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APRIL 22, 2020



Senate approves \$310 billion in additional funding to the Paycheck Protection Program

By Morgan C. Nighan, Robert Drobnak, Kevin M. Fitzgerald, Richard Price, Christopher Keefe, William Kelly

On Tuesday (April 21, 2020), the United States Senate passed interim emergency relief legislation to increase funding to the Paycheck Protection Program (“PPP”) by an additional \$310 billion. \$60 billion of those PPP funds are reserved for small lenders, which should assist borrowers that do not have pre-existing borrowing relationships with major banks. The Senate bill also appropriates additional coronavirus relief aimed at hospitals, testing, and SBA disaster relief loans. Here are the highlights of the bill passed by the Senate:

- \$250 billion in new PPP funding available to any eligible business or lender
- \$60 billion in new PPP funding specifically dedicated to small lenders and community-based financial institutions, to serve the needs of unbanked and underserved small businesses and nonprofits — especially rural, minority, and women-owned businesses
- \$50 billion for the SBA’s Economic Injury Disaster Loan program, which will allow \$300 billion in loans to small businesses
- \$10 billion for the SBA’s Economic Injury Grant program
- \$75 billion in emergency money for the health care system¹
- \$25 billion to increase testing and contact tracing capabilities in response to COVID-19

The Senate bill still needs to be approved by the House of Representatives and signed by President Trump. The increased funding would bring much needed relief to borrowers who found themselves frozen out of the first round of PPP loans after the money was exhausted in just ten days. Businesses who wish to apply should contact their lender (or seek out an SBA approved lender) for an application.

¹ Nixon Peabody’s [Health Care practice](#) will be issuing an Alert analyzing the hospital and testing portion of the bill.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Morgan C. Nighan, 617-345-1031, mnighan@nixonpeabody.com
- Robert Drobnak, 312-977-4348, radrobnak@nixonpeabody.com
- Kevin M. Fitzgerald, 603-628-4016, kfitzgerald@nixonpeabody.com
- Richard Price, 202-585-8716, rprice@nixonpeabody.com
- Christopher Keefe, 617-345-1350, ckeefe@nixonpeabody.com
- William Kelly, 617-345-1195, wkelly@nixonpeabody.com