



COVID-19 RESPONSE TEAM

UPDATED CARES ACT LEGISLATION

APRIL 28, 2020

FOR MORE INFORMATION ABOUT HOW WE CAN ASSIST YOUR BUSINESS DURING THE COVID-19 PANDEMIC, PLEASE VISIT WWW.SHUTTS.COM/SHUTTS-BOWEN-COVID-19-RESPONSE/.

The President signed into law an amendment to the CARES Act. The main component of the amendment is the re-allocation of funds for the Payroll Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program. There were no changes to the criteria for borrower eligibility for either program or to the forgiveness criteria of the PPP.

Highlights of the legislation are below:

- Allocates \$310 billion in funding to replenish the PPP program
- Allocates additional funding to replenish EIDL program, including grants
- Certain agricultural enterprises are now eligible for loans and emergency grants through the EIDL program.
- The Act carves out specific funding allocations for smaller banks and credit unions, as follows:

(i) not less than \$30 billion for: (a) insured depository institutions with consolidated assets between \$10 billion and \$50 billion, and (b) credit unions with consolidated assets between \$10 billion and \$50 billion; and

(ii) not less than \$30 billion for: (x) community financial institutions, (y) insured depository institutions with consolidated assets less than \$10 billion, and (z) credit unions with consolidated assets less than \$10 billion.

As with the first round of funding under the CARES Act, we encourage anyone who is interested in receiving loans under these programs to apply quickly before the funding allocation is gone. There is no guarantee that there will be a 3rd funding allocation.

A borrower who already received a PPP loan cannot receive a second one. A borrower can receive both a PPP loan and an EIDL loan, subject to some limits to prevent a borrower from receiving two (2) loans for the same purpose.