

ALERT

Paycheck Protection Program (PPP) Funding Lapses and No New EIDL Applications

April 17, 2020

On Thursday, April 16, the Small Business Administration (SBA) announced that they are currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding. In addition, the SBA announced they are unable to accept new applications for the Economic Injury Disaster Loan (EIDL)-COVID-19 related assistance program (including EIDL Advances) based on available appropriations funding.

Since the PPP loans come from lenders and not the government, no official data has been released as to the amount of funds that have actually been disbursed to small businesses. Many banks remain overwhelmed with applications, and many businesses have not received funds.

Since EIDL loans come from the SBA itself, the SBA has updated their website to say that applicants who have already submitted their applications will continue to be processed on a first-come, first-served basis.

The hope of course is that Congress authorizes more funds for these programs as soon as possible.

Businesses that have received confirmation that their loan has been approved by the SBA should receive the funds from their lender within 10 days of the approval. If a business submitted a PPP application to its lender, but did not receive such approval, then the business should contact its lender to determine whether a new application (or additional information or documentation) will be needed if and when the program re-opens.

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