



## PPP Likely Extended to May 31, 2021; Increased EIDL Amounts

**By Mary Lundstedt, Esq.**

The PPP Extension Act of 2021, H.R. 1799, was approved by the Senate on Thursday, March 25, 2021.<sup>1</sup> This means that President Biden is poised to sign off on the bill that will push the March 31 PPP Loan application deadline back to May 31. Furthermore, the bill will allow the SBA an additional 30 days to process applications received by May 31. Considering the nearly unanimous agreement among the lawmakers, it is widely expected that President Biden will sign off on the bill well before the current March 31 deadline expires.

[Info@AskFrost.com](mailto:Info@AskFrost.com)



The anticipated 60-day extension is a welcome relief to all parties immersed in the PPP Loan process. Obviously, businesses and their CPAs or other practitioners assisting them with applications will benefit from the additional time to apply for PPP Loans—whether first-draw or second-draw loans. And lenders will appreciate the extra time to review and submit applications.

Additionally, the SBA itself greatly needed more time to both process loans and effectively work through the increasing backlog of pending PPP Loan applications. On page 6 of the recent House Small Business Committee hearing, it was reported that:

[T]here are potentially thousands of loans with holds that remain in a holding pattern within SBA's systems, and lenders fear these loans may not be funded as the program deadline approaches. These lenders have advocated for a mechanism by which SBA can get these resolved borrowers out of the system quickly so their loans can be funded.<sup>2</sup>

The Committee concluded that a minimum of 60 days would be needed for the SBA to work through its issues. Simply put, the SBA has been unable to pace the various changes to the PPP Loan landscape since its creation.

Although the bill offers no further funding for the current PPP Loan pot, the bill is hoped to offer the time needed for suffering businesses to access what money is already there.



Moreover, on March 24, 2021, the SBA announced an additional relief measure for small businesses, providing that beginning the week of April 6, 2021, it is substantially increasing:

the loan limit amount for the COVID-19 EIDL program from 6-months of economic injury with a maximum loan amount of \$150,000 to up to 24-months of economic injury with a maximum loan amount of \$500,000.<sup>3</sup>

The SBA clarified that businesses already in receipt of an EIDL subject to the current limit will be directly contacted via email about how they may request an increase closer to April 6. Thus, business should not submit an increase request until such instruction. And any new loan applications and loans already in processing once the limit increase is implemented will “automatically be considered for loans covering 24 months of economic injury up to a maximum of \$500,000.”<sup>4</sup>

We will continue to track and update our readers on these developments.

If you have questions or concerns about either PPP Loans or the EIDL program, please contact our team by calling (410) 862-2826 or [REQUESTING A CONSULT ONLINE](#).

1. [HTTPS://WWW.CONGRESS.GOV/BILL/117TH-CONGRESS/HOUSE-BILL/1799](https://www.congress.gov/bills/117/congressional-legislation/1799).
2. [HTTPS://SMALLBUSINESS.HOUSE.GOV/UPLOADEDFILES/03-10-21\\_HEARING\\_MEMO.PDF](https://smallbusiness.house.gov/uploadedfiles/03-10-21_hearing_memo.pdf).
3. You can read the SBA Release Number 21-24 in full at: [HTTPS://WWW.SBA.GOV/ARTICLE/2021/MAR/24/SBA-INCREASE-LENDING-LIMIT-COVID-19-ECONOMIC-INJURY-DISASTER-LOANS](https://www.sba.gov/article/2021/mar/24/sba-increase-lending-limit-covid-19-economic-injury-disaster-loans).
4. Id.

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