

Summary

H.R. 266- The Paycheck Protection Program and Health Care Enhancement Act

On Thursday, April 16th the SBA indicated the initial \$349 billion in funding for the Paycheck Protection Program (PPP), created by the passage of the CARES Act on March 27th, 2020, had been exhausted. In order to process additional small business loan applications, the SBA would need Congress to appropriate additional dollars to the PPP.

On Tuesday, April 22nd the U.S. Senate passed H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act, by voice vote. The U.S. House of Representatives is expected to vote on the bill on Thursday, April 23 and the President is then expected to sign it into law a short time later. Once signed into law, the SBA will again accept PPP applications, although it's not known exactly when the process would start again.

Section 101 of the Paycheck Protection and Health Care Enhancement Act (H.R. 266) includes the following important provisions for credit unions:

- Appropriates an additional **\$310 billion** in funding to PPP.
- Sets aside **\$30 billion** of the overall \$310 billion specifically for insured depository institutions and credit unions with assets between \$10 billion and \$50 billion (*no MI credit unions meet this threshold*).
- Sets aside an additional **\$30 billion** of the overall \$310 billion specifically for community financial institutions, insured depository institutions and credit unions with assets less than \$10 billion (*all MI credit unions would meet this threshold*).
- Defines community financial institutions as- minority depository institutions, certified development companies, microloan intermediaries, and State or Federal Credit Unions
- Appropriates **\$10 billion** in addition funding for Emergency Economic Injury Disaster (EIDL) grants.
- Appropriates \$2.1 billion to the SBA so they can bring on additional staff to help manage the PPP program and to cover the agency's expenses.

In addition, the bill will provide an additional **\$75 billion** in funding to hospitals and **\$25 billion** related to increasing COVID-19 testing efforts.