After much negotiation, Congressional leaders announced the Paycheck Protection Program and Health Care Enhancement Act, which the Senate passed by voice vote yesterday afternoon. This latest COVID-19 response bill comes on the heels of the announcement last week that the Paycheck Protection Program (PPP), which was established as part of the March 27, 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act to help support small businesses and stabilize the economy had run out of money in less than two weeks.

While this bill will certainly be a big deal for those businesses that have applied for, but not yet received, a PPP loan, Congressional leadership is characterizing it as an interim funding effort, with the expectation that they will continue to negotiate a larger “phase 4” package in the coming weeks. In particular, this bill does not address relief measures for states and localities that the Democrats were pushing for and that we expect to see as part of a larger phase 4 package. Moreover, many are predicting that the new influx of cash into the PPP Loan money provided for in this bill will run out within a few weeks.

As proposed, the new bill would, among other things:

- Provide an additional $310 billion in funding for PPP loans;

- Provide an additional $10 billion in funding for Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL) program;

- Provide the SBA with an additional $2.1 billion in funding to help administer COVID-19 response programs;
- Provide an additional $75 billion in funding to Public Health and Social Services Emergency Fund for the purposes of reimbursing health care providers for expenses and lost revenues related to COVID-19; and

- Provide $25 billion for COVID-19 testing, nearly half of which would be distributed (in amounts dictated by the terms of the bill) to states, localities, territories and American Indian tribes.

This bill simply increases funding and does not make any substantive changes to the PPP or the EIDL program. Thus those small businesses that have already obtained funding through either program will not be impacted.

If you have not already applied, there is a sense of urgency to do this as soon as possible.

Thank you,

Jim Johnson  
President  
jjohnson@nemra.org