

Additional Paycheck Protection Program Funding Imminent

04/22/20

A new coronavirus (COVID-19) stimulus bill is expected to be passed by Congress and presented to President Trump for signature later this week. The proposed law is reported to include substantial additional funding to restart the Paycheck Protection Program (PPP) which exhausted its funding last week. PPP grants loans to small businesses to enable them to maintain staff on payroll and pay for other overhead expenses. If the proceeds are properly used, the loans may be forgiven. Small businesses which did not apply for PPP participation before the prior appropriation was exhausted, or which applied but did not receive approval, now have another chance to participate in the program.

Businesses which applied for PPP but were not approved should immediately contact their lenders for advice as to whether their existing applications need to be updated or resubmitted. Businesses which did not apply should promptly reach out to their lenders for instructions on how to submit an application.

While the details of the law have not been published, it is likely that the funds again will be made available on a “first-come, first-served” basis and that the new funds will be exhausted within a few days of authorization.

The application process is straightforward but the rules for eligibility, use of proceeds and forgiveness are complex. Please contact [Douglas Lubic](#), [Peter Greenbaum](#) or any member of our [business law](#) or [commercial finance](#) teams for assistance.

Attorney

- Peter A. Greenbaum

Practices

- Banking & Financial Services
- Corporate