

Treasury asking Congress for another \$250B to help small businesses

By Allissa Kline, Laura Alix

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The Treasury Department is asking Congress to commit another \$250 billion to an emergency small-business lending program that, four days after its launch, is already in danger of running out of money.

In a mid-afternoon tweet, Treasury Secretary Steven Mnuchin said he asked Senate Majority Leader Mitch McConnell, R-Ky., and other high-ranking lawmakers "to secure an additional \$250 billion" for the program "to make sure small businesses get the money they need."



Steven Mnuchin

@stevenmnuchin1

At the direction of President [@realDonaldTrump](#), I've spoken with [@SenateMajLdr](#), [@SenSchumer](#), [@SpeakerPelosi](#), and [@GOPLeader](#) to secure an additional \$250 billion for the [#PPPLoan](#) program to make sure small businesses get the money they need!

1,952 1:49 PM - Apr 7, 2020

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The tweet came less than three hours after the Washington Post reported that the department could ask for additional funding today, citing two people familiar with the matter. The funding would supplement \$349 billion already approved for the Paycheck Protection Program and included in the \$2 trillion coronavirus relief package President Trump signed into law late last month.



Sen. Marco Rubio, R-Fla., has said that the Paycheck Protection Program could run out of money well before it expires June 30. *Bloomberg*

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Administered by the Small Business Administration and Treasury, the PPP is designed to help small firms struggling to stay afloat at a time when social distancing has forced them scale back operations or shut down completely. Many of the loans — funded by banks, credit unions and other approved lenders — will be converted to grants if borrowers use the funds to keep paying employees or cover other operating expenses such as rent.

When the program began accepting applications last Friday, [confusion and inconsistency reigned among bankers](#) trying to make sense of guidelines and handle requests from cash-strapped small-business owners. Community banks in particular struggled to reach SBA representatives as they dealt with overwhelming demand.

One day later, the surge in demand led Sen. Marco Rubio, one of the program's architects, to anticipate [funding would need to be replenished](#) well before the program's end date of June 30.

"Based on the demand on day one it is clear we will need more money for [the program] by late May," the Florida Republican tweeted over the weekend.

Many of the nation's largest banks are now taking applications and making loans, [even as they wait](#) for clarity from the SBA about the terms and conditions that must be met for the government to guarantee the loans. But others remain cautious, saying they will stick to the same process they have used for the SBA's flagship 7(a) lending program.

According to the SBA, lenders approved \$5.4 billion in loan requests on the program's first day.

This story has been updated to include comments from Treasury Secretary Steve Mnuchin.

Allissa Kline Reporter  



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