Business Relief Packages and Provisions

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| **Small Business Administration** | | |
| **Type** | **Amount** | **Allocation** |
| SBA 7(a) Loans | $349 billion | **Paycheck Protection Program** |

**Purpose**

Program provides 100% loan guarantees for Small Businesses to incentivize businesses to maintain their employment levels. Applicants must be able to certify that this is what the loans will be used for and the loan is necessary because of the economic uncertainty created by this pandemic.

Funds can be used for expenses such as salary, wage, commission, cash tip, vacation pay, parental leave, medical leave payment, sick leave, and insurance payment, as well as other healthcare costs, mortgage interest, rent, and utilities.

**Application Details**

Loans are available for businesses with 500 or less employees OR, for some industries, businesses whose gross annual receipt is below a specified amount. Must be able to illustrate an operable business as of Feb. 15, 2020 and that the loan is necessary because of the uncertain economic conditions caused by the pandemic. Eligibility extends to sole-proprietors, independent contractors, and other self-employed individuals.

* Apply through approved SBA lenders or any other participating federally insured depository institution, federally insured credit union, or farm credit system institution
  + List of currently approved SBA lenders: www.sba.gov
* SBA affiliation standards are waived for small businesses in hotel and food services industry; franchises in SBA Franchise Director; and those that receive financial assistance from small business investment companies licensed by the SBA
* Waives the “no credit elsewhere” requirement usually required for SBA 7(a) Loans

**CARES Act Notes**

* Resolved to prioritize underserved and rural markets—including military/veteran, socially/economically disadvantaged individuals.
* Cannot be used in conjunction with an EIDL loan for COVID-19 relief, but borrowers with EIDL loans for other purposes can apply.

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|  | Important Application Dates   * April 3, 2020: Small Business applications begin * April 10, 2020: Independent contractors and self-employed can apply * June 30, 2020: Rehiring deadline * June 30, 2020: Application deadline |  |

**Loan Details**

* Terms are the same for all recipients
* Loan amounts are based on monthly payroll—but capped at $10 million
  + Generally twice the monthly payroll with an additional 25%
  + Salary cap: employees making more than $100,000/year
* 2 year term with a fixed interest rate of 0.50%
  + Payment deferred for 6 moths
  + Interest payments are also deferred for 6 months, though interest begins accruing immediatately
* Loan Forgiveness:
  + Forgiven if used for the eligible costs
  + Due to high demand, it is anticipated that no more than 25% of forgiven amount may be for non-payroll costs
  + Forgiveness reduced if full-time employee headcount, salaries, and/or wages are reduced

**Supporting SBA Lenders**

* The CARES Act massively increases the spending authority for this program. It is anticipated that many lenders will struggle to adapt to this enormous expansion. Questions remain about the extent to which lenders are expected to verify borrower information.
* The law allows for more lenders to become SBA eligible to administer these loans. Potential new lenders may need assistance in becoming an SBA eligible lender, and also may need assistance in assessing the liability associated with being a lender for this program.

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| **Amount** | **Allocation** |
| $10 billion | **Economic Injury Disaster Loans (EIDL)**   * Small businesses (less than 500 employees), cooperatives, ESOPS, tribal small businesses, sole proprietors, independent contractors, and most private non-profits are eligible to receive * Payments deferred for up to one year * Loans up to $2 million   + Business interest rate: 3.75%   + Non-profits: 2.75% * Emergency $10,000 grants available * Note that recipients of EIDL funds for COVID relief are not eligible for the SBA Paycheck Protection Program   Apply: www.sba.gov/disaster |

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| **Treasury** | | |
| **Type** | **Amount** | **Allocation** |
| B1 Loans | $25 billion | Passenger Air Carriers |
| B2 Loans | $4 billion | Cargo Carriers |
| B3 Loans | $17 billion | Firms “Critical to Maintaining National Security” |
| **Businesses Receiving B1, B2, and B3 Loans**   * Required to grant federal government a warranty, equity interest, or senior debt instrument * SEC must ensure federal government is compensated to extent possible * Borrower gains reimbursed to Treasury, excess to OASI Trust Fund | | |
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| B4 Loans | $454 billion | Give at the discretion of the Secretary of the Treasury for eligible businesses, states, and municipalities. For more information on municipalities eligibility, see “State and Local Government Assistance” below.  **Eligibility**   * Recipients must not have reasonably available credit * Intended obligations must be “prudently incurred” * Loans must be sufficiently secured   **Businesses Restrictions**   * Must not have otherwise received adequate financial assistance elsewhere in the act * Duration of the loan (though Treasure has the ability to waive):   + Prohibited from repurchase of any outstanding equity agreements   + Prohibited from issuing dividends * Must maintain existing employment levels * Subject to certain compensation prohibitions |
| Grants | $29 billion | Airlines: payments for the wages and salaries of airline employees —specific provisions about supporting air carrier’s workers |
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| Exchange Stabilization Fund | | Statutory limitation temporarily suspended—relevant to mortgage firms supported by GSEs |

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| **Agriculture** | |
| **Amount** | **Allocation** |
| $20.5 million | **Rural Business Cooperative Services**   * Boost to ensure $1 billion in lending authority available for the Business and Industry loan guarantee program * Assists in financing for business owners that might not be able to qualify for a loan on their own |
| $14 billion | **Commodity Credit Corporation (CCC):** stabilize, support, and protect farm income and prices |

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| **Commerce** | |
| **Amount** | **Allocation** |
| $50 million | **Manufacturing Extension Partnership (MEP):** distributed among 51 MEP centers to help manufacturers from COVID pandemic. Cost matching requirement for FY2020 funding waived. |
| $300 million | **Financial Assistance to Fishery Participants:** direct financial assistance for fishers, fishery participants, and communities |

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| **CARES Act Tax Credits** | |
| **Amount** | **Allocation** |
| $5,000 | **Employee Retention Credit for businesses**   * Refundable tax credit for employers equal to 50% of qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees * More information:   www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act |
| $300 | **Charitable Giving Incentive for individuals**   * Above the line deduction of $300 * Contributions made in 2020 * Cap on annual contributions lifted for itemization |

Further Industry Opportunities

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| **Health & Human Services** | |
| **Amount** | **Allocation** |
| $100 billion | **Public Health and Social Services Emergency Fund:** reimburse healthcare providers for healthcare expenses or lost revenue directly attributed to the coronavirus   * Funding can go to public entities, providers enrolled in Medicare and Medicaid, and other for-profit and nonprofit entities that provide diagnosis, testing, or care for individuals with COVID-19 |
| $27 billion | **Public Health and Social Services Emergency Fund:** coronavirus preparation and response (i.e., countermeasures, medical surge capacity) |
| $17 billion | **Strategic National Stockpile**: PPE, ventilators, and other medical supplies |
| $11 billion | Vaccines, therapeutics, diagnostics, and other medical or preparedness needs |
| $500 million | Public health data surveillance and analytics infrastructure |
| $80 million | **FDA**   * Countermeasure development * Advanced product manufacturing * Supply monitoring |
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| *\*\*HHS has the majority of spending obligations for addressing COVID-19 response* | |

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| **Homeland Security** | |
| **Amount** | **Allocation** |
| $178 Million | Personal Protective Equipment for DHS personnel |

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| **Defense** | |
| **Amount** | **Allocation** |
| $1.45 billion | **Defense Working Capital Funds**: use for mitigating impact of COVID on production lines, supply chain, military depots, and labs |
| $1 billion | **Defense Production Act**: procurement expenses for increased access to materials necessary for national security and pandemic recovery |
| $1.8 billion | **Defense Health Program--Medical Care and Medical Countermeasures:** procurement of additional medical equipment, physical protective equipment for medical personnel and disease response |
| $1.5 billion | **Defense Health Program—Military Healthcare System Direct Care Capacity:** expansion of military treatment facilities, procure expeditionary hospital packages |
| $627.8 million | **Non-Medical Protective Equipment and Other Supplies** |
| $415 million | **Defense Health Program—Diagnostics:** R&D for vaccines, anti-virals, diagnostic test development |
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| $70 million | **Army Corps of Engineers**: prepare and respond to coronavirus   * Draft RFP: considering converting 10,000 dorms/hotel rooms in New York to hospitals. Seeking commercial companies that know how to do it |
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| *\*\*DoD temporarily increasing periodic progress payments to contractors*  *\*\*Funds are specifically prohibited from being to diverted to border protection activities (i.e., drug interdiction, counter-drug activities)* | |

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| **Veterans Affairs** | |
| **Amount** | **Allocation** |
| $14.4 billion | Medical services |
| $2.15 billion | Information technology systems |
| $2.1 billion | Medical community care |
| $606 million | Medical facilities |
| $150 million | Grants for construction of state extended care facilities |

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| **Agriculture** | |
| **Amount** | **Allocation** |
| $9.5 billion | Aid to agricultural producers effected by the virus—includes producers of specialty crops, producers that supply local food systems, and livestock producers |
| $100 million | Reconnect Pilot Program: grants to assist in providing broadband service in elligible rural areas (construction, improvement, or acquisition of facilities and equipment) |

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| **Bureau of Indian Affairs** | |
| **Amount** | **Allocation** |
| $453 million | Deep clean facilities, purchase equipment to improve teleworking, and purpose PPE |
| $158.4 million | Supplies and equipment to clean buildings and public areas supporting law enforcement and emergency management operations |
| $69 million | Bureau of Indian Education for cleaning, etc. |
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| *\*\*Note that tribal governments are eligible to receive money through the Coronavirus Relief Fund. For more information, see “State and Local Government Assistance” below.* | |

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| **General Services Administration** | |
| **Amount** | **Allocation** |
| $275 million | GSA Federal Building Funds |
| $1.5 million | **Working Capital Fund**: additional costs related to COVID response, including purchase of supplies and materials |

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| **Federal Communications Commission** | |
| **Amount** | **Allocation** |
| $200 million | **Telehealth Initiatives**: assist healthcare providers with telecommunication services, information services, and devices to enable telemedicine |

**State, Local, and Tribal Government Assistance**

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| **Treasury** | |
| **Amount** | **Allocation** |
| $150 billion | **Corona Virus Relief Fund**   * Direct assistance for domestic governments:   + $139 billion to states (based on population)     - Allocation cannot be less than $1.25     - Population based on 2019 Census Bureau information   + $8 billion to tribal area governments     - Allocated based on tribal area’s aggregate tribal expenditures in FY2019 (regulated by Treasury and Interior)   + $3 billion to territories     - Allocated based on the territory’s share of the total population across all territories (regulated by Treasury) * Eligible use of funds (regulated by Treasury):   + Necessary expenditures due to public health emergency;   + Expenditures were not accounted for in the state/government budget most recently approved at date of enactment (March 27, 2020); and   + Costs incurred between March 1, 2020-December 30, 2020 * Funds not used for eligible costs will be treated as debt by the Treasury * CRF funds are not to be used to directly account for FY 2020 deficit reduction because of budgetary shortfalls incurred related to COVID. However, while significant short falls in revenue are expected because of the pandemic, CRF funds can be used for incurred expenses, i.e. reducing the fiscal gap. * If localities use Treasury loans, the state’s portion of funds will be reduced accordingly. |
| B4 Loans | * Localities (cities and counties) with populations greater than 500,000 based on last Census Data (*Coronavirus Relief Fund uses 2019 Census Bureau Information*) * Reduces the amount the locality’s state receives from Coronavirus Relief Fund   + Note that states are not prohibited under the CARES Act from transferring portions of their CRF allocations directly to a specific local government, regardless of that locality’s population. * *For more information, see Direct Treasury Assistance* |

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| **Commerce** | |
| **Amount** | **Allocation** |
| $1.5 billion | **Economic Development Administration--**Economic Adjustment Assistance (EAA): administer grants to states and communities for economic recovery strategies in response to coronavirus pandemic.   * Traditionally EAA funds have been used for a wide range of economic development projects (infrastructure, broadband, assist distressed communities) * While many EAA grants require a cost share, disaster economic recovery can receive full funding * Eligible applicants:   + Indian tribes, consortium of Indian tribes   + State and local governments   + Institutions of higher education, consortium of institutions   + NPOs acting in cooperation with officials of a political subdivision of a state * Grants will likely be allotted based on strategic response from a long-term, regional perspective * Anticipated to be highly competitive * Economic Recovery Directory: https://www.eda.gov/resources/economic-development-directory/states/ny.htm |

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| **Homeland Security** | |
| **Amount** | **Allocation** |
| $45.4 billion | **FEMA Disaster Relief Fund**   * Response and recovery activities * Reimbursements to states and localities for emergency and major disaster declarations |
| $400 million | **Grants:** firefighters, emergency managers, providers of emergency food and shelter |
| **Agriculture** | |
| **Amount** | **Allocation** |
| $450 billion | The Emergency Food Assistance Program (TEFAP) |
| $100 million | Food Distribution Programs on Indian Reservation |

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| **Justice** | |
| **Amount** | **Allocation** |
| $850 million | Grants, Byrne JAG: assist state, local, and tribal officers in responding to coronavirus. Aimed at supporting criminal justice—including overtime, PPE and supplies, and medical needs/supplies for prisons, jails, and detention centers.   * Allocated to state and local governments * No matching requirements |

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| **Interior** | |
| **Amount** | **Allocation** |
| $1.032 billion | Indian Health Service |
| $453 million | Bureau of Indian Affairs: aid to tribal governments for COVID response. Including detention centers, social services programs, and information technology |
| $69 million | Bureau of Indian Education |

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| **Labor** | |
| **Amount** | **Allocation** |
| $345 million | Dislocated Worker National Reserve: for states and communities to response to workforce impact due to VOID |

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| **Health & Human Services** | |
| **Amount** | **Allocation** |
| $2.5 billion | State and Local Preparedness Grants (CDC): |
| $3.5 billion | Child Care and Development Block Grant |
| $750 million | Head Start |
| $1 billion | Community Services Block Grant |
| $900 million | Low Income Home Energy Assistance Program |

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| **Education** | |
| **Amount** | **Allocation** |
| $30.75 billion | Education Stabilization Fund: does directly to states, local school districts, and institutions of higher learning   * $13.5 billion for Elementary and Secondary Education   + Formula funding to go directly to the states * $14.25 billion for Higher Education * $3 billion for State Flexibility Funding   + Allocated to states based on their needs to support schools and institutes of higher learning |
| $100 million | Project SERV |

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| **Transportation** | |
| **Amount** | **Allocation** |
| $10 billion | FAA: Airport Improvement Program (AIP)—distributed by formula |
| $56 million | Essential Air Service (EAS): maintain air service to rural communities |
| $25 billion | Federal Transit Administration (FTA)—Transit Infrastructure Grants |

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| **Housing & Urban Development** | |
| **Amount** | **Allocation** |
| $5 billion | Community Development Block Grants |
| $4 billion | Emergency Solutions Grants for individuals who are homeless or at risk of homelessness |
| $300 million | Native American Programs to prevent homelessness |
| $65 million | HOPWA grants to local communities, states, and nonprofit organizations |

**Individual Assistance**

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| **Treasury** | |
| **Type** | **Details** |
| Individual Stimulus | * Individuals making less than $75,000 annually will be given a stimulus check of $1,2000 * Couples who make less than $150,000 annually will each get $1,200 * An additional $500 per child will be included * For those making more than $75,000, the amount is reduced until $99,000 in earnings for individuals or $198,000 for couples * Allotment is based on most recent tax return |

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| **Labor** | |
| **Type** | **Details** |
| Unemployment Insurance | * Additional $600/week in unemployment benefits—goal to have full wage replacement * Opened to sole proprietors and independent contractors * USDOL has not yet issued guidance to states on how to administer this expansion of benefits |

**Contact**

For more information, please contact [insert contact information for local market team-member and firm SBA team members]