

SBA's New Loans: VC- and PE-backed Companies Grapple with the Fine Print

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Steve Dickinson comments on the potential impact of the CARES Act on smaller beauty, personal care, and wellness companies that are backed by private equity and venture capital investors. The Economic Injury Disaster Loan and the Payroll Protection Program, both through the Small Business Administration (SBA), are of greatest significance to these companies. However, it remains unknown if backed companies will qualify as small businesses under the current regulations.

“Multiple rumors have circulated around additional provisions to the SBA guidelines that are specific to PE- and VC-backed companies, but none have come to pass. However, if the coronavirus pandemic continues into summer or early fall as some suspect, the U.S. government is going to have to find additional relief programs for more parties to ultimately save more jobs,” said Steve.

Steve also noted that, “VC and PE firms have heavily invested in beauty in the last few years, but they have also invested in every sector of the economy, so this is all bigger than any one industry.”

To read the full article, [click here](#).

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