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Small Business Loan Programs Run Out of Funding

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Today, the Treasury Department and Small Business Administration announced that the Paycheck Protection Program, offering forgivable loans to help small businesses weather the COVID-19 crisis, has used up the $349 billion pool of funds initially allocated to it. The $10 billion appropriated for Economic Injury Disaster Loans through the SBA has also been expended.

The President, Treasury Secretary Steven Mnuchin and lawmakers from both parties have all promised to pour more money into the programs. Secretary Mnuchin and SBA Administrator Jovita Carranza issued a statement Thursday morning saying:

"We urge Congress to appropriate additional funds for the Paycheck Protection Program—a critical and overwhelmingly bipartisan program—at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks. The high demand we have seen underscores the need for hardworking Americans to have access to relief as soon as possible. We want every eligible small business to participate and get the resources they need."

Until new funds are appropriated, the SBA will not be approving new loans.

Disclaimer: This summary is provided for educational and informational purposes only and is not legal advice. Any specific questions about these topics should be directed to attorney David Glod.



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