

Business Law Alert

Paycheck Protection Program Extended

On April 24, 2020, the Paycheck Protection Program and Health Care Enhancement Act (Enhancement Act) became law. The Enhancement Act provides an additional \$484 billion in funding for impacted small businesses. The Enhancement Act replenishes the Paycheck Protection Program (PPP), designed to keep workers on payrolls, and Economic Injury Disaster Loan (EIDL) program, offering loans and emergency grants. Funding for these programs was exhausted in the past few weeks. The Enhancement Act also provides funding for hospitals and coronavirus testing.

Specifically, the Enhancement Act provides:

- Additional funding of \$310 billion for PPP loans. To ensure that minority, rural and other "underbanked" businesses have access to funding, Congress set aside (1) \$30 billion for smaller banks and credit unions with assets between \$10 billion and \$50 billion, and (2) \$30 billion for community banks, credit unions and "community financial institutions" with assets under \$10 billion.
- Additional funding of \$60 billion for EIDL loans, with \$10 billion of this amount available for grants under this program (i.e., \$10,000 per applicant).
- \$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.

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Small Business Administration (SBA) and approved lenders are expected to resume processing applications for both programs immediately. Enormous demand for these programs is expected and it is likely that the additional funds will be exhausted quickly.

If you are seeking assistance under these programs, we strongly encourage you to contact your lender immediately to begin the application process. EIDL loans or grants are obtained directly through the SBA. We expect the SBA and the Treasury Department to issue additional guidance on these programs soon, in particular regarding the forgiveness aspects of the PPP. We will provide updates as additional guidance is available.

If you have any questions about this Alert, or if you would like legal assistance in light of the COVID-19 pandemic, please contact one of the attorneys listed on the first page of this Alert or the [Aronberg Goldgehn attorney](#) with whom you work.

More COVID-19 Related Alerts Provided by Aronberg Goldgehn

["The Business Tax Provisions of the Coronavirus Aid, Relief and Economic Security Act," March 30, 2020.](#)

["The Paycheck Protection Program Under the Historic CARES Act," March 30, 2020.](#)

["Update - The Paycheck Protection Program Under the Historic CARES Act," April 1, 2020.](#)

["Employer Cheat Sheet for the Leave Requirements Under the Families First Coronavirus Response Act," March 20, 2020.](#)

["March 26, 2020, DOL Guidance on the Sick and FMLA Leave Benefits Under the Families First Coronavirus Response Act," March 27, 2020](#)

["New DOL Guidance on the Families First Coronavirus Act," March 30, 2020.](#)

["IRS Releases Information About a New Employee Retention Credit and Further Guidance to Substantiate the FFCRA Tax Credit," April 1, 2020.](#)

["Employers Can Make Tax-Free Payments to Employees for COVID-19 Expenses," April 3, 2020.](#)

["Another Day of Shelter-in-Place, Another Day Filled With More DOL Guidance on the FFCRA," April 7, 2020.](#)

["COVID-19 Impact on Post Judgment Collections, April 17, 2020.](#)

["Best Practices for Multi-Family Landlords Managing COVID-19 Issues," April 16, 2020](#)

["It's Business as Usual *Mostly* at the USPTO," March 25, 2020.](#)

["U.S. Patent and Trademark Office Extends Some Deadlines," April 1, 2020.](#)