



Labor & Employment Issues Client Alert

Pitta LLP
For Clients
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CONGRESS CONSIDERS ADDITIONAL \$250 BILLION IN SMALL BUSINESS AID TO ADDRESS COVID-19 PANDEMIC

Less than two weeks after the passage of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act which included the \$350 billion Payment Protection Program (“PPP”) that provides loans to small businesses that may be forgiven if they keep paying their workforce; Congress is considering passing legislation to provide an additional \$250 billion in economic relief to small businesses.

Soaring demand for the PPP loan has caused numerous computer crashes at the Small Business Administration (“SBA”) with small businesses trying to submit applications for the PPP loans before the \$350 billion fund is exhausted. Michael R. Strain, an economist at the American Enterprise Institute stated that demand for PPP may easily exceed \$1 trillion.

President Donald Trump announced that his administration will be asking Congress for the additional \$250 billion for PPP which his administration believes will help facilitate a quick and full recovery from the economic injury that the COVID-19 pandemic has caused nationally.

United States Senate Majority Leader Mitch McConnell issued a statement stating that he hoped to approve the additional funding during a procedural session on Thursday without the full chamber being present. United States House of Representative Speaker Nancy Pelosi suggested that she would be open to an “interim package” to provide more funding for PPP but may insist on adding conditions to ensure that the money is set aside for underserved populations.

This is the latest guidance on loans from the SBA: <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

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