

CLIENT ALERT

SBA Caps the Aggregate Amount of PPP Loans Each Corporate Family Can Receive

May.01.2020

On April 30, 2020, the Small Business Administration (SBA) released an [interim final rule](#) imposing a \$20 million cap on the aggregate amount of loans a single corporate group can receive from the Paycheck Protection Program (PPP). Given the high demand for PPP loans and finite appropriations, the SBA has imposed this limit in order to ensure PPP funds reach the largest possible number of borrowers.

Businesses are part of a single corporate group if they are majority owned, directly or indirectly, by a common parent based on the broad definition in the interim final rule. This cap applies without limitation even to those businesses that are eligible for the otherwise applicable waiver-of-affiliation provisions.

This cap applies to PPP loan funds that have not yet been fully disbursed as of April 30, 2020. This means that the cap applies not only to all PPP loans to be made in the future but also to any loans that have only been partially disbursed. The interim final rule makes it incumbent on PPP recipients and applicants to determine if they will receive PPP loans in excess of the cap and withdraw or request cancellation of any pending PPP loan application or approved PPP loan not in compliance with this rule. The Crowell & Moring Team is closely watching these developments and is standing by to confer with companies about the impact of this new loan ceiling.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Olivia Lynch

Partner – Washington, D.C.
Phone: +1 202.624.2654
Email: olynch@crowell.com

Amy Laderberg O'Sullivan

Partner – Washington, D.C.
Phone: +1 202.624.2563
Email: aosullivan@crowell.com

Paul J. Pollock

Partner – New York
Phone: +1 212.895.4216
Email: ppollock@crowell.com