



PP&Co Action Alert

The Paycheck Protection Program and Health Care Enhancement Act

President Trump signed the \$484 billion [Paycheck Protection Program and Health Care Enhancement Act](#) (PPHCE Act) today. The PPHCE Act amends the CARES Act to provide additional funding for the Paycheck Protection Program and the Economic Injury Disaster Loan Program. The Act also provides additional healthcare industry funding for COVID19-related expenses, including increased testing.

Paycheck Protection Program (PPP): The PPHCE Act provides an additional \$321 billion in funding for this very popular program, as evidenced by the fact that the first round of PPP funding was effectively depleted as of April 16. Of the \$321 billion, \$60 billion is earmarked for small, midsize and community lenders. Of that \$60 billion, at least \$30 billion is earmarked for financial institutions who have between \$10 billion and \$50 billion in assets, with the other \$30 billion going to financial institutions with under \$10 billion in assets. It is anticipated that these smaller lenders can help serve businesses who don't have an existing lending relationship.

Eligible applicants who submitted a PPP application before the initial pool of PPP funds was exhausted, but were not approved and/or funded, remain eligible to receive a PPP loan. We expect that the SBA will begin by processing applications that are currently pending, accepting new applications and disbursing funds early next week.

If you have already applied for a PPP loan but have not yet been funded, call your lender immediately to determine the following:

1. the status of your application,
2. when your lender expects to resume processing applications, and
3. whether documentation needs to be resubmitted or modified.

Eligible businesses that have not yet applied should do so as soon as possible. The PPP remains 'first come, first served' and, if the last round of funding is any indication, the current pool of \$321 billion will likely be exhausted quickly.

Economic Injury Disaster Loan (EIDL) Program: The PPHCE Act provides an additional \$60 billion for the EIDL Program. Of that \$60 billion, \$50 billion is allocated to EIDL loans and \$10 billion to the accompanying grants. EIDL loans recipients can receive a maximum of \$2 million for the actual loan, and potentially a grant of up to \$10,000. As a caveat to the grant amounts, they are capped at \$1,000 per employee up to the \$10,000 maximum.

Healthcare Provider Expenses Related to COVID-19: The PPHCE Act allocates \$75 billion for healthcare providers, to be used for costs related to the prevention, preparation and response to COVID-19.

COVID-19 Testing & Mitigation: The PPHCE Act provides \$25 billion for COVID-19 testing. Many believe that widespread testing and contact tracing are key to preventing further spread of the disease and, thus, to reopening the economy. \$11 billion of the \$25 billion is reserved for state and local governments to develop their own testing, surveillance and contact tracing programs.

Have questions or need help? We're here for you. Contact us at info@ppandco.com or (408)287-7911 for assistance. For more information and updates, check out our [COVID-19 Resources & Updates](#) webpage.

Our focus. Your **freedom.**