

Additional \$310 Billion Available for Small Business Loans Under Paycheck Protection Program: Apply Now, PPP Loans are Approved on a First Come, First Served Basis. - *Client Newsletter*

RELATED ATTORNEYS

Frank Huttle III

Brian J. Yarzab

Article

5.13.20

The U.S. Small Business Administration (SBA) launched the Paycheck Protection Program (PPP) on April 3, 2020. Under the PPP, eligible small businesses could apply for and receive loans to cover their payroll costs and certain other expenses. Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress appropriated funds in the sum of \$349 billion for the PPP. However, less than two weeks later, on April 16, 2020, the SBA announced that all funds were exhausted and that it would no longer accept new applications.

In response to the depletion of funds, the Paycheck Protection Program and Health Care Enhancement Act was signed into law on April 24, 2020. This Act increases the sum appropriated under the CARES Act for the PPP loans by another \$310 billion. Small businesses who were unable to obtain a PPP loan in the first round should take swift action to secure their places in the queue for the second round. PPP loans are made and approved on a “first come, first served” basis, and the additional \$310 billion is expected to be depleted even faster than the initial \$349 billion. Moreover, due to the backlog of applications already submitted but not yet funded, it is unclear how much of the additional \$310 billion will be available to new applicants.

If you are one of the many applicants who were unable to get one of the bigger banks to review your application, you should keep in mind that \$60 billion of the additional funds are set aside for PPP loans made and approved by smaller lenders, so smaller lenders may prove to be a better option.

The Act also provides for an additional funds under the Economic Injury Disaster Loan program (EIDL).

More information on the PPP loan program and EIDL program is available [here](#).

