

## Congress Approves Additional Funding for Small Business Loans and Aid for Hospitals and Testing

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On April 24, 2020, President Donald Trump signed into law the Paycheck Protection Program and Health Care Enhancement Act (Enhancement Act), which provides an additional \$484 billion in funding for distressed small businesses. The aid package passed both houses of Congress with broad bipartisan support and replenished the depleted Paycheck Protection Program (PPP), designed to keep workers on payrolls, and Economic Injury Disaster Loan (EIDL) program, offering loans and emergency grants. The Enhancement Act also provides funding for hospitals and coronavirus testing.

Under the Enhancement Act, Congress approved:

- Additional funding of \$310 billion for PPP loans. To ensure that minority, rural, and other "underbanked" businesses have access to funding, Congress set aside i) \$30 billion for banks and credit unions with assets between \$10 billion and \$50 billion and ii) \$30 billion for community banks, credit unions, and "community financial institutions" with assets under \$10 billion.
- Additional funding of \$50 billion for disaster recovery loans and \$10 billion for grants under the EIDL program.
- \$75 billion for reimbursement to hospitals and healthcare providers for COVID-19-related expenses and lost revenue.
- \$25 billion for expenses necessary to research, develop, manufacture, purchase, administer, and expand capacity for COVID-19 tests.

Aside from Congress providing additional funding, there were few changes to the PPP and EIDL programs.

We expect the Small Business Administration (SBA) and lenders to resume processing applications for both programs immediately. Given the enormous demand, the additional funds will likely be exhausted in a matter of days. If you have not already submitted an application for a PPP loan, we suggest that you contact your lender immediately to begin the application process. If you are interested in an EIDL loan or grant, you may complete your application on the [SBA website](#).

The SBA and the Treasury Department have indicated that they will provide additional guidance soon, in particular regarding the forgiveness aspects of the PPP. We continue to monitor the situation and will provide updates as details become available.

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