

Stinson Partners Publish Second Article on Bankruptcy and the CARES Act with American Bankruptcy Institute

In the News

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Stinson partners [Tom Salerno](#), Chris Simpson, [Gerald Weidner](#) and [Susan Warshaw Ebner](#) published [part two](#) of their Coronavirus Aid, Relief and Economic Security (CARES) Act series about bankruptcies. This additional information specifically highlights how small businesses are able to use the Payroll Protection Program (PPP) of the CARES Act during a bankruptcy case, and guidance to better understand the federal government's position for borrowers facing bankruptcy.

“If the goal of the PPP is to help small businesses survive economic hardships caused by the COVID-19 pandemic through funding payroll costs, rent, interest and utilities during the initial shelter-in-place period,” the authors write, “then it is illogical to require those businesses to give up the benefits of reorganization in bankruptcy (which may enable these businesses to effectuate larger changes to their capital structures to emerge as more viable business enterprises that are hopefully around long after the PPP is of mere historical interest and gone).”

View part one on the CARES Act and debtor-in-possession (DIP) financing on [Harvard Law School's Bankruptcy Roundtable](#).

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