

Congress Approves Additional Funding for Paycheck Protection Program and Disaster Loans

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On Thursday, April 23rd, Congress passed another relief package authorizing an additional \$310 billion for the CARES Act's Paycheck Protection Program – the forgivable loan program designed to help small businesses cover payroll costs during the Covid-19 pandemic. Originally allocated approximately \$350 billion in funding, the Paycheck Protection Program ran out of funds by April 16th – less than two weeks after the application portal first opened on April 3rd.

Out of the additional \$310 billion authorized for the Paycheck Protection Program, \$60 billion will be set aside for smaller, community banks with less than \$50 billion in assets. Specifically, \$30 billion is set aside for banks with fewer than \$10 billion in assets, and \$30 billion is set aside for banks with \$10 billion to \$50 billion in assets. This is an effort to help ensure that smaller businesses, sole proprietors, and independent contractors are able to participate in the Paycheck Protection Program before the funds run out again.

The new relief package also adds \$10 billion for grants under the Emergency Economic Injury Disaster Loan (EIDL) program and \$50 billion for the EIDL loans themselves.

WHAT THIS MEANS FOR YOU

If you are a small business owner, independent contractor, or sole proprietor and you missed out on the Paycheck Protection Program's first go around, you now have a second chance to participate in this forgivable loan program. Several of Lincoln's banks are already accepting applications for the program, so be sure to contact your lender to get the process started immediately.

For additional information about the opportunities available to you under these stimulus packages, refer to our [COVID-19 Resource Page](#) or contact the attorneys at Rembolt Ludtke LLP. We look forward to serving you!