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PAYCHECK PROTECTION PROGRAM AND THE ECONOMIC INJURY DISASTER LOAN FUNDS REPLENISHED

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By: Dawn M. Meyers

Yesterday, the House of Representatives approved the bill to, among other things, replenish both the Paycheck Protection Program ("PPP") and the Economic Injury Disaster Loan ("EIDL") Program.

Congress has now earmarked another $310 billion (on top of the already-depleted $349 billion) for the PPP. Whereas the first $349 billion took a mere 13 days to be exhausted, it is anticipated that the replenished funds may be exhausted in as few as 48-72 hours. In addition, of the $310 billion in replenished funds, $60 billion is set aside for smaller lenders - $30 billion for lenders with between $10 billion and $50 billion in assets, and another $30 billion for lenders with less than $10 billion in assets. Keep in mind that the deadline to apply for PPP loans is June 30, 2020.

For the EIDL, Congress has replenished the fund with another $60 billion. $10 billion of the $60 billion is earmarked for EIDL grants which can be for amounts up to $10,000, and the remaining $50 billion will go to EIDL loans. The deadline to apply for EIDL grants and loans is presently May 8, 2020.

The COVID-19 pandemic is creating rapidly-changing issues for businesses, and government aid processes and measures designed to assist businesses may also change materially from when this blog is issued. We therefore encourage you to monitor our website, review our future blogs and generally remain alert for additional updates or modifications to laws and regulations.

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