

## **Title 1. Keeping American worker paid and employed Act: SBA Loan Program**

### **Small Business Loans - \$349 Billion**

- Allows small businesses, private nonprofits, and public nonprofits to receive SBA 7(a) loans through the end of 2020.
  - The size of the loans would equal 250 percent of an employer's average monthly payroll with a maximum of \$10 Million.
- For these new loans, all loan fees are waived, borrowers can defer repayment for up to 12 months, and there are no penalties for prepayment through the end of the year.
- Loans can be used for long-term or short-term working capital; for refinancing; or to cover recurring obligations (including employee salaries, paid leave and group health care benefits, mortgage payments, rent, utilities, and other debt obligations).
- **Includes provision that AHLA pushed for which allows Hotels that were operational as of February 15, 2020 to receive financial assistance if the hotel employs not more than 500 employees per physical location and is assigned a North American Industry Classification System code beginning with 72.**
- Borrowers can get tax-free debt forgiveness for the portion of the loan used to maintain payroll (not including the cost of any paid leave for which a tax credit is allowed) and pay debt obligations between March 1<sup>st</sup> and June 30<sup>th</sup>, 2020, conditional upon their retaining employment and wage levels for employees making less than \$33,333 over that period (or less than \$100,000 last year).
- Businesses with tipped employees can get debt forgiveness on any additional wages paid to those employees between March 1<sup>st</sup> and June 30<sup>th</sup>, 2020.
- Businesses receiving an SBA Covered Loan are not eligible to receive an SBA Economic Injury Disaster Loan.
- **SBA Express Loans:** Increases the maximum loan amount for an SBA Express loan from \$350,000 to \$1 Million. These loans currently have a much faster approval process through SBA and provide borrowers with revolving lines of credit for working capital purposes.
- **Emergency Economic Injury Disaster Loan (EIDL)**
  - Businesses affected by COVID-19, with 500 employees or fewer and were in business one-year before COVID-19, are eligible to apply for a loan of no more than \$200,000.

## **Title 2. Assistance for America's workers, Families and Businesses: Expanded Unemployment Insurance, Tax Rebates and Business Tax Provisions**

- **Individuals**
  - **Pandemic Unemployment Insurance:**
    - Individuals who are unable to work because of: testing positive for COVID-19; taking care of a family member who has COVID-19; taking care of a child whose school is closed; cannot get to work because his/her place of employment is closed as a result of COVID-19; self-quarantining under the advisement of a health professional; are eligible to receive up to 39 weeks of unemployment insurance.
    - Waives the two-week waiting period to be eligible for Unemployment Insurance.
    - Provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months.
  - Under the agreements laid out in the bill, the federal government will:
    - Reimburse states for the Federal Pandemic Unemployment Compensation (the \$600) plus any additional administrative expenses.
    - Provide full temporary full funding for the first week of compensable regular unemployment (due to the requirement states waive the one week waiting period).

- **Recovery Checks:** All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married), who are not a dependent of another taxpayer and have a work eligible social security number, are eligible for the full \$1,200 (\$2,400 married) rebate. In addition, they are eligible for an additional \$500 per child.
  - The rebate amount is reduced by \$5 for each \$100 that a taxpayer's income exceeds the phase-out threshold. The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$146,500 for head of household filers with one child, and \$198,000 for joint filers with no children.
- **Business Tax Provisions**
  - **Employee retention credit for employers subject to closure due to COVID-19:** The provision provides a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19-related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year.
  - **Delay of payment of employer payroll taxes:** The provision allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees. Employers generally are responsible for paying a 6.2-percent Social Security tax on employee wages.
  - **Modifications for net operating losses:** The provision relaxes the limitations on a company's use of losses. Net operating losses (NOL) are currently subject to a taxable-income limitation, and they cannot be carried back to reduce income in a prior tax year. The provision provides that an NOL arising in a tax year beginning in 2018, 2019, or 2020 can be carried back five years. The provision also temporarily removes the taxable income limitation to allow an NOL to fully offset income. These changes will allow companies to utilize losses and amend prior year returns, which will provide critical cash flow and liquidity during the COVID-19 emergency.
  - **Modification of limitation on losses for taxpayers other than corporations:** The provision modifies the loss limitation applicable to pass-through businesses and sole proprietors, so they can utilize excess business losses and access critical cash flow to maintain operations and payroll for their employees.
  - **Modification of limitation on business interest:** The provision temporarily increases the amount of interest expense businesses are allowed to deduct on their tax returns, by increasing the 30-percent limitation to 50 percent of taxable income (with adjustments) for 2019 and 2020. As businesses look to weather the storm of the current crisis, this provision will allow them to increase liquidity with a reduced cost of capital.
  - **Qualified Improvement Property:** The provision enables businesses, especially in the hospitality industry, to write off immediately costs associated with improving facilities instead of having to depreciate those improvements over the 39-year life of the building. The provision, which corrects an error in the Tax Cuts and Jobs Act, not only increases companies' access to cash flow by allowing them to amend a prior year return, but also incentivizes them to continue to invest in improvements as the country recovers from the COVID-19 emergency.

### **Title 3. Supporting America's Health Care System in the fight against the Coronavirus: Funding for Hospitals, health care facilities and providers**

#### **Labor**

- Creates a limitation stating an employer shall not be required to pay more than \$200 per day and \$10,000 in the aggregate for each employee on paid family and medical leave.

- Creates a limitation stating an employer shall not be required to pay more than \$511 per day and \$5,110 in the aggregate for paid sick leave or more than \$200 per day and \$2,000 in the aggregate to care for a quarantined individual or child for each employee.
- Expands the authority for the Secretary of Labor to exempt small businesses with fewer than 50 employees from paid leave provisions.
- Allows the Director of the Office of Management and Budget to exclude for good cause certain Executive Branch employees from the Paid Family Leave mandate.
- Allows the Director of the Office of Management and Budget to exclude for good cause certain Executive Branch employees from the Paid Sick Leave mandate.

## **Title 4. Economic Stabilization and Assistance to Severely Distressed Sectors of the American Economy: Funding for Impacted Industries including Hotels**

### **Distressed Sectors of Economy - \$500 Billion**

- Establishes an exchange stabilization fund to provide \$454B in collateralized loans and loan guarantees to industries affected by COVID-19, **including Hotels**.
- Directs the Secretary of the Treasury to publish procedures and minimum requirements for making loans, loan guarantees and other investments within 10 days of enactment.
- All direct lending must meet the following criteria:
  - Alternative financing is not reasonably available to the business;
  - The loan is sufficiently secured or made at an interest rate that reflects the risk of the loan and, if possible, not less than an interest rate based on market conditions for comparable obligations before the Coronavirus outbreak;
  - The duration of the loan shall be as short as possible and shall not exceed 5 years;
  - Borrowers and their affiliates cannot engage in stock buybacks, unless contractually obligated, or pay dividends until the loan is no longer outstanding or one year after the date of the loan;
  - Borrowers must, until September 30, 2020, maintain their employment levels as of March 24, 2020, to the extent practicable, and retain no less than 90 percent of their employees as of that date;
  - A borrower must certify that it is a U.S.-domiciled business and its employees are predominantly located in the U.S.;
  - The loan cannot be forgiven; and
  - In the case of borrowers critical to national security, their operations are jeopardized by losses related to the coronavirus pandemic.
- Establishes a Main Street Lending Program where Treasury will implement a special 13(3) facility through the Federal Reserve targeted specifically at nonprofit organizations and businesses between 500 and 10,000 employees. These loans are subject to different criteria, including:
  - The funds received must be used to retain at least 90 percent of the recipient's workforce, with full compensation and benefits, through September 30, 2020;
  - The recipient will not outsource or offshore jobs for the term of the loan plus an additional two years;
  - The recipient will not abrogate existing collective bargaining agreements for the term of the loan plus an additional two years; and
  - The recipient must remain neutral in any union organizing effort for the term of the loan.
- Establishes the position of the Special Inspector General for Pandemic Recovery at the Treasury Department to oversee the distribution of loans and loan guarantees
- Establishes a 5-member Congressional committee charged with oversight of the lending program
- **Temporary Lending Limit Waiver:** Temporarily provides a nonbank financial company an exception to the OCC's lending limits aligned with the exception for financial companies, and temporarily authorizes the Comptroller of the Currency to exempt any transaction from the lending limits, if the exemption is in the public interest. The temporary exemption from lending limits and authorization to

exempt transactions expires at the earlier of December 31, 2020, or the date on which the national emergency declaration related to coronavirus is terminated.

- **Temporary Relief from Troubled Debt Restructurings:** A financial institution may elect to suspend requirements under U.S. Generally Accepted Accounting Principles for loan modifications related to the coronavirus pandemic, and suspend any such determination regarding loans modified as a result of the effects of the coronavirus. Federal banking agencies and the NCUA must defer to a financial institution to make a suspension. Such election may begin on March 1, 2020 and last no later than 60 days after the lifting of the coronavirus national health emergency.
- **Temporary Relief for Community Banks:** Requires the Federal banking agencies by interim rule to temporarily reduce the Community Bank Leverage Ratio (CBLR) for qualifying community banks from 9 percent to 8 percent, and provide for a reasonable grace period if a community bank's CBLR falls below the prescribed level. The interim rule expires at the earlier of December 31, 2020, or the date on which the national emergency declaration related to coronavirus is terminated.
- **Temporary Relief from Current Expected Credit Losses:** An insured depository institution (including a credit union), bank holding company, or any of its affiliates has the option to temporarily delay measuring credit losses on financial instruments under the new Current Expected Credit Losses methodology. Such option to delay expires at the earlier of December 31, 2020, or the date on which the national emergency declaration related to coronavirus is terminated.
- **Temporary Credit Union Provisions; Expanding Liquidity:** Temporarily enhances access to the Central Liquidity Facility (CLF), including for corporate credit unions, to meet liquidity needs. Increases resources available to meet liquidity needs through the Facility. The amendments provided under this section sunset on December 31, 2020.

## **Emergency Appropriations**

- **\$330 billion in new funding** to address the coronavirus pandemic
  - This funding is in addition to the \$150 billion Coronavirus Relief fund that will provide state, local, and tribal government with additional resources to address this pandemic.
- **\$1.82 billion for Financial Services and General Government agencies to provide resources to support small businesses and other general government agency's needs.**
  - **Small Business Administration (SBA) – \$562 million to Economic Injury Disaster Loans (EIDL) to businesses,**
    - **This funding is in addition to the \$350 billion allocated in Keeping American Workers Employed and Paid Act, which allows 100 percent guaranteed SBA loans, a portion of which SBA will forgive based on allowable expenses for the borrower.**
  - **\$10 billion in direct grants for businesses that do not qualify for the EIDL program,**
  - **\$17 billion to have SBA step in and make six months of principle and interest payments for all SBA backed business loans.**
  - **\$250 million in additional funding to the IRS to administer the new tax credits for paid leave.**
- **\$172.1 billion - Departments Of Labor, Health and Human Services, Education and Related Agencies**
  - **\$360 million- Department of Labor to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans. This also includes funding for DOL agencies to ensure new Paid Leave and UI benefits are implemented.**
  - **\$1 billion for CSBG to help communities address the consequences of increasing unemployment and economic disruption.**