

Insights

Paycheck Protection Program and Health Care Enhancement Act Update

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On April 22, 2020, the Senate passed the Paycheck Protection Program and Health Care Enhancement Act (the “Act”), which expands relief offered to small businesses due to COVID-19. As one of the major anticipated changes, the Act appropriates an additional \$310 billion for the Paycheck Protection Program (“PPP”) administered through the Small Business Administration (“SBA”). For more information on the PPP, please [click here](#).

Of the \$310 billion appropriated for the PPP, the Act specifically earmarks \$30 billion for loans made by banks and credit unions with less than \$50 billion in assets and an additional \$30 billion for community banks and credit unions with less than \$10 billion in assets. At this point, no further guidance has been given in regards to how these entities will apply for the funds set aside, but it is expected that the SBA will provide further guidance once the Act is passed in the House and signed by the President.

If you are not currently an SBA lender and are interested in participating in the PPP, the SBA has implemented a streamlined process to become eligible to disburse the PPP loans. For more information on how to apply, please [click here](#).

The Act also provides additional funding for the Economic Injury Disaster Loan and Grant programs and for hospitals and other health facilities across the country.

The House is expected to vote on the bill Thursday, April 23, 2020. The President is expected to sign the Act into law shortly thereafter and funding for the PPP is expected to resume early next week.

Krieg DeVault is committed to helping you and your business during these unprecedeted times. With your needs in mind, we have established a COVID-19 Resource Center to assist you through this process.