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## Small-Business Loan Program Resumes With Reports of Delays

*Coronavirus-hit businesses clamor for aid after replenishment of program funds*

*Congress allocated an additional \$310 billion for Paycheck Protection Program loans last week after the initial allotment of about \$350 billion ran out.*

By  
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WASHINGTON—The government on Monday resumed taking applications for its \$660 billion aid program for small businesses hit by the fallout of the coronavirus outbreak—and with the resumption came a fresh chorus of complaints over delays and glitches in the process.

The Small Business Administration's electronic loan portal was overwhelmed by demand, according to banking industry groups, who say the process was also stymied by last-minute changes in guidance on how to submit applications.

"The SBA's systems were not designed to and are not capable of handling the volume of loans banks processed over the last several weeks for small businesses," said Richard Hunt, chief executive of the Consumer Bankers Association, which represents national and regional banks. "It is critically important for the SBA to be transparent and forthright about these limitations with the millions of men and women waiting for assistance."

Congress allocated an additional \$310 billion for Paycheck Protection Program loans last week after the initial allotment of about \$350 billion ran out on April 16.

Following significant disruptions to the application handling process after the program's initial launch on April 3, the Small Business Administration on Sunday unveiled steps aimed at preventing system crashes and smoothing out distribution of funds among participating banks. [Doesn't Work for Some Small Businesses](#)

As part of that effort, the agency asked banks to submit applications in batches of up to 15,000 loans to begin the process Monday morning, but lowered the number to 5,000 around midday after problems were reported with the new submission system.

Banks have also reported problems submitting individual loan applications using the SBA's ETran loan-processing system, with some users reporting an extended blockage time starting minutes after the opening and others experiencing an unstable performance.

The SBA said such delays are occurring by design.

"SBA notified lenders yesterday that pacing of applications into the ETran system would occur," said Jim Billimoria, an SBA spokesman. "The pacing mechanism prevents any one lender from submitting thousands of loans an hour into the ETran system. If a lender goes above the pacing limit they will get timed out."

How quickly the SBA and banks can process these loans is critical for millions of small businesses waiting for government assistance as the economic fallout of the pandemic deepens.

Many small-business owners say they have yet to be approved for loans or have been waiting for money to appear in their accounts after approvals. Small-business advocates and bankers say more money is needed to meet the demand and the latest addition wouldn't be enough to cover it. There are roughly 30 million eligible small businesses in the U.S. Only 1.6 million businesses received money through the first round of the program.

The SBA also told banks Sunday the government is now capping the amount of the total loan processed by each bank at \$60 billion, an effort to prevent any bank from grabbing an excessively large chunk of the total pool.

Amid waves of criticism about large public companies or financial funds receiving or seeking loans meant for small businesses, the SBA and Treasury Department clarified who are eligible for the loans prior to the resumption of the paycheck program.

The agency said in its new 12-page guidance issued Sunday that public companies with "substantial market value and access to capital markets" are unlikely to qualify for loans under the program. It added that any such borrower that applied previously can return the money by May 7 without being penalized.

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