



BULLETIN #45/2020 APRIL 16, 2020

CORONAVIRUS UPDATE #31

UPDATED SBA INFO ON PAYCHECK PROTECTION PROGRAM LOANS

NO MORE PPP LOAN APPLICATIONS BEING ACCEPTED UNTIL ADDITIONAL FUNDS ALLOCATED BY CONGRESS

[This bulletin supplements our previous bulletins #11 and #16 through #44 on this subject matter. These bulletins are intended to be cumulative so we can avoid repeating the same information.]

Please note that SBA released the following statement last night, in italics below. **However, news just came over the wire that the SBA henceforth will not be accepting any more loan applications under the Paycheck Protection Program as the initial fund of \$350 billion is presently spoken for with current applications.** The SBA will not be accepting any new loan applications until Congress and the President reauthorize additional funds. NADA has signed on to [a letter to Congress](#) and is pushing hard for additional PPP funding. Additional funding is important for dealers who have yet to apply for a PPP loan or have applied for one but have yet to be approved and funded. Congressional Democrats presently are holding up the additional funds in exchange for other political demands.

Update on Paycheck Protection Program (PPP): In the near future, SBA expects the amount of processed PPP loan volume to reach the maximum amount authorized and appropriated by Congress. Once the authorization limit is reached, SBA will not be able to accept any new loan applications for the Paycheck Protection Program. This will mean that lenders will no longer be able to load PPP applications into the Capital Access Financial System (CAFS or E-Tran) [the Lender Gateway]. SBA is unable to maintain a queue for PPP applications. Further, PPP loan amounts may not be adjusted by lenders within the CAFS system. Additionally, once the authorization limit is reached, SBA will no longer be able to accept new lender applications to become PPP lenders. SBA is reaching out to the lending community to make them aware of this eventuality so that they may prepare and inform their small business customers of the situation. SBA will continue to inform its lending partners of new updates should Congress authorize additional funds.

Moreover, please note the following with respect to the SBA/Treasury Paycheck Protection Program (PPP). Last night NADA posted a document entitled [PPP Loans: Use of Proceeds and Forgiveness NADA Preliminary Guidance](#). The document provides valuable insights into important issues involving the forgiveness elements of the PPP loan program. To the extent that a PPP loan is forgiven, it effectively becomes a grant from the federal government to the borrower. Please note that, as the document stresses, this information is preliminary and does not reflect the further guidance NADA expects to obtain from SBA/Treasury on, among other things, the issues noted



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Finally, regarding other PPP and CARES Act issues, please see the updated version of [NADA's FAQ](#) and [Treasury's PPP Loan](#) webpage. For other dealer-related Covid-19 information, please visit NADA's [Coronavirus Hub](#).