

CLIENT ALERT

CARES Act Paycheck Protection Program and SBA Economic Injury Disaster Loan Lifelines for Small Businesses: Are You Eligible, How Do You Apply, and What are the Key Terms/Benefits?

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With the Paycheck Protection Program (PPP) and funding for the Small Business Administration's (SBA) Economic Injury Disaster Loans (EIDL) unlocking a combined total of over \$360 billion for loans to cover urgent business costs, including payroll costs, employee benefits and leave, mortgage interest payments, debt refinancing, rent and utilities, the CARES Act has extended an essential lifeline targeted at eligible small businesses. Now companies are scrambling to determine whether they qualify, what they are entitled to, and how to access this loan financing to sustain their businesses and their workforce during the COVID-19 pandemic. With many companies unfamiliar with the SBA's complex rules for determining small business status, the expansion of eligibility under the PPP, and differing threshold requirements under the PPP and EIDL, companies first need answers to an immediate question: Am I an eligible business under the PPP, EIDL, or both?

To help guide companies through this threshold question, we have initially prepared a [step-by-step PPP eligibility questionnaire](#) (updated April 19, 2020) that includes the relevant inquiries and initial documents and information necessary for this analysis as well as discusses overviews on PPP loan terms and application process.

The Trump Administration has indicated that the small business loan programs of the CARES Act could be up and running as early as April 3, 2020. We will update this guidance once the SBA issues its regulations and gives greater insight into how the Paycheck Protection Program will be implemented in practice.

We'll be discussing this topic further today, March 31, at 4 pm. [Click here to register.](#)

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

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