

More Help on the Way for Small Businesses

Most are aware that the \$349 billion in the Paycheck Protection Program (PPP) funds that were originally appropriated were exhausted last week. Late on Tuesday, April 21, 2020, after much political wrangling and negotiations among Republican and Democratic congressional leaders and the Trump administration, the Senate passed legislation to increase funding for the PPP under the CARES Act. The House is expected to follow suit later this week, and President Trump has indicated his intention to swiftly sign the legislation into law.

While the details of the legislation are below, **if you believe that you or your business is eligible for a PPP loan, it is critically important that you act fast.** Submit your application as soon as possible, as there may not be further appropriations if (or when) this additional \$310 billion has been exhausted.

Importantly too, for those whose PPP loans have already been approved (and potentially funded), maximizing the forgiveness amounts is quickly becoming a key concern. This concern is particularly heightened because the Department of the Treasury has yet to release guidance on key forgiveness-related questions. Stay tuned for an upcoming alert in which our Chambliss team will take a deep dive into the forgiveness issue and provide practical tips and solutions.

Details of the Paycheck Protection Program Increase Act of 2020 (the Act)

The Senate-passed Act provides an additional \$310 billion to the PPP. And in response to criticisms that many truly “small” businesses were left out of the original PPP process, the Act also sets aside certain sums for banks and lending institutions that perhaps cater to smaller businesses and entities:

- \$30 billion for loans made by insured depository institutions and credit unions that have assets between \$10 billion and \$50 billion
- \$30 billion for loans made by community financial institutions (defined as minority depository institutions, certified development companies, microloan intermediaries, and state or federal credit unions), small insured depository institutions, and credit unions with assets less than \$10 billion

The Act also specifies that certain agricultural enterprises with fewer than 500 employees are eligible to apply for PPP loans, including those engaged in the production of food and fiber, ranching, raising of livestock, aquaculture, and other farming and agricultural-related industries.

An additional \$60 billion for Emergency Injury Disaster Loans (EIDL) and grants likewise is included in the Act, as follows:

- \$50 billion for disaster loans
- \$10 billion for Emergency EIDL grants

The Act also includes additional appropriations that were the subject of intense political debate, including:

- \$75 billion for reimbursement to hospitals and health care providers to support the need for COVID-19 related expenses and lost revenue, in addition to the \$100 billion already provided in the CARES Act

Importantly, the Act does not change any of the language in the CARES Act around the dispersals of that funding, despite many initial concerns about the method and timeline of HHS' dispersal of the original monies allocated, which we discussed [here](#).

- \$25 billion for necessary expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests, including various funds to states and local governments, the Centers for Disease Control and Prevention, National Institutes of Health, and others

The Act is not the "Phase 4" stimulus that many have reported on; rather, it's been billed as "Phase 3.5" insofar as it essentially is a replenishment of exhausted funds and appropriations for additional COVID-related issues. Although Phase 4 (or as some call it, "CARES 2") will be the subject of intense political debate and negotiations, some concepts that have been broadly discussed include:

- Infrastructure spending
- Funding for state and local governments that have been hard hit by the COVID-19 pandemic
- Hazard pay for essential workers, including doctors, nurses, and grocery store clerks
- Funding for election reform, including potential voting by mail

Our COVID-19 Task Force remains abreast of these political negotiations and will continue to report on breaking developments. Please contact [Jim Catanzaro](#), [Justin Furrow](#), or your relationship attorney if you have questions or need additional information.

Visit our COVID-19 Insight Center for our latest legislative and legal updates, articles, and resources.

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