Small Business Provisions in Paycheck Protection Program and Health Care Enhancement Act

The Paycheck Protection Program and Health Care Enhancement Act builds upon the CARES Act by bolstering the Paycheck Protection Program (PPP) and prioritizing America’s smallest businesses, including minority, women, veteran and rural businesses during this unprecedented economic disruption due to the novel coronavirus (COVID-19) outbreak.

Paycheck Protection Program – Adds an additional $310 billion for loans and $11.335 billion for administrative fees to the Paycheck Protection Program (PPP) totaling $670.335 billion. The PPP provides small businesses and other entities with zero-fee loans of up to $10 million, with up to 8 weeks of average payroll and other costs forgiven if the business retains its employees and their salary levels.

What’s new?

▪ $30 billion for banks and credit unions, including minority depository institutions (MDIs), with more than $10 billion in assets but less than $50 billion in assets that are PPP lenders*
▪ $30 billion for banks and credit unions with less than $10 billion in assets, as well as all Community Development Financial Institutions (CDFIs), MDIs, certified development companies (CDCs), and microlenders that are PPP lenders*

*This set-aside does not prohibit these community lenders to access additional PPP funds available to all lenders.

Emergency Economic Injury Disaster Grant – Adds an additional $10 billion to the Economic Injury Disaster Loan (EIDL) Grant for a total of $20 billion. The EIDL provides a free advance (amount to be determined) to small businesses and nonprofits that apply for the Economic Injury Disaster Loan (EIDL) directly through the Small Business Administration (SBA) within three days of applying for the loan. Grants can be used to cover immediate payroll, mortgage, rent, and other operating expenses while they wait for additional relief to be processed such as a PPP loan.

What’s new?

Allows agricultural enterprises as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)) with not more than 500 employees to receive EIDL grants and loans

Relief for Existing and New SBA Borrowers – Adds an additional $50 billion for Small Business Administration Disaster Loan programs

For additional information on how to apply for the Paycheck Protection Program (PPP) or the Economic Injury Disaster Loan (EIDL) and Grant, please click here.

As of 4/23/2020