

Just hours before the Paycheck Protection Program was set to expire, the Senate on Tuesday unanimously approved an extension, through August 8. The \$669 billion forgivable loan program, first authorized by the Cares Act in March, had been set to end at midnight on July 1.

Through June, the U.S. Small Business Administration approved nearly 4.9 million loans worth more than \$520 billion.

In recent weeks, lawmakers have been debating the specifics of how to apply those remaining funds. There has been growing support for the Prioritized Paycheck Protection Program Act, or P4, which would stretch the application deadline for initial PPP loans to December 30. It would offer businesses with 100 or fewer employees that have already expended their PPP funds (or soon will) a second shot at money. That measure is expected to be part of the Phase 4 bill currently being considered by Congress.

A separate bill recently introduced by senators Kevin Cramer (R-N.D.) and Kyrsten Sinema (D-Ariz.) has significant support among lenders, as it would forgive all PPP loans under a \$150,000 threshold. That encompasses some 85 percent of all PPP loans and 26 percent of the program's value.

While the second chance should be soothing to businesses still hoping to access the program, others see the extension as a distraction.

"I don't think this is a good use of time or resources," writes Ami Kassir in his daily funding recap for Inc. The founder and CEO of MultiFunding, a small-business loan adviser based in Ambler, Pennsylvania, notes that demand for PPP loans has slowed over the past few weeks, and it's unlikely that the program will see much more uptake with the extension.

It's also worth noting that this extension does nothing for the millions of businesses that applied for the program earlier in the process and have already exhausted their PPP funding or are set to do so soon.

Even so, the Covid-19 crisis is still unfolding, and as Senator Ben Cardin (D-Md.) pointed out in a statement following the bill's passage, "Many small businesses will continue to struggle in the weeks and months to come ... Every business we prevent from failing now is a business that will be in a position to create jobs during the recovery."

The bill is expected to be passed by the House and move to the president's desk for signature soon.