

# **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.

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