

## U.S. Senate Passed Paycheck Protection Program and Health Care Enhancement Act

The United States Senate recently passed the Paycheck Protection Program and Health Care Enhancement Act, increasing funds available to the Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL) and Emergency Grants. The House of Representatives is slated to take up the bill as early as [Thursday, April 23](#), and President Trump has indicated his willingness to enact the bill into law.

The legislation adds \$321,335,000 to the PPP program and creates set-asides for small- and medium-sized financial institutions. The EIDL program is funded with an additional \$50 billion along with an additional \$10 billion for the Economic Injury Grant program. Additionally, certain agricultural enterprises with no more than 500 employees are now eligible to receive EIDL grants and loans.

If you qualify for one of these programs, we recommend you act quickly, as it is anticipated the funding will be insufficient to meet demand. Many PPP lenders have committed to submitting loan applications already in their queue as soon as the program goes live again. If you have not heard from your lender, or you have not yet applied and would like to do so, there are a few things you can do to prepare.

### **APPLICANTS WHO PREVIOUSLY APPLIED BUT LENDER DID NOT SUBMIT TO SBA**

Contact your lender immediately to determine whether your application remains in the queue and/or if additional information is needed.

### **NEW APPLICANTS**

Contact your lender immediately. If you do not currently have a lender, we recommend you reach out to the financial institution at which you maintain your business accounts to determine if they are an approved PPP lender. While each PPP lender requires its own documentation as part of the application process, you should begin assembling, at a minimum, the following information:

- Paycheck Protection Program Loan Application SBA Form 2483 (available at <https://home.treasury.gov/system/files/136/PPP-Borrower-Application-Form-Fillable.pdf> )
- Articles of organization or incorporation and operating agreements, bylaws, shareholder agreements, etc.
- Payroll Records for the past 12 months ([April 1, 2019](#) - [March 31, 2020](#))
- Schedule C for 2019 for individuals with self-employment income who file a Form 1040 (if you have not yet filed your 2019 taxes, you should prepare a Schedule C for the application)
- Calculation of Maximum Loan Amount (12-month average payroll for [April 1, 2019](#) - [March 31, 2020](#)) multiplied by 2.5 plus any EIDL funds you have received (Replacement compensation for self-employed/partnerships/LLCs taxed as partnerships is also available not to exceed \$100,000 per individual pro-rated as determined using 2019 Schedule C).
- Calculation of total employees - full-time, part-time or other for a 12-month average total employee count
- Please note that affiliation rules likely apply unless you are an authorized franchise, or you have an NAICS code beginning with "72."