

# Who Distributed More Paycheck Protection Program (PPP) Loans? A Nonparametric Approach to Determine the Characteristics of Banks that Influenced Their Ability to Distribute PPP Loans.

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## Abstract

The Paycheck Protection Program (PPP) was an emergency measure taken during Covid-19 pandemic to support small businesses that faced mandated business closures. Using Federal Deposit Insurance Corporation (FDIC) Call Report data from June 2020, I measure how much PPP loans/assets were given out by FDIC registered banks. I use nonparametric multivariate Kernel regressions and semiparametric smooth coefficient Kernel regressions to understand what institutional features lead to a higher amount of PPP loans/asset for every bank. I find that commercial and industrial loan commitments (C&I) to large businesses, C&I loans larger than \$250,000 issued to small businesses, unused C&I loan commitments, core deposits and the status of the institutions as community banks, all positively influence the amount of PPP loans/asset that are disbursed by banks.

**JEL Classification Codes:** G20, G21

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