

Now is the Time to Prepare for PPP – Round 2

Articles, COVID 19: Answers to Business Challenges April 17, 2020

It has been well reported that earlier this week the initial \$349 billion dollars dedicated for the Payroll Protection Program created by the CARES Act, had been fully allocated on a first come, first serve basis. We are aware that several of our clients, who were otherwise qualified for a loan, were unsuccessful in obtaining one. There are also a number of small businesses (as well as sole proprietors and independent contractors) who did not apply. Congress is in the process of negotiating additional fund allocations to the program, although slower than is needed by the remaining small businesses out there. While there may be modifications to the approval process and/or program terms themselves, any small business still needing a loan under the program has a framework for what will be required.

If you unsuccessfully applied for a loan under the program, you should keep in constant contact with your lender to make sure you are in a position to obtain a loan when those additional funds are made available.

If you did not apply for a loan the first go-around, you should now be working with a lender to fill out an application and provide the necessary documentation to be as timely as possible when the next round opens. Please also remember that there are federal loans available directly through the SBA (Economic Injury Disaster Loan) and state loans issued through the Pennsylvania Industrial Development Agency (Working Capital Access Program). While these loans have less favorable terms (including no forgiveness options) than the Payroll Protection Program loans, they may provide business saving capital you need.

Contact Steve Bovan for additional information.