



Congress Passes Bill Providing Additional Funding for Small Business Relief

Christopher E. Ezold, Esquire

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On April 23, 2020, Congress passed the Paycheck Protection Program and Health Care Enhancement Act to provide for further funding of the Small Business Administration's Paycheck Protection Program (PPP) and fund public health initiatives to deal with the COVID-19 pandemic. The PPP provides COVID-19 relief to small businesses in the form of forgivable loans. What does this expansion of PPP funding mean for your business?

The Problem: The PPP forgivable loan program resulted in a mad scramble to apply for these loans with SBA lenders. Many businesses have filed but have heard nothing back; others were not so fortunate and did not get their loan applications in before the money ran out.

The Short Answer: Due to the overwhelming outcry for relief, Congress has provided an additional \$320+ billion in funds for the PPP program. This will provide additional relief for small businesses struggling with the impact of the COVID-19 pandemic.

The Practical Solution: Lenders have indicated that most, if not all, of these additional funds are going to be 'spoken for' by loan applications already in the queue. Therefore, if you have a PPP loan application in at a lender and have not heard back, do not withdraw it to apply elsewhere – you will lose your place in line and likely ensure that you will get no relief. Instead, maintain contact with the bank to monitor the application process. Some businesses who got in early have discovered that they do not need the loans and are withdrawing from the process and declining loans; this may free up yet more relief for struggling businesses.

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Wisler Pearlstine is helping guide its business clients through the complexities of the COVID-19 pandemic, including PPP loan applications and other relief programs. Please contact Christopher Ezold, Esquire at cezold@wispearl.com or (610) 825-8400 to discuss your concerns and manage your relief options.

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