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BUSINESS > BANKING

If your business missed out on the PPP program, here's where else you can turn for money

The nearly \$670 billion PPP program is down to about \$9 billion reserved for community financial institutions.





The U.S. Small Business Administration recently said the Payroll Protection Program exhausted loan money available to traditional banks -- weeks before the planned May 31 cutoff date. (U.S. Small Business Administration)

By [Natalie Walters](#)
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The Paycheck Protection Program was seen as a limitless treasure chest when it launched a year ago to help small businesses weather the economic catastrophe brought on by the COVID-19 pandemic.

But struggling businesses have finally hit the bottom.

Last week, the Small Business Administration, which runs the program, said loan money for traditional banks had been exhausted before the planned cutoff date of May 31.

“We didn’t expect to spend that money in that amount of time,” said Herbert Austin, district director of the Dallas-Fort Worth SBA office.

Texas lenders ranked third in the country for most PPP loans given out, with its 460,000 loans totaling \$20.5 billion. The state trailed only California and New York.

But small businesses that missed out have other options.



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First, there's still about \$9 billion in the PPP chest that the SBA set aside for minority depository institutions and community development financial institutions to lend to businesses.

"The program is not fully over," Austin said. "It's still open to some extent."

The **Economic Injury Disaster Loan** program meant to help businesses harmed by the pandemic is also ongoing, with its deadline extended to Dec. 31, 2021. Those more traditional loans are less popular because they aren't forgivable like PPP loans.

In March, the loan limit for the EIDL program was raised to \$500,000, up from the \$150,000 that many companies found limiting. The application takes about 20 minutes to fill out, Austin said. Applicants that only received \$150,000 can apply for an increase now that the limit was raised.

"Ideally, you would apply for PPP to cover payroll and then apply to the EIDL program to cover the cost of running the business," Austin said.

The SBA also designed disaster loan programs specifically for restaurants and

shuttered venues, which were especially hard hit during a year where people were encouraged to stay home, said Chris Jones, Texas Security Bank's executive vice president. The 13-year-old Dallas bank, which has about \$900 million in assets, did just shy of a thousand PPP loans totaling \$250 million in round one and about 525 loans totaling \$125 million in round two.

Owners of live venues and related businesses can apply for the **Shuttered Venue Operators Grant**, which has over \$16 billion, with \$2 billion of it reserved for companies with 50 employees or less. If approved, a business can qualify for grants equal to 45% of its gross earned revenue for a maximum of \$10 million.

For restaurant operators, the SBA opened its \$28.6 billion **Restaurant Revitalization Fund** on May 3. It approves grants of up to \$10 million. The SBA said the program has already seen "extremely high demand."

In the program's first two days, 186,200 restaurants, bars, food trucks and other eligible businesses applied for grants. For the first three weeks, businesses owned by women, veterans and socially and economically disadvantaged have priority.

Jones said he's been encouraged to watch Texas Security Bank's PPP clients survive the pandemic.

"There will be some bumps and bruises from coming through this, but, for the most part, I'm seeing across-the-board improvements in our clients' businesses," Jones said. "I'm not saying we're out of the woods all the way, but we're seeing improvements across the board."

Banks have been able to dramatically increase their relationships with new customers through the PPP program. Frost Bank said it had a 47% increase in new relationships in Dallas in 2020. Some of the banks that took part in the program are taking off where the PPP program left off.

Dallas-based Comerica bank, which operates mostly in Texas, Michigan, Arizona, California and Florida, recently announced a \$5 billion commitment to small business lending over the next three years.

“Now that PPP is depleted, it’s more critically important that we are engaged in supporting small business lending,” said Cassandra McKinney, executive vice president of the retail bank at Comerica.

Comerica wrote about 20,000 loans totaling nearly \$4 billion in the first round of PPP but hasn’t yet tallied final numbers for the second round.

Disaster loan programs like PPP and EIDL have been in the spotlight for the past year. But Austin said entrepreneurs shouldn’t forget about traditional business loans that made up the bulk of the SBA’s loans pre-pandemic. Even amid the chaos, new small businesses are opening every day, he said.

“The American dream of owning a business is very much still alive,” Austin said.



RESTAURANT NEWS

Dallas-area restaurants apply for new \$28.6 billion Restaurant Revitalization Fund

BY CLAIRE BALLOR



PERFORMING ARTS

As the operators of shuttered arts venues hit send, hoping for their share of \$16 billion, they got zero

Apparently, it was only a technical glitch that delayed the latest round of funding. Or so they hope.

BY MICHAEL GRANBERRY
