

Department of Agricultural and Resource Economics

PAYCHECK PROTECTION PROGRAM: ROUND II

*Sreedhar Upendram, Assistant Professor; Charles Martinez, Assistant Professor; and S. Aaron Smith, Associate Professor
Department of Agricultural and Resource Economics*

April 27, 2020

The [Coronavirus Aid, Relief and Economic Security Act](#) (CARES Act) was signed into law by President Trump in response to the COVID-19 pandemic. The CARES Act allocated \$349 billion to support small business owners and their workforce due to the current economic disruption caused by COVID-19. The funds were awarded on a first-come-first-serve basis and were exhausted in about a week's time. On April 24, the [Paycheck Protection Program and Health Care Enhancement Act](#) was signed into law. This law added an additional \$310 billion into the Paycheck Protection Program (PPP) that was created under the CARES Act to assist small business owners to maintain payrolls and Economic Injury Disaster Loans (EIDL). The purpose of this fact sheet is to provide an overview of the second round of the Paycheck Protection Program. Some of the salient features of the Paycheck Protection Program include:

- \$60 billion was allocated to support the EIDL program, with \$50 billion supporting EIDL loans and \$10 billion supporting EIDL grants.
- \$250 billion was allocated for PPP loans.
- \$60 billion is set aside specifically for community banks and community development financial institutions.
- In terms of lenders, \$30 billion is allocated to lenders with assets of less than \$10 billion, and \$30 billion will go lenders with assets between \$10 billion and \$50 billion.
- Confirms agricultural enterprises are eligible for the programs.
- Previous rules still apply for this round of applications.
- Small Business Administration will use the same grant formula, which is \$1,000 per employee, up to \$10,000 for a business with 10 employees through an EIDL.
- Applications accepted from April 27, 10:30 a.m. onwards from approved lenders.

References

Small Business and Technology Development Center – North Carolina Resources:

<http://www.sbtcdc.org/coronavirus/money.html>

U.S. Small Business Administration – Economic Injury Disaster Loan Emergency Advance.

Available at: <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

U.S. Small Business Administration – Lenders and Borrowers. Available at:

<https://www.sba.gov/document/support--faq-lenders-borrowers>

U.S. Small Business Administration – Paycheck Protection Program. Available at:

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

U.S. Small Business Administration – PPP Affiliation Interim Final Rule. Available at:

<https://www.sba.gov/document/policy-guidance--ppp-affiliation-interim-final-rule>

Disclaimer – This fact sheet is a guidance to small business owners and does not constitute legal advice.



UTIA.TENNESSEE.EDU

D 65-B 4/20 Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development. University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating. UT Extension provides equal opportunities in programs and employment.