

New Federal Stimulus Legislation Provides Funding for Small Businesses, Healthcare Providers, and Coronavirus Testing

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- \$320 billion in additional funds for the Paycheck Protection Program (PPP), which is the program the Coronavirus Aid, Relief, and Economic Security (CARES) Act established to allow for forgivable loans through the U.S. Small Business Administration (SBA) for small companies to use to retain employees on their payrolls. This measure infuses funding for additional PPP loans since the original amount allocated to the program was exhausted on April 15, 2020. Of the new funding, \$30 billion is set aside for loans made

by federally-insured lenders with between \$10 billion and \$50 billion in assets, and \$30 billion is set aside for loans made by community financial institutions and smaller federally-insured banks and credit unions with less than \$10 billion in assets.

- \$60 billion in funding for Economic Injury Disaster Loans (EIDL).
- \$75 billion in hospital assistance.
- \$25 billion for COVID-19 testing, including \$11 billion for states and municipalities, \$1 billion for testing costs for individuals without health insurance, and \$1 billion for the U.S. Centers for Disease Control and Prevention (CDC).

This legislative measure has been referred to as phase “3.5” of Congress’s stimulus plan. Unlike the most recent congressional responses to the COVID-19 crisis—the CARES Act and the [Families First Coronavirus Response Act](#)—this latest effort does not provide for any additional unemployment funding, nor does it contain any new obligations for employers.

Employers that were considering filing for PPP loans may wish to submit applications to the SBA promptly in anticipation of this additional funding, as the original amount was exhausted within two weeks, and the media attention to PPP loans has been significant in the interim.

Ogletree Deakins will continue to monitor and report on developments with respect to the COVID-19 pandemic and will post updates in the firm’s [Coronavirus \(COVID-19\) Resource Center](#) as additional information becomes available. Critical information for employers is also available via the firm’s [webinar programs](#).

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