

**MEMORANDUM**

DATE: April 23, 2020

RE: Update regarding SBA Loan Funding

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As you likely know, the U.S. Senate passed the Paycheck Protection Program and Health Care Enhancement Act (the “Act”) which, amongst other items, replenishes both the Paycheck Protection Program loan fund and the Economic Injury Disaster Loan program fund. The U.S. House of Representatives is expected to approve the new Act as early as Thursday, and the President has indicated he will sign it. Once it has been signed, it will likely take the SBA at least one day to restart the Programs. We assume that pending applications will be processed in the order received.

Because of that, if you wanted a PPP loan but did not receive one before the appropriations ran out, make sure you proactively contact your lender now to:

1. Determine the status of your loan application, or start one if you did not previously apply; and
2. Ensure you supply any missing documents, forms, signatures or other information that your lender needs to complete your application, so that it is queued and ready to go.

We were hoping that Congress would clarify certain ambiguities or inconsistencies in the CARES Act, but that did not occur. In addition, we still await SBA guidance detailing how loan forgiveness for PPP loans will work.

For more information on the SBA Loan Programs, see our previous article on Paycheck Protection Program loans and the Economic Injury Disaster Loan program here: <http://hershnerhunter.com/legal-updates-and-resources-regarding-coronavirus-covid-19/>.

For more information, please contact Katherine Moyer at [kmoyer@hershnerhunter.com](mailto:kmoyer@hershnerhunter.com) or Pablo Valentine at [pvalentine@hershnerhunter.com](mailto:pvalentine@hershnerhunter.com).

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