

## Expansion of SBA Loan Program under the CARES Act: Implications for Private Equity Sponsors

March 29, 2020 | Client Update

The CARES Act provides for a \$349 billion expansion of the existing Small Business Administration loan program for small businesses. However, the CARES Act does not appear to have overridden the applicability of the affiliation rules that apply to the existing program, and if so, most portfolio companies controlled by private equity sponsors would exceed the size limitations. That said, there is some ambiguity in the CARES Act, and it is possible that the SBA will issue interpretive guidance that could allow for many controlled portfolio companies to access the program.

[Read the Full Memo >](#)

**Related Memo:** [Key CARES Act Provisions and Fed Programs for Corporates](#) (Published April 6, 2020)

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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