



Small Business Loan Funds Running Out With Congress Stalled

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- ▶ Small business loan program close to exhausting \$349 billion
- ▶ Trump, GOP support adding \$250 billion, Democrats want more



Larry Kudlow Photographer: Oliver Contreras/Sipa/Bloomberg

The \$349 billion program to help small businesses reeling from the Covid-19 outbreak could be exhausted by Thursday, a top White House adviser said, but negotiations in Congress to replenish it remain stalled.

“At the present run-rate, we’re going to be out of money,” Larry Kudlow, President Donald Trump’s chief economic adviser, said Tuesday on Fox Business Network.

As of mid-day Tuesday, almost 1.1 million applications, totaling more than \$257 billion, had been approved since the Small Business Administration program launched April 3.

Trump and the GOP want to add another \$250 billion to the Paycheck Protection Program, but Democrats have been holding out to expand the stimulus to include aid for state and local governments and hospitals.

Despite the looming shortfall, there is no sign of negotiations between the administration and congressional leaders to break a deadlock over how to proceed.

House Republican leader Kevin McCarthy on Tuesday tweeted to his followers, asking them to pressure House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer to support the added funding for small business and drop their additional demands.

Pelosi and Schumer back the small business program funding, but want changes that ensure the pool of lenders extends well beyond big banks. They also want an additional \$250 billion in aid for state and local governments as well as for hospitals in whatever Congress does next.

Meanwhile, Senate Majority Leader Mitch McConnell announced that after consulting with Schumer, he is moving the date for the full Senate to resume work to May 4 from April 20. That comes a day after House Democratic leaders announced they also were pushing a return date in that chamber to May 4.

The Senate could clear added funding by unanimous consent with only a few senators present, but only if no lawmaker objects. The next opportunity to do that would be Thursday. The House would have to do the same for the measure to get to Trump for his signature, but it would be tough to accomplish without some sort of compromise.

In his statement, McConnell made clear that he won't consider any additional funding beyond the \$250 billion for the small business loan program, money he tried unsuccessfully to move through the chamber last week by unanimous consent. He reiterated that the Paycheck Protection Program is the only stimulus initiative at immediate risk of running dry.

“President Trump, Secretary Mnuchin, and Senate and House Republicans simply want to add more funding for this job-saving program that both parties designed together,” he said, referring to Treasury Secretary Steven Mnuchin. “There is no time to insist on sweeping renegotiations or ultimatums about other policies that passed both houses unanimously,” McConnell said.

House Democratic officials said Tuesday Speaker Pelosi and her staff were anticipating that the Senate would seek to push through McConnell's version of the interim measure again, but that no breakthrough on a two-chamber version had been reached.

In letter to all House Democrats Tuesday, Pelosi said that “we continue to fight for an interim emergency response package followed by a CARES 2 package that will deliver more desperately-needed resources to all suffering from the crisis.”

She added that Democrats “cannot accept Leader McConnell's proposals that would only perpetuate the flaws that are threatening the survival of the most vulnerable small businesses and would do nothing to aid desperate hospitals and state and local governments.”