

Treasury Secretary Says More Funding Coming for Small Business

April 2020

In a press interview on Wednesday, April 8, 2020, Treasury Secretary Steven Mnuchin said that small businesses don't need to worry about not being able to receive funding from the U.S. government in the wake of the coronavirus disease 2019 (COVID-19) pandemic. He added that the White House is working with the Small Business Administration (SBA) to raise additional funding on top of the \$350 billion provided by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) for small businesses across the country.

What aid was provided by the CARES Act?

The CARES Act includes nearly \$350 billion for a federal small business loan program called the Paycheck Protection Program. The program is designed to get cash in the hands of suffering small businesses quickly, with less stringent eligibility requirements than the existing SBA loan programs. Paycheck Protection Program loans are designed to incentivize business owners to keep employees on their payroll.

In addition to businesses already eligible for SBA programs, most businesses with 500 or fewer employees are now eligible for disaster loans of up to \$2 million for working capital. Those businesses will also be eligible for an emergency cash advance of \$10,000 within days of making the application, which is not repayable even if their loan application is denied.

As small businesses across the country send in the applications for funds under the CARES Act, there has been concern that the \$350 billion won't be enough to provide aid to all eligible applicants. Mnuchin said that the president has asked Congress to approve additional funding to provide small businesses relief from the damaging effects of the COVID-19 pandemic. Mnuchin said that Congress will hopefully pass something "[tomorrow] or Friday."

***"I want to assure all small businesses out there: We will not run out of money."
- Secretary Mnuchin***

What does this mean for you?

At this time, no additional funds have been approved. However, we will continue to monitor this situation and provide updates as necessary.