

## **Title 1. Keeping American worker paid and employed Act: SBA Loan Program - \$349B**

### **Sec. 1102. Paycheck Protection Program**

- Sets the government guarantee of loans made for the Payment Protection Program under section 7(a) of the Small Business Act to 100 percent. This does not apply to other 7(a) loans.
- Outlines the terms in this section, such as defining eligible payroll costs.
- Provides the authority for the Administrator of the U.S. Small Business Administration (SBA) to make loans under the Paycheck Protection Program.
- Requires the Administrator to register each loan using the taxpayer TIN, as defined by the Internal Revenue Service, within 15 days.
- Defines eligibility for loans as a small business, 501(c)(3) nonprofit, a 501(c)(19) veteran’s organization, or Tribal business concern described in section 31(b)(2)(C) of the Small Business Act with not more than 500 employees, or the applicable size standard in number of employees for the industry as provided by SBA, if higher.
- Applies current SBA affiliation rules to eligible nonprofits and veterans organizations for purposes of determining size.
- Includes sole-proprietors, independent contractors, and other self-employed individuals as eligible for loans.
- Makes eligible businesses with more than one physical location, as long as it has no more than 500 employees per physical location in certain industries.
- Waives affiliation rules for businesses in the hospitality and restaurant industries, franchises that are approved on the SBA’s Franchise Directory, and small businesses that receive financing through the Small Business Investment Company (SBIC) program.
- Defines the covered loan period as beginning on February 15, 2020 and ending on June 30, 2020.
- Sets the maximum Paycheck Protection loan amount at \$10 million, with each borrower’s loan size based on a formula regarding their payroll costs.
- Defines the allowable uses of the loan proceeds to payroll support – such as employee salaries, paid sick and medical leave, and insurance premiums – as well as mortgage interest, rent, and utility payments.
- Extends delegated authority, which is the ability for lenders to make determinations on borrower eligibility and creditworthiness without going through SBA’s channels, to all current 7(a) lenders, and extends that same authority to new lenders that join the program.
- For eligibility purposes, instead of requiring lenders to determine repayment ability, which is not possible during this crisis, lenders will only need to determine whether a business was operational on February 15, 2020 and if it had employees for whom it paid salaries and payroll taxes, or if the borrower is a paid independent contractor.
- Provides the U.S. Department of Treasury temporary authority to approve new lenders to make Paycheck Protection loans through the 7(a) loans.
- Allows a borrower who has an EIDL loan related to COVID-19 and made on or after January 31, 2020 to apply for a Paycheck Protection loan, with an option to refinance that loan into a PPP loan up until the end of the covered period for PPP loans (June 30, 2020). However, the emergency EIDL grant award of up to \$10,000 would be subtracted from the amount forgiven under the Paycheck Protection Program. Existing EIDL borrowers not related to COVID-19 are also eligible to apply for Paycheck Protection loans for payroll assistance, but they may not refinance into a Paycheck Protection loans.
- Requires eligible borrowers to make a good faith certification that the loan is necessary due to the uncertainty of current economic conditions caused by COVID-19; they will use the funds to retain workers and maintain payroll, lease, and utility payments; and that the borrower does not have an application pending for another 7(a) loan for the same purpose and is duplicative of amounts applied for

or received under a Paycheck Protection loan, and that between February 15, 2020 and December 31, 2020, the borrower is not receiving funding from another 7(a) loan for the same purpose.

- Waives both borrower and lender fees for Paycheck Protection loans that typically apply for regular 7(a) loans.
- Waives the credit elsewhere test for borrowers seeking a loan under this program.
- Waives collateral and personal guarantee requirements for borrowers under this program.
- Outlines the treatment of any portion of a loan that is not used for forgiveness purposes. The remaining loan balance will have a maturity of not more than 10 years, and the guarantee for that portion of the loan will remain intact.
- Sets the maximum interest rate for Paycheck Protection loans at 4 percent, whether the loan is made by an SBA lender or Treasury-approved lender.
- Prohibits any prepayment fees charged to borrowers.
- Mandates that SBA require all Paycheck Protection lenders to defer payments for at least six months and not more than a year. If a Paycheck Protection loan that has been sold on the secondary market, and the investor will not defer payments, SBA is required to purchase the loan and provide deferment of payments for at least six months and not more than a year. Requires SBA to disseminate guidance to lenders on this deferment process within 30 days.
- Allows Paycheck Protection loans to be sold on the secondary market and prohibits SBA from collecting a fee.
- Provides the regulatory capital risk weight of loans made under this program, and temporary relief from troubled debt restructuring (TDR) disclosures for loans that are deferred under this program.
- Requires the Administrator to provide a lender with a process fee for servicing the loan. Sets lender compensation fees at 5 percent for loans of not more than \$350,000; 3 percent for loans of more than \$350,000 and less than \$2,000,000; and 1 percent for loans of not less than \$2,000,000.
- Increases the maximum loan for a SBA Express loan from \$350,000 to \$1 million through December 31, 2020, after which point the Express loan will have a maximum of \$350,000.
- Requires Veteran's fee waivers for the 7(a) Express loan program to be permanently waived.
- Permanently rescinds the interim final rule entitled, "Express Loan Programs: Affiliation Standards" (85 Fed. Reg. 7622 (February 10, 2020)).

### **Sec. 1103. Entrepreneurial Development**

- Authorizes SBA to provide additional financial awards to resource partners (Small Business Development Centers and Women's Business Centers) to provide counseling, training, and education on SBA resources and business resiliency to small business owners affected by COVID-19.
- Authorizes SBA to provide an association or associations representing resource partners with grants to establish:
- One online platform that consolidates resources and information available across multiple Federal agencies for small business concerns related to COVID-19; and
- A training program to educate Small Business Development Center, Women's Business Center, Service Corps of Retired Executives, and Veteran's Business Outreach Center counselors on the various federal resources available to ensure counselors are directing small businesses appropriately.

### **Sec. 1106. Loan Forgiveness**

- Establishes that the borrower shall be eligible for loan forgiveness equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage in force prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020.
- Amounts forgiven may not exceed the principal amount of the loan. Eligible payroll costs do not include compensation above \$100,000 in wages. Forgiveness on a covered loan is equal to the sum of the

payroll costs incurred and payments made on a covered mortgage obligation (not including prepayment or payment of principal), a covered rent obligation, or covered utilities during the covered 8 week period, proportionate to maintaining employees and wages.

- Any loan amount not forgiven is carried forward as an ongoing loan with a maximum term of 10 years, at a maximum interest rate of four percent.
- The amount forgiven will be reduced proportionally by any reduction in employees or reduction in salaries. To encourage employers to rehire employees who have already been laid off due to the COVID--19 crisis, borrowers will not be penalized for having a reduced payroll at the beginning of the period so long as the employer eliminates the reduction in the number of employees and/or salary levels by June 30, 2020.
- Allows forgiveness for additional wages paid to tipped workers
- Borrowers will verify to lenders their payments during the period, with documentation such payroll tax filings and proof of lease payments. Lenders that receive the required documentation will not be subject to an enforcement action or penalties by the Administrator relating to loan forgiveness for eligible uses.
- Upon a lender's report of an expected loan forgiveness amount for a loan or pool of loans, the SBA will purchase such amount of the loan from the lender.
- Canceled indebtedness resulting from this section will not be included in the borrower's taxable income.

### **Sec. 1108. Minority Business Development Agency**

- Authorizes \$10 million for the Minority Business Development Agency within the Department of Commerce to provide grants to Minority Business Centers and Minority Chambers of Commerce for the purpose of providing counseling, training, and education on federal resources and business response to COVID-19 for small businesses.
- Eliminates the Minority Business Center program's non-federal match requirement for a period of three months and allows for centers to waive fee-for-service requirements through September 2021.
- Mandates a report within 6 months from MBDA on the grant program.

### **Sec. 1110. Emergency EIDL Grants**

- Expands eligibility for access to Economic Injury Disaster Loans (EIDL) to include Tribal businesses, cooperatives, and ESOPs with fewer than 500 employees or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020).
- Private non-profits are also eligible for both grants and EIDLs.
- Requires that for any SBA EIDL loans made in response to COVID-19 before December 31, 2020, the SBA shall waive any personal guarantee on advances and loans below \$200,000, the requirement that an applicant needs to have been in business for the 1-year period before the disaster, and the credit elsewhere requirement.
- During the covered period, allows SBA to approve and offer EIDL loans based solely on an applicant's credit score, or use an alternative appropriate alternative method for determining applicant's ability to repay.
- Establishes an Emergency Grant to allow an eligible entity who has applied for an EIDL loan due to COVID-19 to request an advance on that loan, of not more than \$10,000, which the SBA must distribute within 3 days.
- Establishes that applicants shall not be required to repay advance payments, even if subsequently denied for an EIDL loan.
- Outlines that the emergency grant may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses.
- Requires that the emergency grant be considered when determining loan forgiveness, if the applicant refinances into a Paycheck Protection Program loan.
- Terminates the authority to carry out Emergency EIDL Grants on December 30, 2020.
- Establishes that an emergency involving Federal primary responsibility determined to exist by the President under Section 501(b) of the Stafford Disaster Relief and Emergency Assistance Act qualifies as a new trigger for EIDL loans and, in such circumstances, the SBA Administrator shall deem that each State or subdivision

has sufficient economic damage to small business concerns to qualify for assistance under this paragraph and the Administrator shall accept applications for such assistance immediately.

- Adds “emergency” explicitly into other existing EIDL trigger language under Section 7(b)(2) of the Small Business Act.

#### **Sec. 1112. Subsidy for Certain Loan Payments**

- Defines a covered loan as an existing 7(a) (including Community Advantage), 504, or microloan product. Paycheck Protection Program (PPP) loans are not covered.
- Requires the SBA to pay the principal, interest, and any associated fees that are owed on the covered loans for a six month period starting on the next payment due. Loans that are already on deferment will receive six months of payment by the SBA beginning with the first payment after the deferral period. Loans made up until six months after enactment will also receive a full 6 months of loan payments by the SBA.
- SBA must make payments no later than 30 days after the date on which the first payment is due. Requires the SBA to still make payments even if the loan was sold on the secondary market.
- Requires SBA to encourage lenders to provide deferments and allows lenders, up until one year after enactment, to extend the maturity of SBA loans in deferment beyond existing statutory limits.
- Allows the SBA to extend lender site visit requirements due to higher volumes, travel restrictions, or the inability to access some properties during the COVID-19 pandemic.

#### **Sec. 1113. Bankruptcy**

- Amends the Small Business Reorganization Act to increase the eligibility threshold to file under subchapter V of chapter 11 of the U.S. Bankruptcy Code to businesses with less than \$7,500,000 of debt. The increase sunsets after one year and the eligibility threshold returns to \$2,725,625.
- Amends the definition of income in the Bankruptcy Code for chapters 7 and 13 to exclude coronavirus-related payments from the federal government from being treated as “income” for purposes of filing bankruptcy. Sunsets after one year.
- Clarifies that the calculation of disposable income for purposes of confirming a chapter 13 plan shall not include coronavirus-related payments. Sunsets after one year.
- Explicitly permits individuals and families currently in chapter 13 to seek payment plan modifications if they are experiencing a material financial hardship due to the coronavirus pandemic, including extending their payments for up to seven years after their initial plan payment was due. Sunsets after one year.

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

### **Subtitle A – Unemployment Insurance**

#### **Sec. 2102. Pandemic Unemployment Assistance**

- This provision would create a new program modeled on Disaster Unemployment Assistance that would provide unemployment benefits to individuals who do not qualify for regular unemployment compensation and are unable to work because of the COVID-19 public health emergency.
- Pandemic Unemployment Assistance will cover self-employed workers (including gig workers and independent contractors), part-time workers, and those with limited work histories.
- The changes made in sections 2104 and 2107 to increase the size of regular unemployment benefits and make them available for additional weeks will also apply to benefits received through the Pandemic Unemployment Assistance program.
- Pandemic Unemployment Assistance will be state administered but fully federally funded.
- The program is effective through December 31, 2020.

#### **Sec. 2103. Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations**

- This provision would reduce the amount by which nonprofits, Indian Tribes, and governmental entities are required to reimburse states for benefits paid to their workers who claim unemployment insurance by 50 percent through December 31, 2020. This provision would also allow the Secretary of Labor to issue guidance to states to provide flexibility for employers in making reimbursement payments.

#### **Sec. 2104. Emergency Increase in Unemployment Compensation**

- This provision would add an additional \$600 in Federal Pandemic Unemployment Compensation to every weekly unemployment benefit, effective until July 31, 2020. This \$600 benefit will be taxable (like regular unemployment benefits), but it will be disregarded in determining Medicaid or CHIP eligibility.

#### **Sec. 2105. Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week**

- This provision would allow states to enter into an agreement with the federal government to receive full reimbursement for the total amount of unemployment compensation paid to individuals for their first week of unemployment, provided that the state does not have a waiting week between applying for and receiving benefits, effective until December 31, 2020.

### **Subtitle B – Rebates and Other Individual Provisions**

#### **Sec. 2201. 2020 Recovery Rebates for Individuals**

- This provision would provide \$1,200 for singles and heads of households (\$2,400 for married couples filing joint returns). The provision also provides \$500 per qualifying child dependent under age 17 (using the rules under the Child Tax Credit). A family of four would receive \$3,400.
- Rebates phase out at a 5% rate above adjusted gross incomes of \$75,000 (single)/ \$122,500 (head of household)/ \$150,000 (joint). There is no income floor or phase-in – all recipients will receive the same amounts, provided they are under the phaseout threshold.
- Tax filers must provide Social Security Numbers (SSN) for each family member claiming a rebate (adoption taxpayer identification numbers accepted for adopted children). An exception on SSN is made for spouses of active military members. The rebates are fully available to residents of U.S. Territories, including Puerto Rico.
- The rebates will be paid out as advance refunds (in the form of checks or direct deposit) on the basis of taxpayers' filed tax year 2019 returns (or tax year 2018, if a 2019 return has not yet been filed). Nonfilers generally need to file a tax return in order to claim a rebate, although IRS may coordinate with other federal agencies in some instances to get checks out.

#### **Sec. 2202. Special Rules for Use of Retirement Funds**

- This provision would waive the additional 10 percent tax on early distributions from IRAs and defined contribution plans (such as 401(k) plans) in the case of coronavirus-related distributions. A coronavirus-related distribution may be made between January 1 and December 31, 2020, by an individual who is (or whose family) is infected with the coronavirus or who is economically harmed by the coronavirus. Distributions are limited to \$100,000, and may be re-contributed to the plan or IRA.
- Employers are permitted to amend defined contribution plans to provide for these distributions. Additionally, defined contribution plans are permitted to allow plan loans up to \$100,000 and repayment of existing plan loans is extended for employees who are affected by the coronavirus.

#### **Sec. 2203. Temporary Waiver of Required Minimum Distribution Rules for Certain Retirement Plans and Accounts**

- This provision would waive required minimum distributions that are required to be made in 2020 from defined contribution plans (such as 401(k) plans) and IRAs. The waiver includes required minimum distributions that are due by April 1, 2020, because the account owner turned 70 ½ in 2019.

#### **Sec. 2204. Allowance of Partial Above-the-line Deduction for Charitable Contributions** 11

- This provision would provide a \$300 above-the-line deduction for cash contributions generally to public charities in 2020.
- This provision is estimated to reduce revenues by \$1.5 billion over 10 years.

### **Sec. 2205. Modification of Limitations on Charitable Contributions During 2020**

- This provision would increase the limitation on charitable deductions from 60% to 100% of modified income for cash contributions generally to public charities in 2020. It would also increase the limitation for food contributions by corporations from 15% to 25% of modified income.

## **Subtitle C – Business Provisions**

### **Sec. 2301. Employee Retention Credit for Employers Subject to Closure Due to COVID-19**

- This provision would provide a refundable payroll tax credit for 50 percent of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to employers, including non-profits, whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel or group meetings. The credit is also provided to employers who have experienced a greater than 50 percent reduction in quarterly receipts, measured on a year-over-year basis.
- Wages of employees who are furloughed or face reduced hours as a result of their employers' closure or economic hardship are eligible for the credit. For employers with 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation, including health benefits, and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee. Wages do not include those taken into account for purposes of the payroll credits for required paid sick leave or required paid family leave, nor for wages taken into account for the employer credit for paid family and medical leave (IRC sec. 45S).
- The Secretary of the Treasury is granted authority to advance payments to eligible employers and to waive applicable penalties for employers who do not deposit applicable payroll taxes in anticipation of receiving the credit. The credit is not available to employers receiving Small Business Interruption Loans.
- The credit is provided through December 31, 2020.

### **Sec. 2302. Delay of Payment of Employer Payroll Taxes**

- This provision would allow taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021, the other at the end of 2022. Deferral is not provided to employers that avail themselves of SBA 7(a) loans designated for payroll.
- Payroll taxes that can be deferred include the employer portion of FICA taxes, the employer and employee representative portion of Railroad Retirement taxes (that are attributable to the employer FICA rate), and half of SECA tax liability.

### **Sec. 2303. Modification of Net Operating Losses**

- The 2017 Tax Law limited net operating losses (NOLs) arising after 2017 to 80 percent of taxable income and eliminated the ability to carry NOLs back to prior taxable years.
- First, this provision would modify the treatment of NOL carrybacks. In the case of taxable years beginning before 2021, taxpayers will be eligible to carry back NOLs to the prior five taxable years. Effectively, this delays the 80 percent taxable income limitation until 2021 and temporarily extends the carryback period from zero to five years. The provision also temporarily disregards NOL carrybacks for the section 965 transition tax. C corporations may elect to file for an accelerated refund to claim the carryback benefit.
- Second, this provision would modify the treatment of NOL carryforwards. In the case of taxable years beginning before 2021, taxpayers will be entitled to an NOL deduction equal to 100% of taxable income (rather than the 80 percent limitation in present law). In the case of taxable years beginning after 2021, taxpayers will be eligible for: (1) a 100 percent deduction of NOLs arising in tax years prior to 2018, and (2) a deduction limited to 80 percent of modified taxable income for NOLs arising in tax years after 2017.
- The provision would also include a technical correction to the 2017 Tax Law, relating to the effective date of the NOL carryback repeal.

#### **Sec. 2304. Modification of Limitation on Losses for Taxpayers other than Corporations**

- This provision would retroactively turn off the excess active business loss limitation rule implemented with 2017 Tax Law by amending the provision to apply to tax years beginning after December 31, 2020 (rather than December 31, 2017). It also turns off active farming loss rules for tax years beginning after December 31, 2017 and before December 31, 2020.
- An active business loss is defined as deductions in excess of income and gain attributable to a trade or business in which the taxpayer actively participates plus \$250,000 (\$500,000 for joint filers) (i.e. active business losses in excess of \$250,000 (\$500,000 for joint filers) were disallowed by the 2017 Tax Law and treated as NOL carryforwards in the following tax year).
- The provision includes technical corrections to 2017 Tax Law. The provision clarifies that excess business losses do not include any deduction under 172 or 199A or any deductions related to performing services as an employee. The provision also clarifies that, because capital losses cannot offset ordinary income under the NOL rules, capital loss deductions are not taken into account in computing the section 461(l) limitation, and that the amount of capital gain taken into account in calculating the section 461(l) limitation cannot exceed the lesser of capital gain net income from a trade or business or capital gain net income.

#### **Sec. 2305. Modification of Credit for Prior Year Minimum Tax Liability of Corporations**

- The 2017 Tax Law repealed the corporate alternative minimum tax (AMT) and allowed corporations to claim outstanding AMT credits subject to certain limits for tax years prior to 2021, at which time any remaining AMT credit may be claimed as fully-refundable. This provision allows corporations to claim 100% of AMT credits in 2019 as fully-refundable and provides an election to accelerate claims to 2018, with eligibility for accelerated refunds.

#### **Sec. 2306. Modification of Limitation on Business Interest**

- The 2017 Tax Law generally limited the amount of business interest allowed as a deduction to 30% of adjusted taxable income (ATI). This provision generally allows businesses to elect to increase the interest limitation from 30% of ATI to 50% of ATI for 2019 and 2020, and allows businesses to elect to use 2019 ATI in calculating their 2020 limitation.
- A special rule for partnerships allows 50% of any excess business interest allocated to a partner in 2019 to be deductible in 2020 and not subject to the 50% (formerly 30%) ATI limitation. The remaining 50% of excess business interest from 2019 is subject to the ATI limitation. The 2019 ATI limitation remains at 30% of partnership ATI rather than 50% of ATI. The ATI limitation for 2020 is 50% of partnership ATI and partnerships may elect to use 2019 partnership ATI in calculating their 2020 limitation.

#### **Sec. 2307. Technical amendments regarding qualified improvement property**

- This provision is a technical correction to the 2017 Tax Law that would allow the interior improvements of buildings to be (1) immediately expensed in the case of restaurant, retail, and most other property (classified as 15-year property), or (2) depreciated over 20 years in the case of a real property trade or business.

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

#### **Part II – Access to Health Care for COVID-19 Patients**

##### **Subpart A – Coverage of Testing and Preventive Services**

#### **Sec. 3201. Coverage of diagnostic testing for COVID-19.**

- Makes a technical correction to section 6001 of the Families First Coronavirus Act which required testing for COVID-19 to be covered by private insurance plans without cost sharing.

#### **Sec. 3202. Pricing of diagnostic testing.**

- For COVID-19 testing covered with no cost to patients, requires an insurer to pay either the rate specified in a contract between the provider and the insurer, or, if there is no contract, a cash price posted by the provider. Insurers may negotiate a lower price than the cash price.

### **Sec. 3203. Rapid coverage of preventive services and vaccines for coronavirus.**

- Provides free coverage without cost-sharing of a preventive service or vaccine related to COVID-19 within 15 days of the preventive service or vaccine receiving a rating of “A” or “B” from the United States Preventive Services Task Force or a recommendation from the Advisory Committee on Immunization Practices (ACIP).

## **Subtitle C – Labor Provisions**

### **Sec. 3601. Limitation on Paid Leave**

- Clarifies the limitation on compensation during paid leave, stating an employer shall not be required to pay more than \$200 per day and \$10,000 in the aggregate for each employee under this section.

### **Sec. 3602. Emergency Paid Sick Leave Limitation**

- Clarifies the limitation on compensation during paid sick days, stating an employer shall not be required to pay more than \$511 per day and \$5,110 in the aggregate for sick leave or more than \$200 per day and \$2,000 in the aggregate to care for family under this section.

### **Sec. 3603. Unemployment Insurance**

- Amends the provision in CV2 that required for state unemployment insurance applications to be in at least one of two forms (in person, by phone, or online), to say that such requirement is to be met “to the extent practicable”.

### **Sec. 3605. Paid Leave for Rehired Employees**

- Allows an employee who was laid off by an employer March 1, 2020, or later to have access to paid family leave in certain instances if they are rehired by the employer. The employee would have had to work for the employer at least 30 days prior to being laid off.

### **Sec. 3606. Advance Refunding of Credits**

- This provision would authorize Treasury to provide advance payment of tax credits that are available to private sector employers that are required to provide up to 12 weeks of coronavirus-related paid leave to their employees.

### **Sec. 3607. Expansion of DOL Authority to Postpone Certain Deadlines**

- Section 518 of ERISA provides the Department of Labor limited ability to postpone certain ERISA filing deadlines for a period of up to one year. This provision would allow the Secretary of Labor to delay filings by notice or otherwise in the case of a public health emergency declared by the Secretary of Health and Human Services pursuant to section 319 of the Public Health Service Act.

### **Sec. 3611. Technical Corrections**

- Makes a series of corrections to inadvertent drafting errors in the Families First Coronavirus Response Act. Gives DOL the authority to issue regulations, including to ensure consistency between paid family leave and paid sick leave. Gives DOL authority to investigate and gather data in order to enforce the requirements.

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

### **Subtitle A – Coronavirus Economic Stabilization Act of 2020**

#### **Sec. 4003. Emergency Relief and Taxpayer Protections**

- Provides \$500 billion in loans, loan guarantees, and other transactions divided into four categories:
- \$25 billion for passenger airlines;
- \$4 billion for cargo air carriers;
- \$17 billion for businesses critical to maintaining national security (“Critical Businesses”); and

- \$454 billion for use in loan or loan guarantees established by the Federal Reserve for eligible businesses as well as states or municipalities. Lending facilities for states and municipalities, as well as the medium-sized business and non-profit lending program, are authorized but not required to be established by the Secretary.
- Loan and Loan Guarantees may be made available if: (1) credit is not reasonably available, (2) intended obligation is prudently incurred, (3) the loan is reasonably secured, (4) term no longer than 5 years, (5) stock buybacks are barred for the life of the loan, plus one year – excepting current contractual obligations, (6) dividends and other capital distributions are barred for the life of the loan, plus one year, (7) to the extent practicable, eligible businesses

shall maintain employment at March 24, 2020 levels and shall not reduce employment levels by more than 10% as of that date, (8) eligible businesses must certify that they are “created or organized in the U.S. or under U.S. law and have “significant operations and employees base in the U.S., and (9) pursuant to Secretarial determination, eligible businesses must have losses that would jeopardized continued business operations.

- This bill would provide Treasury direct lending authority of \$25 Billion to passenger airlines and other related companies, \$8 Billion in Treasury direct lending to cargo air carriers and \$17 billion in Treasury direct lending for other industries critical to national. Funds under this section can be designated at the discretion of the Secretary of the Treasury.
- Lending under Federal reserve programs or facilities will require:
  - stock buybacks are barred for the life of the loan, plus one year – excepting current contractual obligations
  - dividends and other capital distributions are barred for the life of the loan, plus one year;
  - compensation levels set in Sec. 4004 are followed, but the Treasury Secretary may waive any of these if “necessary to protect the interests of the Federal Government.” The Secretary may be called to appear at a hearing before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the reasons for the waiver.
- Lending under 13(3) programs will be funded by Treasury investments in Federal Reserve facilities that will allow the funds to be leveraged no more than ten times, providing a maximum \$4.54 trillion in lending.
- Loans or other interests only available “businesses that are created or organized in the United States or under the laws of the United States and that have significant operations in and employees based in the United States.”
- The Secretary shall seek to provide a facility which helps finance banks providing direct loans to eligible businesses including, to the extent practicable, nonprofit organizations, with between 500 and 10,000 employees, capped at 2% annual interest.
- It provides any business between 500 and 10,000 employees with a government guaranteed low interest loan that can be used to pay employees and keep operations in place through the crisis.
- Any eligible borrower applying for a direct loan under this program for small and medium-sized businesses and non-profits shall make a good-faith certification that:
  - they are applying due to economic uncertainty and the need to funded ongoing operations; funds will be used to retain at least 90 percent of the recipient’s March 24, 2020 employment levels, at full compensation and benefits, until September 30, 2020;
  - intends to restore not less than 90 percent of the workforce as of February 1, 2020, and to restore all compensation and benefits to the workers of the recipient no later than 4 months after the termination date of the March 13, 2020 Stafford Act emergency declaration;
  - is created or organized in the U.S. or under the laws of the U.S. and has significant operations in and employees based in the United States;
  - it is not a debtor in a bankruptcy proceeding;
  - it will not provide senior executive bonuses or enhanced compensation during the term of the loan;
  - ban on dividends/other capital and stock buybacks, from a national exchange, during the life of the loan, barring preexisting stock repurchase contracts;
  - it will not outsource or offshore jobs for the term of the loan and 2 years after completing repayment of the loan;

- it will not abrogate existing collective bargaining agreements for the term of the loan and 2 years after completing repayment of the loan;
- and it will remain neutral in any union organizing effort for the term of the loan.
- These programs do not limit the discretion of the Board of Governors of the Federal Reserve System to establish a Main Street Business Lending Program that supports lending to small and mid-sized businesses that do not have the above requirements.
- The Secretary must seek to endeavor to implement a facility that provides liquidity to the financial system that supports lending to States and municipalities.
- The Secretary may only provide assistance if it obtains financial protection for taxpayers through warrants or equity interests in companies that receive loans or loan guarantees directly from Treasury.
- Loans or loan guarantees shall not be reduced through loan forgiveness.
- The Secretary is authorized to designate financial institutions, including but not limited to, depositories, brokers, dealers, and other institutions, as financial agents of the United States to be paid for helping respond to coronavirus.

**Sec. 4004. Limitation on certain employee compensation.**

- During the term of the loan plus one year, salaries for critical businesses are limited such that—Officers Making Over \$425,000:
  - no officer or employee whose total compensation exceeded \$425,000 in calendar year 2019 will receive: (A) compensation greater than what they received calendar year 2019;
  - or a severance package twice their 2019 pay; and
  - Officers Making Over \$3 million: no officer or employee of the eligible business whose total compensation exceeded \$3 million in calendar year 2019 may receive during any 12 consecutive months of such period total compensation in excess of the sum of: \$3 million plus half of any total over \$3 million.

**Sec. 4008. Debt Guarantee Authority**

- This section allows the FDIC to guarantee a certain amount of outstanding bank issued debt. It also allows the FDIC and NCUA to provide unlimited deposit and share insurance of noninterest-bearing transaction accounts.

**Sec. 4009. Temporary Government in the Sunshine Act relief.**

- Temporarily permits the Board of Governors of the Federal Reserve System to hold meetings during the pending COVID-19 crisis without being required to comply with certain Government in the Sunshine Act requirements.

**Sec. 4011. Temporary lending limit waiver.**

- This section eliminates counterparty lending limits, allowing a bank to make unsecured loans to any single counterparty without limit at the discretion of the OCC.

**Sec. 4012. Temporary relief for community banks.**

- This section requires the federal banking agencies to issue a rule lowering the Community Bank Leverage Ratio to 8% and provide a grace period to community banks that falls below the ratio during the national emergency related to the COVID-19 outbreak or December 31, 2020, whichever is sooner.

**Sec. 4013. Temporary relief from troubled debt restructurings.**

- Suspends the accounting requirements for loan modifications related to the COVID-19 pandemic. Banks and credit unions would not be required to categorize these loan modifications as troubled debt restructurings. This section would require the federal banking agencies to defer to the financial institution's judgment in making these determinations.

**Sec. 4014. Optional temporary relief from current expected credit losses.**

- This section suspends the Current Expected Credit Losses or “CECL” accounting standards for banks and credit unions and their affiliates until the end of the national emergency related to the COVID-19 outbreak or December 31, 2020, whichever is sooner.

**Sec. 4016. Temporary credit union provisions.**

- Temporary Credit Union Provisions. Sec. 4016 allows the NCUA to establish a Central Liquidity Facility to which credit unions could apply for extensions of credit. To fund the facility, the NCUA may borrow from any source, as long as the total face value of the obligations do not exceed sixteen times the capital stock and surplus of the facility, up from twelve times currently.

**Sec. 4017. Increasing access to materials necessary for national security and pandemic recovery.**

- Authorizes the Department of Defense to move more quickly in implementing Defense Production Act efforts to increase access to materials necessary for national security and pandemic recovery, such as medical equipment and supplies.
- It waives for two years from date of enactment a provision requiring congressional approval for projects in excess of \$50 million and another provision requiring the return of unobligated funds in excess of \$750 million to Treasury. It also waives for one year from date of enactment provisions requiring a 30-day delay in projects over \$50 million.

**Sec. 4018. Special Inspector General for Pandemic Recovery**

- Establishes the position of the Special Inspector General for Pandemic Recovery at the Treasury Department to oversee the distribution of loans and loan guarantees
- IG will draft reports that will summarize description of loans, loan guarantees, and other investments, the eligible businesses receiving assistance, explanation for each transaction and its pricing, information about outside service providers of to the loan programs, and data on the transactions under the Act, including completed transactions, interest and fees earned, and any losses and gains.
- Special IG will issue reports quarterly and testify before Congress.

**Sec. 4019. Conflicts of Interest**

- Prohibits any funds from the \$500 billion Treasury loan, loan guarantee, and investment program from going to a business in which the President, Vice President, head of an executive department, or a member of Congress holds a controlling interest (defined as holding 20% or more equity interest). Includes a provision to prevent evasion of the prohibition by an official who holds fractional interests in a business entity with other family members.

**Sec. 4020. Congressional Oversight Commission**

- Establishes a Congressional Oversight Commission to provide additional public accountability over the Administration’s implementation of programs under the Act. Expires in 2025.
- The Commission will oversee implementation of economic relief provisions, holding hearings, and submit monthly reports to Congress.
- Five member panel selected by Senate and House majority and minority leaders. Panel will report on activities of the Treasury Secretary, impact of the Act on the economy and markets, and effectiveness of measures under the Act.
- Reports will include the use by the Secretary of authority under the Act, the impact of purchases made under the Act on Americans finances, the U.S. economy, financial markets, and financial institutions, the effectiveness of the implementation of the Act on growth, while considering costs to taxpayers.

**Sec. 4021. Credit protection during COVID-19**

- The section amends the Fair Credit Reporting Act requirements for how furnishers (*e.g.*, creditors) report information about consumers who have received a forbearance or some other accommodation for making payments. This section does not require that creditors make any accommodations for consumers, but that if they do, they can report the account as current if the consumer is making payments and no longer delinquent.

**Sec. 4022. Foreclosure moratorium and consumer right to request forbearance.**

- Provides relief for homeowners with FHA, USDA, VA, or Section 184 or 184A mortgages and those with mortgages backed by Fannie Mae or Freddie Mac from falling behind on payments.
- These borrowers will have the ability to request forbearance on their payments for up to 6 months, with a possible extension for another 6 months without fees, penalties, or extra interest. Homeowners with FHA, USDA, VA, or Section 184 or 184A mortgages, or mortgages backed by Fannie Mae and Freddie Mac, who are facing foreclosure will also have 60-day relief from foreclosure or being forced to relocate as we address the COVID-19 pandemic

**Sec. 4023. Forbearance of residential mortgage loan payments for multifamily properties with federally backed loans.**

- Section 4023 provides owners of multifamily properties with federally backed loans having a financial hardship with up to 90 days forbearance on their loan payments.
- Property owners would have to request the forbearance and document their hardship in order to qualify in 30-day increments.
- During a forbearance period, the property owner may not evict or initiate the eviction of a tenant for nonpayment of rent and may not charge the tenant any fees or penalties for nonpayment of rent. This protection applies to loans issued or backed by federal agencies (including FHA and USDA) or Fannie Mae and Freddie Mac.

**Sec. 4024. Temporary moratorium on eviction filings.**

- Section 4024 prevents a property owner that receives a federal subsidy or has a federally backed mortgage loan from filing for eviction against or charging penalties or fees to a tenant who cannot pay rent for a period of 120 days after enactment of this Act
- The provision also prohibits a property owner from issuing a notice to vacate a property to a tenant for an additional 30 days after the moratorium.
  - This protection covers properties that receive federal subsidies such as public housing, Section 8 assistance, USDA rural housing programs, and Low Income Housing Tax Credits, as well as properties that have a mortgage issued or guaranteed by a federal agency (including FHA and USDA) or Fannie Mae or Freddie Mac.

**Sec. 4025. Protection of collective bargaining agreement.**

- The loans and loan guarantees provided to air carriers, air cargo carriers, and businesses critical to maintaining national security under 4003(b)(1), (2), and (3) shall not be conditioned on renegotiating collective bargaining agreements.
- Specifically, the bill provides protection for collective bargaining agreements by prohibiting the Treasury Secretary from requiring the loan recipient from entering into collective bargaining negotiations under Railway Labor Act (45 U.S.C. 151 et seq.) or the National Labor Relations Act (29 U.S.C. 151 et seq.) during the period of the loan and 1 year following.

**Sec. 4026. Reports.**

- The bill mandates that the Secretary of the Treasury and the Chairman of the Federal Reserve provide public detailed reporting of transactions entered into under this title.
- The Treasury Secretary is required to provide transaction disclosures on the Treasury Department website within 72 hours and provide weekly and monthly reports to Congress.
- The Federal Reserve is required to provide weekly transaction reporting to Congress within 7 days of transactions and to make such reporting public on its website within 14 days of transactions.
- In addition, the Treasury Secretary and the Federal Reserve Chairman will be required to testify quarterly before the oversight committees on transactions under the Act, and the Government Accountability Office will conduct a study nine months after enactment, and annually thereafter, and submit reports to the oversight committees on the loans, loan guarantees, and other investments made under the Act.

## **Sec. 4028. Rule of construction.**

- Nothing in this title shall be construed to allow the Secretary to provide relief to eligible businesses, States, and municipalities except in the form of loans, loan guarantees, and other investments as provided in this title and under terms and conditions that are in the interest of the Federal Government.

## **Sec. 4029. Termination of authority**

- Loans, loan guarantees, or other investments outstanding may be modified, restructured, or otherwise amended, but may not be forgiven. The duration of any loan or loan guarantee shall not be extended beyond 5 years from the initial origination date.

## **DIVISION B – EMERGENCY APPROPRIATIONS FOR CORONAVIRUS HEALTH RESPONSE AND AGENCY OPERATIONS**

### **Title II – Departments of Commerce, Justice, Science, and Related Agencies**

Includes \$3.079 billion in funding to support economic development, invest in basic science and provide resources for Federal, state and local law enforcement and prisons to respond to this public health crisis. Highlights include:

#### **Economic Development Administration (EDA)**

- The bill provides \$1.5 billion for economic adjustment assistance to help revitalize local communities after the pandemic.
- EDA assistance can be used to help rebuild impacted industries such as tourism to provide low-interest loans to businesses of all sizes, and support other locally-identified priorities for economic recovery.
- Based on the impact of prior funding packages, EDA disaster assistance will leverage an additional \$20 billion in local and private investment and support more than 100,000 American jobs.
- EDA money was used to support tourism related activities after the BP Oil spill.

### **Title V – Financial Services And General Government**

Includes \$1.82 billion for Financial Services and General Government agencies to provide resources to support small businesses, protect our elections, provide the IRS with funds to carry out their new responsibilities, and provide oversight of federal spending during this global crisis. Highlights include:

#### **Small Business Administration (SBA) –**

- The bill provides \$562 million to ensure that SBA has the resources to provide Economic Injury Disaster Loans (EIDL) to businesses that need financial support during this difficult time.
- SBA has signed emergency declarations for all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, so the EIDL program will be available to assist small businesses across the country that have been adversely impacted by COVID-19.
- This funding is in addition to the significant assistance provided in the Keeping American Workers Employed and Paid Act, which authorizes \$350 billion worth of 100 percent guaranteed SBA loans, a portion of which SBA will forgive based on allowable expenses for the borrower.
- This small business package also includes \$10 billion in direct grants for businesses that do not qualify for the EIDL program, and \$17 billion to have SBA step in and make six months of principle and interest payments for all SBA backed business loans.

### **Title VI – Department of Homeland Security**

Includes a total of \$45.873 billion in funding with a focus on helping people, communities, and frontline personnel prepare for and recover from COVID-19. Highlights include:

- **Disaster Relief Fund**– \$45 billion to provide for the immediate needs of state, local, tribal, and territorial governments to protect citizens and help them recovery from the overwhelming effects of COVID-19.
  - Reimbursable activities may include medical response, personal protective equipment, National Guard deployment, coordination of logistics, safety measures, and community services nationwide.

- **Extends REAL ID Deadline for States** – Extends the deadline for states to meet the requirements of the REAL ID Act to not earlier than September 30, 2021.

## **Title XII – Department of Transportation and Housing**

The bill includes a total of \$48.5 billion for transportation and housing activities to address this unprecedented global public health pandemic. Highlights include:

### **Community Development Block Grant –**

- \$5 billion is provided for the Community Development Block Grant (CDBG) program to enable nearly 1,240 states, counties, and cities to rapidly respond to COVID-19 and the economic and housing impacts caused by it.
- Of the amounts provided, \$2 billion will be allocated to states and units of local governments that received an allocation under the fiscal year 2020 CDBG formula, \$1 billion will go directly to states to support a coordinated response across entitlement and non-entitlement communities, and \$2 billion will be allocated to states and units of local government, cities and counties based on the prevalence and risk of COVID-19 and related economic and housing disruption.
  - CDBG funding can be used to support tourism related activities.