

Congress Paycheck Protection Program Funds Depleted and Economic Injury Disaster Loan Applications No Longer Accepted

By Mark Peasley

As of Thursday, April 16, 2020, the Small Business Administration (“SBA”) has announced that the Paycheck Protection Program created by the CARES Act has exhausted the 349 billion dollars allotted for the program and that no new applications will be accepted. The Economic Injury Disaster Loan (“EIDL”) program, which offered advances for up to \$10,000 that did not need repaid, has also ceased accepting new applications due to exhausting available funding.

Entities that have filed applications for either program should be cognizant of the possibility that funds requested and applied for are not guaranteed. Businesses that applied for the Paycheck Protection Program should contact their lender to determine whether their application has been approved by the SBA and whether the business will receive funding. For EIDL applicants, the SBA has stated that those applications already submitted will be processed on a first-come, first-served basis. Failure to receive the EIDL advance within the promised three days of application does not mean that your application was not approved, as many EIDL advances have taken weeks to reach applicants.

Congress has yet to allocate additional funding for either the Paycheck Protection Program or the EIDL program. Roetzel and Andress will provide notice to clients should funds become available for either program.

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