

Summary of the Paycheck Protection Program and Health Care Enhancement Act (Phase 3.5)

Overview

On April 24, 2020, the Paycheck Protection Program and Health Care Enhancement Act (“Phase 3.5”) to, in part, replenish the depleted Paycheck Protection Program (“PPP”) was enacted. Phase 3.5 also provides certain appropriations to prioritize hospital funding and coronavirus testing.

PPP

- Provides an additional \$310 billion for the PPP.
- Creates set-asides for Insured Depository Institutions, Credit Union, and Community Financial Institutions.
 - \$30 billion must be set aside for loans made by Insured Depository Institutions and Credit Unions (with assets between \$10 billion and \$50 billion).
 - \$30 billion must be set aside for loans made by Community Financial Institutions, Small Insured Depository Institutions and Credit Unions (with assets less than \$10 billion).

Disaster Loans and Grants

- Provides an additional \$10 billion for the Emergency Economic Injury Disaster (“EIDL”) Grants.
- Allows agricultural enterprises with fewer than 500 employees to receive EIDL grants and loans.
- Provides \$50 billion for the Disaster Loans Program Account.

Department of Health and Human Services

- Provides \$75 billion for hospitals and health care providers to reimburse for expenses or lost revenues that are attributable to coronavirus.
- Provides \$25 billion in order to research, develop, validate, manufacture, purchase, administer, and expand capacity for coronavirus tests.

For additional insights related to business and legal implications as a result of COVID-19, please visit our [Knowledge Center](#).

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