

SBA Paycheck Protection Program to Receive Additional Funding

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President Trump signed a \$484 billion stimulus bill into law today as part of the U.S. government's ongoing efforts to contain the economic damage from the COVID-19. The bill passed the House of Representatives and the Senate earlier this week with broad bipartisan support.

The measure is designed to supplement the funding provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was enacted on March 27th. For more on the CARES Act, see our memos on [the small business and bank regulatory sections of the legislation](#) and on [the tax relief provisions](#).

The bill appropriates an additional \$321 billion to replenish the Paycheck Protection Program (PPP), which ran out of funding on the morning of April 16. The Small Business Administration has announced that applications for the program will be available again on Monday, April 27. For more on the mechanics of the PPP, see our visual memo [here](#). Of the additional PPP funding,

- \$30 billion will be set aside for loans made by insured depository institutions and credit unions with consolidated assets of between \$10 billion and \$50 billion, and
- another \$30 billion will be set aside for loans made by insured depository institutions and credit unions with less than \$10 billion in consolidated assets, as well as community development financial institutions, minority depository institutions, Small Business Administration Certified Development Companies and intermediaries as defined in the Small Business Act (collectively, community financial institutions).

Other priorities in the new legislation include \$60 billion in additional funding for disaster loans and the EIDL program; \$75 billion in additional funding for hospitals and health-care providers, supplementing the \$100 billion already provided; and \$25

billion to expand coronavirus testing, with \$11 billion earmarked for states and localities.

Visit Davis Polk's [Government Support for Business](#) page for more information on the PPP and other federal programs that have been set up to assist businesses dealing with the coronavirus pandemic.

Law Clerk Russell Quarles contributed to this post.