the rural markets.

The National Association of Small Business (NSBA) survey states that the types of small businesses that are believed to be particularly vulnerable and at the highest risk of closing are hotels, food services, educational services, mining and oil and gas. Our results suggests that these industry classes are well-served in Texas with the exception of educational services.

The media has reported that initial PPP loans did not get to traditionally underserved business owners. The PPP data lean in the direction of the media reports, but the omission of complete data on owner's demographics in the SBA database leads to a lack of understanding as to the actual demographics of the borrowers.

For years now, we have seen a rapid consolidation of the banking industry. The decline of the community banks continues to affect rural America and the country in many ways. In Texas, as we have shown, community banking covers the entire state in both rural and urban areas. Through this pandemic we have seen the value of the banking system and the importance of the community bank on display as banks and bankers have delivered the monetary medicine to keep so many from financial ruin.

Figure 1: Distribution of Participating Community Banks in Texas

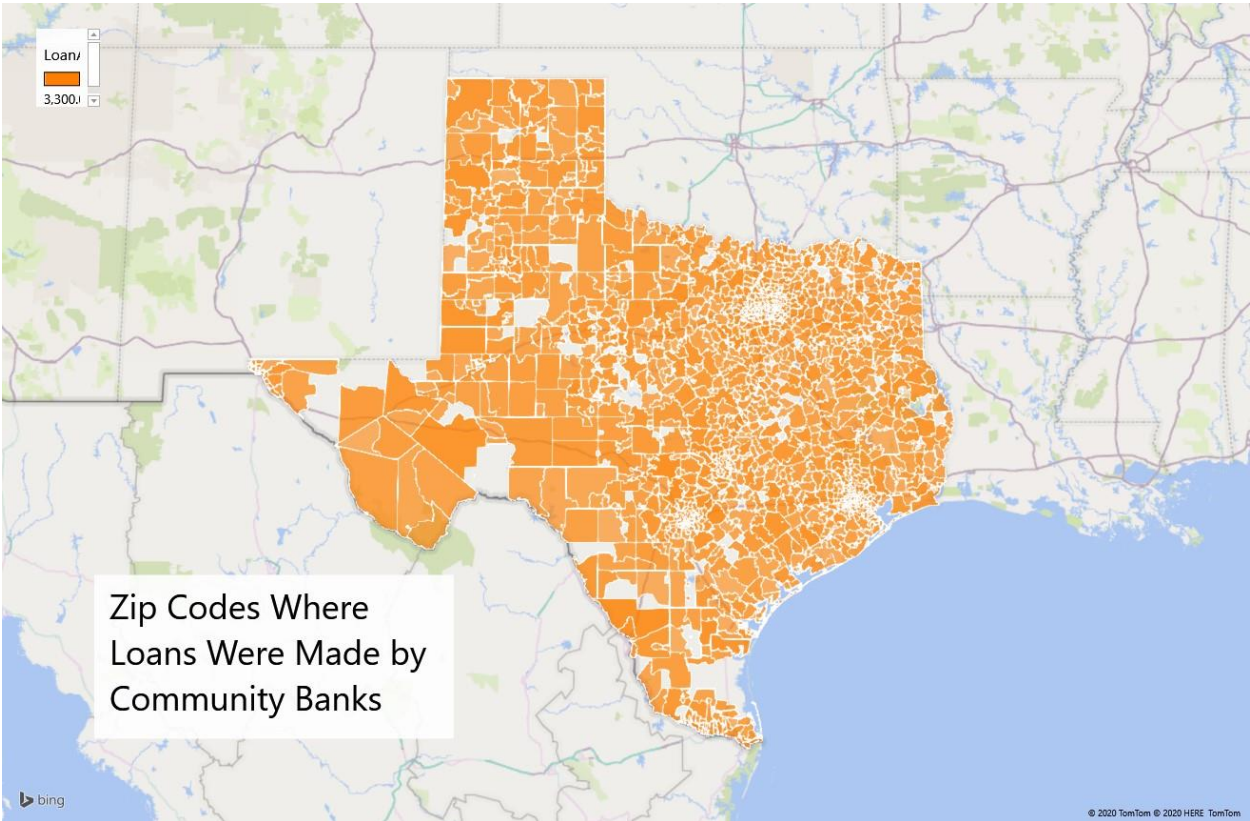


Figure 2: Distribution of Areas not Served by Participating Community Banks

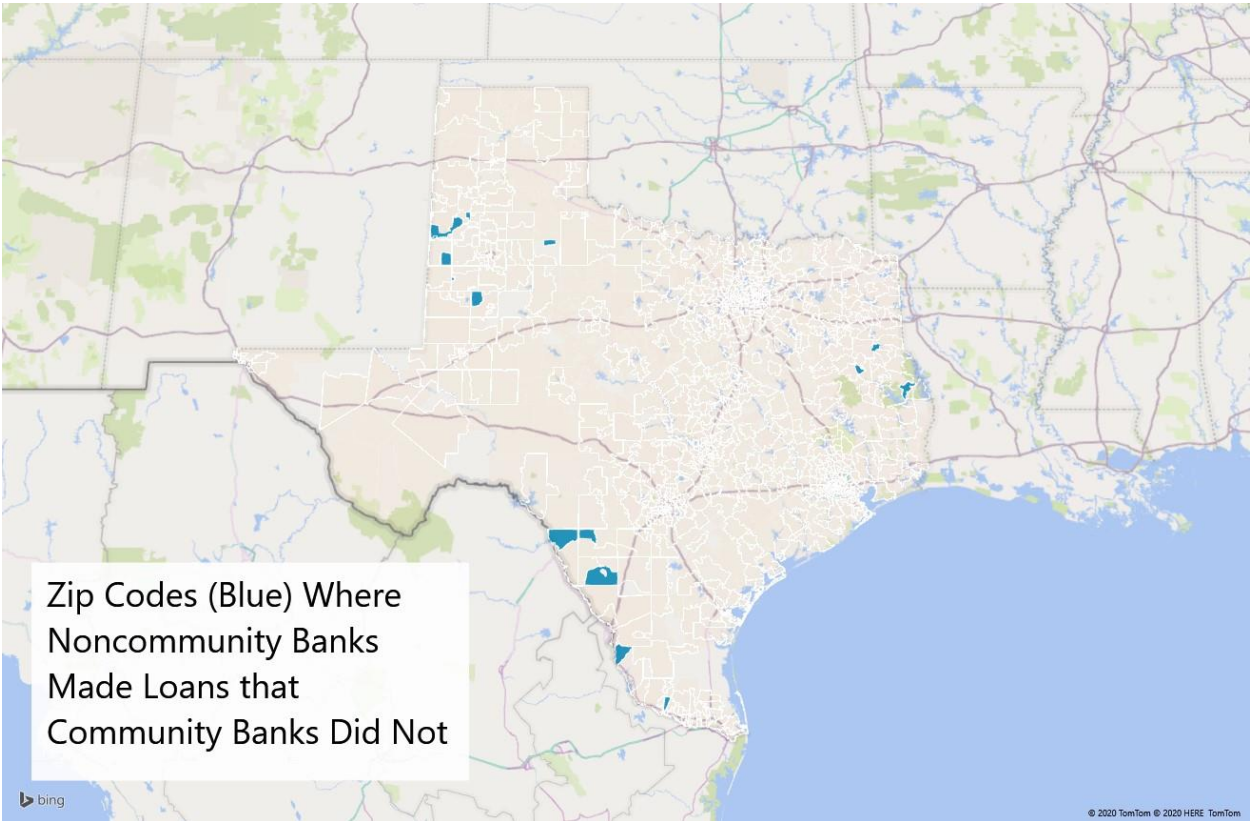


TABLE 1A: Loans under \$150,000 by Lender

Bank Type*	Loan Amount	Number	Mean	Median
All	\$4,725,437,983	95,311	\$49,579	\$38,511
Other banks	\$1,137,677,200	21,410	\$53,138	\$42,600
Community banks	\$3,259,617,655	66,192	\$49,245	\$38,300
Credit unions	\$72,665,667	1,984	\$36,626	\$24,533
Stress-tested banks	\$162,313,753	2,885	\$56,261	\$45,800
Non-bank lenders	\$92,719,308	2,834	\$32,716	\$20,800
Type = missing	\$444,400	6	\$74,067	\$83,300

TABLE 1B: Loans over \$150,000 by Lender

Bank Type*	Number	\$5M- \$10M	\$2M- \$5M	\$1M- \$2M	\$350K- \$1M	\$150K- \$350K
All	52,150	378	1,897	4,005	15,725	30,145
Other banks	15,094	141	735	1,425	4,748	8,045
Community banks	28,195	155	832	2,026	8,580	16,602
Credit unions	438	0	8	18	93	319
Stress-tested banks	7,472	82	307	496	2,077	4,510
Non-bank lenders	843	0	13	34	206	590
Type = missing	108	0	2	6	21	79

*We used the following list of stress tested major banks: JP Morgan Chase & Co., Citigroup, Bank of America Corp., Wells Fargo & Co., Goldman Sachs Group, Morgan Stanley, PNC Financial Services Group, US Bancorp, Bank of NY Mellon Corp., SunTrust Banks Inc., State Street Corp., Capital One Financial Corp., BB&T Corp., Regions Financial Corp., American Express Co., Fifth Third Bancorp, Keycorp. We define other bank types as non-stress tested banks that are not defined as community banks.

TABLE 2A: Lenders with 1,000 or more loans under \$150,000

Bank Name	Number of loans	Lender Type*
Frost Bank	6,698	Other bank
First Financial Bank	3,776	Community bank
ReadyCap Lending	2,689	Non-bank lender
Allegiance Bank	2,292	Community bank
Independent Bank	2,146	Community bank
BBVA	2,128	Other bank
First United Bank & Trust	2,123	Community bank
Amarillo National Bank	1,897	Community bank
BancorpSouth	1,851	Other bank
Prosperity Bank	1,685	Community bank
International Bank of Commerce	1,606	Other bank
PlainsCapital Bank	1,580	Other bank
JPMorgan Chase Bank	1,554	Stress-tested bank
Happy State Bank	1,310	Community bank
First State Bank	1,200	Community bank

TABLE 2B: Lenders with 1,000 or more loans over \$150,000

Bank Name	Number of loans	Lender Type*
Frost Bank	4,234	Other bank
JP Morgan	3,845	Stress-tested bank
Bank of America	1,797	Stress-tested bank
Prosperity Bank	1,775	Community bank
BBVA	1,726	Other bank
Zion Bank	1,472	Other bank
Allegiance Bank	1,241	Community bank

*We used the following list of stress tested major banks: JP Morgan Chase & Co., Citigroup, Bank of America Corp., Wells Fargo & Co., Goldman Sachs Group, Morgan Stanley, PNC Financial Services Group, US Bancorp, Bank of NY Mellon Corp., SunTrust Banks Inc., State Street Corp., Capital One Financial Corp., BB&T Corp., Regions Financial Corp., American Express Co., Fifth Third Bancorp, Keycorp. We define other bank types as non-stress tested banks that are not defined as community banks.

TABLE 3A: Jobs Retained with Loans under \$150,000 by Lender

Bank Type	Total \$ Loans	Total Jobs Saved	Loan per Job Saved
All	\$4,725,437,983	731,538	\$6,460
Other banks	\$1,137,677,200	202,370	\$5,622
Community banks	\$3,259,617,655	483,400	\$6,743
Credit unions	\$72,665,667	11,405	\$6,371
Stress-tested banks	\$162,313,753	21,268	\$7,632
Non-bank lenders	\$92,719,308	13,095	\$7,081
Type = missing	\$444,400	0	

TABLE 3B: Jobs Retained with Loans over \$150,000 by Lender

Bank Type	Total Jobs Saved
All	2,742,960
Other banks	954,412
Community banks	1,382,421
Credit unions	19,320
Stress-tested banks	351,342
Non-bank lenders	30,428
Type = missing	5,037

TABLE 3C: Jobs Retained with Loans under \$150,000 by Lender

Region #	Region Name	Total Loans	Jobs Saved	Loan per job
750	Dallas-North	\$390,202,145	55,344	\$7,050
751	Dallas-South	\$99,253,871	16,049	\$6,184
752	Dallas-Main 1	\$179,729,671	32,472	\$5,535
753	Dallas-Main 2	\$1,409,776	185	\$7,620
754	Greenville	\$69,116,291	11,320	\$6,106
755	Texarkana	\$32,813,304	5,932	\$5,532
756	Longview	\$74,014,674	11,914	\$6,212
757	Tyler	\$84,138,405	13,272	\$6,340
758	Palestine	\$18,113,601	3,219	\$5,627
759	Lufkin	\$55,520,251	8,875	\$6,256
760	Fort Worth-Vicinity	\$243,239,616	38,983	\$6,240
761	Fort Worth-Main	\$151,655,429	21,697	\$6,990
762	Denton	\$103,571,858	15,552	\$6,660
763	Wichita Fall	\$46,276,245	6,661	\$6,947
764	Stephenville	\$48,719,287	7,723	\$6,308
765	Temple	\$65,237,513	11,535	\$5,656
766	Waco-Vicinity	\$25,661,163	4,245	\$6,045
767	Waco-Main	\$50,671,828	8,218	\$6,166
768	Brownwood	\$25,746,037	4,318	\$5,962
769	San Angelo	\$41,272,453	6,412	\$6,437

770	Houston-Main 1	\$444,719,822	64,190	\$6,928
772	Houston-Main 2	\$1,454,676	219	\$6,642
773	Conroe	\$190,344,884	27,259	\$6,983
774	Richmond	\$170,047,731	27,524	\$6,178
775	Pasadena	\$140,795,358	22,518	\$6,253
776	Beaumont-Vicinity	\$37,229,157	6,134	\$6,069
777	Beaumont-Main	\$33,499,345	4,739	\$7,069
778	Bryan	\$75,164,454	11,829	\$6,354
779	Victoria	\$33,175,568	5,163	\$6,426
780	San Antonio-West	\$108,633,873	17,725	\$6,129
781	San Antonio-East	\$62,775,637	10,615	\$5,914
782	San Antonio-Main	\$243,903,365	42,598	\$5,726
783	Corpus Christi-V	\$33,539,381	4,950	\$6,776
784	Corpus Christi-Main	\$61,804,986	8,962	\$6,896
785	McAllen	\$153,753,101	32,636	\$4,711
786	Austin-Vicinity	\$174,685,663	26,850	\$6,506
787	Austin-Main	\$263,578,500	42,733	\$6,168
788	Uvalde	\$22,101,556	4,257	\$5,192
789	La Grange	\$17,563,553	3,517	\$4,994
790	Amarillo-Vicinity	\$67,711,273	9,935	\$6,815
791	Amarillo-Main	\$82,260,894	11,960	\$6,878
792	Childress	\$8,035,322	1,235	\$6,506
793	Lubbock-Vicinity	\$41,193,205	5,965	\$6,906
794	Lubbock-Main	\$92,918,204	14,569	\$6,378
795	Abilene-Vicinity	\$19,197,056	3,294	\$5,828
796	Abilene-Main	\$41,687,566	6,934	\$6,012
797	Midland	\$106,491,699	13,568	\$7,849
798	El Paso-Vicinity	\$6,168,334	1,130	\$5,459
799	El Paso-Main	\$84,640,702	14,604	\$5,796

TABLE 3D: Jobs Retained with Loans over \$150,000 by Lender

Region Number	Region Name	Number of Loans	Jobs Saved
750	Dallas-North	5,616	284,415
751	Dallas-South	862	40,113
752	Dallas-Main 1	4,534	243,103
753	Dallas-Main 2	13	319
754	Greenville	394	17,297
755	Texarkana	202	12,030
756	Longview	598	28,285
757	Tyler	648	38,180
758	Palestine	109	5,032
759	Lufkin	320	15,934
760	Fort Worth-Vicinity	2,292	114,472
761	Fort Worth-Main	1,946	103,588
762	Denton	760	31,971
763	Wichita Fall	255	12,710
764	Stephenville	241	11,353
765	Temple	422	23,541
766	Waco-Vicinity	144	7,894
767	Waco-Main	367	22,182
768	Brownwood	79	3,891
769	San Angelo	219	9,039
770	Houston-Main 1	8,422	483,387
772	Houston-Main 2	56	2,685
773	Conroe	2,076	106,467
774	Richmond	2,066	116,210
775	Pasadena	1,773	96,882
776	Beaumont-Vicinity	312	17,655
777	Beaumont-Main	356	17,820
778	Bryan	489	24,935
779	Victoria	303	13,520
780	San Antonio-West	821	40,635
781	San Antonio-East	594	26,366
782	San Antonio-Main	2,928	168,078
783	Corpus Christi-V	305	17,991
784	Corpus Christi-Main	531	21,063
785	McAllen	1,224	92,268
786	Austin-Vicinity	1,507	69,959
787	Austin-Main	3,724	168,391
788	Uvalde	143	8,879
789	La Grange	119	5,467
790	Amarillo-Vicinity	388	19,249
791	Amarillo-Main	482	23,516
792	Childress	16	813

793	Lubbock-Vicinity	207	9,799
794	Lubbock-Main	613	35,913
795	Abilene-Vicinity	103	5,358
796	Abilene-Main	257	11,848
797	Midland	1,372	53,305
798	El Paso-Vicinity	36	2,372
799	El Paso-Main	900	56,197

Table 3E: PPP loans under \$150,000 for Texas

Industry frequency (5% for more or loans for Community Banks)

NAICS Sector #	Sector description	Percent for community banks	Percent for other banks	Percent for Stress-tested banks
23	Construction	9.75	6.89	4.75
44	Retail trade	7.94	6.38	4.89
53	Real Estate and Rental and Leasing	6.35	5.82	3.74
54	Professional & Technical Services	11.86	15.25	18.20
62	Health Care and Social Assistance	11.98	15.20	16.43
72	Accommodation & Food Service	10.36	9.09	10.57
81	Other Services	10.56	9.43	8.39

Table 3E: PPP loans over \$150,000 for Texas

Industry frequency (5% for more or loans for Community Banks)

NAICS Sector #	Sector description	Percent for community banks	Percent for other banks	Percent for Stress-tested banks
23	Construction	14.43	11.79	9.01
33	Manufacturing	6.20	6.37	6.41
44	Retail trade	5.60	4.98	4.62
54	Professional & Technical Services	11.69	14.14	16.26
62	Health Care and Social Assistance	13.12	13.15	12.06
72	Accommodation & Food Service	9.95	8.21	6.80
81	Other Services	6.41	6.80	5.57

Table 3G: PPP loans under \$150,000 for Texas

NAICS #	Description	Percent for community banks	Percent for other banks	Percent for Stress-tested banks
213112	Oil & Gas Support	1.32	1.14	
238220	Plumbing, Heating & Air	1.42		
447110	Gas & Convenience Store	1.41		
524210	Insurance Agency	2.27	1.66	1.73
531210	Real Estate Agents	2.09		
531390	Other Real Estate	1.03	1.77	
541110	Lawyers	3.36	4.35	3.08
541211	CPAs	1.21	1.38	1.70
541219	Other Accounting			1.11
541613	Marketing Consulting			1.11
541990	Other Professional Services		1.11	
621111	Physician Offices	3.61	5.80	3.81
621210	Dentist Offices	2.58	3.37	4.44
621310	Chiropractors Offices			2.15
621320	Optometrist Offices			1.14
624410	Child Day Care Services	1.16	1.05	1.18
713940	Fitness Centers			1.04
721110	Hotels and Motels	2.39	1.55	
722511	Restaurants (Full service)	4.06	3.49	3.92
722513	Restaurants (Limited service)	2.19	2.35	3.95
811111	Auto Repair	1.35	1.02	1.21
812990	Other Professional Services		1.17	
813110	Religious Organizations	2.60	2.09	

Six digits NAICS codes (more than 1%, by bank type)

TABLE 4A: Distribution of loans under \$150,000 by Gender

Race	Number reported	Percent of reported
Female	7,692	23.26%
Male	25,378	76.74%
Missing	62,241	65.30% of total obs missing

Note: As noted in the text, the high level of missing observations suggests that the reader should not draw any conclusions from these data and we only present the analysis to provide an informed response to media reports of discrimination.

TABLE 4B: Distribution of loans over \$150,000 by Gender

Gender	Number reported	Percent of reported
Female	2,765	17.97%
Male	12,483	82.03%
Missing	36,932	70.78% of total obs missing

Note: As noted in the text, the high level of missing observations suggests that the reader should not draw any conclusions from these data and we only present the analysis to provide an informed response to media reports of discrimination.

TABLE 5A: Distribution of loans under \$150,000 by Race/Ethnicity

Race	Number reported	Percent of reported
Native American/Alaskan Native	62	0.36%
Asian	3,044	17.48%
Black/African American	313	1.80%
Hispanic	2,746	15.77%
White	11,247	64.59%
Missing	77,899	81.73% of total obs missing

Note: As noted in the text, the high level of missing observations suggests that the reader should not draw any conclusions from these data and we only present the analysis to provide an informed response to media reports of discrimination.

TABLE 5B: Distribution of loans over \$150,000 by Race/Ethnicity

Race	Number reported	Percent of reported
Native American/Alaskan Native	37	0.50%
Asian	733	9.82%
Black/African American	172	2.31%
Hispanic	1,309	17.54%
White	5,210	69.83%
Missing	44,689	85.69% of total obs missing

Note: As noted in the text, the high level of missing observations suggests that the reader should not draw any conclusions from these data and we only present the analysis to provide an informed response to media reports of discrimination.