

Publications

Congress Passes Bill Extending Small Business Loan Programs and Providing Emergency COVID-19 Response Funding

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Following weeks of negotiations, today Congress passed the Paycheck Protection Program and Health Care Enhancement Act providing a relief from the widespread economic injury caused by the COVID-19 public health emergency. The President is expected to sign the nearly \$484 billion bill into law later today.

The Enhancement Act is divided into two main parts. The first provides additional funding for small business protection programs such as the Paycheck Protection Program and the Emergency Economic Injury Disaster Loan program. The second provides additional funding for hospitals to help defray COVID-19 expenses, as well as funds for research and for developing COVID-19 testing capabilities.

Additional Funds for Small Business Programs

The first portion of the Enhancement Act replenishes the funds available to small businesses through the Paycheck Protection Program. The CARES Act created the \$349 billion PPP on March 27, 2020, but the program ran out of money within weeks. The Enhancement Act provides an additional \$310 billion to the PPP. The terms of the program are unchanged, except \$60 billion is reserved for loans made by small lenders, such as credit unions, community financial institutions, minority depository institutions, certified development companies, and microloan intermediaries with less than \$50 billion in assets. This is an attempt to make PPP funds available to smaller “underbanked” businesses who were not able to access the first round of funding.

The Enhancement Act also provides additional funds for emergency EIDL loans and grants. There is now an additional \$10 billion available for EIDL grants (on top of the initial \$10 billion appropriated by the CARES Act), and an additional \$50 billion available for EIDL loans. Further, agricultural enterprises with less than 500 employees are now eligible for EIDL grants and loans.

Emergency Appropriations for COVID-19 Response

Part two of the Enhancement Act appropriates further funds for hospitals and for developing testing capabilities. The CARES Act appropriated \$100 billion to eligible health care providers to help defray expenses or lost revenues due to COVID-19, and the Enhancement Act provides an additional \$75 billion. The same conditions in the CARES Act attaches to these funds, such as submitting a statement to HHS justifying the need for the funds, submitting periodic reports, and submitting to audits, among others.

The Enhancement Act also provides \$25 billion to various entities to pay for expenses to research, develop, manufacture, and administer COVID-19 tests and expand testing capabilities. This undertaking essentially creates the beginnings of a national testing regime. The funding covers tests for both prior exposures and active infections, and of the available funds \$11 billion is reserved for states and localities to develop, purchase, and administer tests and conduct testing-related activities such as contact tracing.

Finally, the Enhancement Act provides \$6 million to the Health and Human Services Office of Inspector General for oversight activities.

Vorys is actively monitoring these developments and on nearly a daily basis our team is speaking with Senators, House Members, and their staffs to stay abreast of developments. Vorys has also put a team in place to assist you in navigating the myriad issues related to these stimulus measures. To see the team, [click here](#).

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Vorys COVID-19 Task Force

Vorys is continuing to monitor the COVID-19 outbreak and related guidance to Insurers. In addition, Vorys attorneys and professionals are counseling our clients on a myriad of others issues related to the outbreak. We have established a comprehensive COVID-19 Task Force, which includes attorneys with deep experience in the niche disciplines that we have been and expect to continue receiving questions regarding coronavirus. Learn more and see the latest updates from the task force at vorys.com/coronavirus.