

CARES Act – Division A – Title I – Keeping American Workers Paid and Employed Act

Section	Summary
Sec. 1101. Definitions.	
	<p>In this title:</p> <p>"Administration" means the Small Business Administration (SBA) and "Administrator" refers to the SBA Administrator.</p> <p>"Small business concern" is an enterprise that is independently owned and operated and not dominant in its field of operation (see 15 USC 632).</p>
Sec. 1102. Paycheck protection program.	
a. In general.	<p>This section establishes the Paycheck Protection Program (PPP) (as new paragraph (36) under 15 USC 636(a)). Participation in the PPP by the Administration will be 100 percent. Unless otherwise noted, the provisions are applicable during the covered period.</p> <p style="padding-left: 40px;"><i>(A) Paycheck Protection Program (PPP):</i></p> <p>Definitions:</p> <p>"Appropriate Federal banking agency" and "insured depository institution" have the meanings in 12 USC 1813.</p> <p>"Covered loan" means a loan under the PPP during the covered period.</p> <p>"Covered period" means 2/15/2020-6/30/2020.</p> <p>"Eligible recipient" means an individual or entity eligible to receive a covered loan.</p> <p>"Eligible self-employed individual" means an individual who regularly carries on trade or business and would be entitled to receive paid leave during the taxable year if the individual were an employee of an employer (not him/herself) (see FFCRA 7002(b)).</p> <p>"Employee" includes individuals employed on a full-time, part-time, or other basis.</p> <p>"Insured credit union" means any credit union the member accounts of which are insured in accordance with the provisions of "share insurance" (12 USC Chapter 14, Subchapter II).</p> <p>"Nonprofit organization" means a 501(c)(3) organization exempt from taxation (under section 501(a) of the Internal Revenue Code (IRC)).</p> <p>"Payroll costs" means: (1) the sum of compensation payments to employees (salary, wage, commission, or similar compensation; payment of cash tip or equivalent; payment for vacation, parental, family, medical, or sick leave; allowance for dismissal or separation; payment required for group health care benefits, including insurance premiums); and (2) the sum of payments of any compensation to or income of a sole proprietor or independent contractor (wage, commission, income, net earnings from self-employment, or similar compensation that is not more than \$100,000 per year, as prorated for the covered period). This <u>excludes</u>: (1) compensation of an individual employee in excess of \$100,000 annual salary (prorated for the covered period); (2) certain taxes imposed or withheld during the covered period; (3) any compensation of an employee whose principal place of residence is outside of the US; (4) qualified sick leave wages (for which credit is allowed under section 7001 of the FFCRA); or (5) qualified family leave wages (for which credit is allowed under section 7003 of the FFCRA).</p> <p>"Veterans organization" means a 501(c)(19) organization exempt from taxation (under section 501(a) of the IRC).</p>

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	<p><i>(B) Paycheck Protection Loans:</i> The Administrator may guarantee covered loans under the same terms, conditions, and processes as a 7(a) loan.</p> <p><i>(C) Registration of Loans:</i> Not later than 15 days after the date on which a PPP loan is made, the Administration will register the loan using the Tax Identification Number (TIN) assigned to the borrower.</p> <p><i>(D) Increased Eligibility for Certain Small Businesses and Organizations:</i> Any business concern, nonprofit organization, veterans organization, or Tribal business concern, in addition to small business concerns, will be eligible to receive a covered loan if the entity employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by the Administration for the industry in which the entity operates.</p> <p>Sole proprietorships, independent contractors, and eligible self-employed individuals will be eligible to receive a covered loan. Such eligible individuals seeking a covered loan will submit necessary documentation to establish that the individual is eligible, including payroll tax filings, other applicable tax forms (i.e., 1099-MISC), and income and expenses from the sole proprietorship as determined by the Administrator and the Secretary.</p> <p>Any business concern that employs not more than 500 employees per physical location and is assigned a North American Industry Classification System (NAICS) code beginning with 72 at the time of disbursement will be eligible to receive a covered loan.</p> <p>This section also waives provisions applicable to “affiliations” (see 13 CFR 121.103) with respect to eligibility for a covered loan for any business concern: (1) with 500 or fewer employees that, as of the date on which the covered loan is disbursed, is assigned a NAICS code beginning with 72; (2) operating as a franchise and is assigned a franchise identifier code by the Administration; and (3) that receives financial assistance from a company licensed under 15 USC 681 (small business investment companies). The provisions applicable to affiliations will apply with respect to a nonprofit organization and a veterans organization in the same manner as with respect to a small business concern.</p> <p><i>(E) Maximum Loan Amount:</i> The maximum loan amount will be the <u>lesser</u> of: Option 1: (1) the sum of: (A) 2.5 multiplied by the average total monthly payments for payroll costs incurred during the 1-year period before the date on which the loan is made (for a seasonal employer, as determined by the Administrator, the 12-week period beginning 2/15/2019 or 3/1/2019, chosen by the eligible recipient, and ending 6/30/2019); and (B) the outstanding 7(b)(2) loan</p>

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	<p>amount made during the period beginning 1/31/2020 and ending on the date on which covered loans are made available to be refinanced under the covered loan; or</p> <p>(2) if requested by an otherwise eligible recipient not in business during the period of 2/15/2019-6/30/2019, the sum of: (A) 2.5 multiplied by the average total monthly payments for payroll costs incurred during the period of 1/1/2020-2/29/2020; and (B) the outstanding 7(b)(2) loan amount made during the period beginning 1/31/2020 and ending on the date on which covered loans are made available to be refinanced under the covered loan; or</p> <p>Option 2: \$10 million.</p> <p><i>(F) Allowable Uses of Covered Loans:</i></p> <p>In addition to the allowable uses of such loan, the recipient may use the loan for: (1) payroll costs; (2) costs related to continuing group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums (3) employee salaries, commissions, or similar compensations; (4) interest on any mortgage obligation (does not include any prepayment of or payment of principal on a mortgage obligation); (5) rent (including under a lease agreement); (6) utilities; and (7) interest on any other debt obligations incurred before the covered period.</p> <p>A lender approved to make such loans will be deemed to have been delegated authority by the Administrator to make and approve covered loans. When evaluating a borrower's eligibility for a covered loan, the lender will consider whether the borrower: (1) was in operation on 2/15/2020; and (2) had employees for whom the borrower paid salaries and payroll taxes or paid independent contractors (As reported on a 1099-MISC). The authority to make such loans will be extended to additional lenders determined by the Administrator and the Treasury Secretary to have the necessary qualifications to process, close, disburse, and service loans made with the guarantee of the Administration.</p> <p>A 7(b)(2) loan made during the period beginning 1/31/2020 and ending on the date on which covered loans are made available may be refinanced as part of a covered loan.</p> <p>The Administrator will have no recourse against any individual shareholder, member, or partner of an eligible recipient of a covered loan for nonpayment of any covered loan, except to the extent that such shareholder, member, or partner uses the covered loan proceeds for an unauthorized purpose.</p> <p><i>(G) Borrower Requirements:</i></p> <p>An eligible recipient applying for a covered loan must make a good faith certification: (1) that the uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient; (2) acknowledging that funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; (3)</p>

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	<p>that the eligible recipient does not have an application pending for a loan under this subsection for the same purpose and duplicative of amounts applied for or received under a covered loan; and (4) during the period 2/15/2020-12/31/2020,</p> <p><i>(H) Fee Waiver:</i> The Administrator will not collect the yearly fee (15 USC 636(a)(23)(A)) or guarantee fees (see 15 USC 636(a)(18(A)).</p> <p><i>(I) Credit Elsewhere:</i> The requirement that a small business concern is unable to obtain credit elsewhere will not apply to a covered loan.</p> <p><i>(J) Waiver of Personal Guarantee Requirement:</i> With respect to a covered loan, no personal guarantee and no collateral will be required.</p> <p><i>(K) Maturity for Loans with Remaining Balance After Application of Forgiveness:</i> A covered loan that has a remaining balance after reduction based on the loan forgiveness amount (see section 1106), the remaining balance will continue to be guaranteed by the Administration and the covered loan will have a maximum maturity of 10 years from the date on which the borrower applies for loan forgiveness.</p> <p><i>(L) Interest Rate Requirements:</i> The covered loan's interest rate will not exceed 4 percent.</p> <p><i>(M) Loan Deferment:</i> The Administrator will:</p> <ol style="list-style-type: none"> (1) Consider each eligible recipient that applies for a covered loan to be an "impacted borrower" (an eligible recipient in operation on 2/15/2020 and has an application for a covered loan that is approved or pending approval on or after enactment; presumed to have been adversely impacted by COVID-19); and (2) Require lenders to provide complete payment deferment relief for impacted borrowers with covered loans for not less than 6 months and not more than 1 year (this includes principal, interest, and fees). <p>For a covered loan sold on the secondary market, if an investor declines to approve a requested deferral by a lender, the Administrator will exercise the authority to purchase the loan so that the impacted borrower may receive the deferral.</p> <p>Not later than 30 days after enactment, the Administrator will provide guidance to lenders on the deferment process.</p> <p><i>(N) Secondary Market Sales:</i></p>

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	<p>A covered loan is eligible to be sold in the secondary market. The Administrator may not collect any fee for any guarantee sold into the secondary market.</p> <p><i>(O) Regulatory Capital Requirements:</i> A covered loan will receive a risk weight of zero percent by the appropriate Federal banking agencies or the National Credit Union Administration Board.</p> <p>Insured depository institutions or insured credit unions that modify a covered loan due to COVID-19-related difficulties in a troubled debt restructuring (TDR) on or after 3/13/2020 will <u>not</u> be required to comply with certain accounting standards for purposes of complying with the Federal Deposit Insurance Act (12 USC 1811) until such time and under circumstances determined appropriate by the appropriate Federal banking agency or National Credit Union Administration Board.</p> <p><i>(P) Reimbursement for Processing:</i> The Administrator will reimburse authorized covered loan lenders at a rate based on the balance of the outstanding financing at the time of disbursement of the covered loan. This rate is as follows: (1) 5 percent for loans not more than \$350,000; (2) 3 percent for loans more than \$350,000 and less than \$2 million); and (3) 1 percent for loans of not less than \$2 million. The appropriate reimbursement will be made not later than 5 days after the covered loan is disbursed.</p> <p>An agent that assists an eligible recipient to prepare an application for a covered loan may not collect a fee in excess of the Administrator’s established limits.</p> <p>It is the Sense of the Senate that the Administrator should issue guidance to lenders and agents to ensure processing and disbursement prioritizes small business concerns and entities in underserved and rural markets, including veterans and members of the military community, small business concerns owned and controlled by socially and economically disadvantaged individuals, women, and businesses in operation for less than 2 years.</p> <p><i>(Q) Duplication:</i> Recipients of an economic injury disaster loan (EIDL) or 7(b)(2) loan made between 1/31/2020 and the date on which covered loans are made available, can receive assistance under the PPP so long as the 7(b)(2) loan is for a purpose other than paying payroll costs and other obligations in subparagraph (F).</p> <p><i>(R) Waiver of Prepayment Penalty:</i> There is no prepayment penalty for any payment made on a covered loan.</p>

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b. Commitments for 7(a) loans.	For the period of 2/15/2020-6/30/2020: (1) \$349 billion is authorized for commitments for general 7(a) business loans, including PPP loans; and (2) the amount authorized for commitments for such loans as added in the Consolidated Appropriations Act, 2020, will not apply.
c. Express loans.	7(a) Express Loan maximum amounts (15 USC 636(a)(31)(D)) are temporarily increased from \$350,000 to \$1,00,000 until 1/1/2021.
d. Exception to guarantee fee waiver for veterans.	This paragraph eliminates the exception to the guarantee fee waiver so that the Administrator may not collect a guarantee fee from a veteran or spouse of a veteran even if the President's budget for the upcoming FY includes a cost for the small business intermediary lending pilot program.
e. Interim rule.	On and after enactment, the Administrator's interim final rule "Express Loan Programs: Affiliation Standards" (85 FR 7622, 2/10/2020) is permanently rescinded and will have no force or effect.
Sec. 1103. Entrepreneurial development.	
a. Definitions.	"Covered small business concern" means a small business concern (defined below) that has experienced, as a result of COVID-19: (1) supply chain disruptions (i.e., changes in quantity and lead time, quality, and technology); (2) staffing challenges; (3) decrease in sales or customers; or (4) a closure. "Resource partner" means a small business development center (described in 15 USC 632) and women's business center (described in 15 USC 656).
b. Education, training, and advising grants.	The Administration may provide financial assistance through grants to resource partners to provide education, training, and advising to covered small business concerns. These grants must be used for educating, training, and advising small business concerns and their employees on: (1) accessing and applying for resources; (2) hazards and prevention of transmitting and spread of COVID-19 and other communicable diseases; (3) potential effects of COVID-19 on the supply chains, distribution, and sale of products of covered small business concerns and mitigating those effects; (4) management and practice of telework; (5) management and practice of remote customer service; (6) risks of and mitigating cyber threats in remote customer service or telework; (7) mitigating the effects of reduced travel or outside activities on covered small business concerns; and (8) any other relevant business practices necessary to mitigate the economic effects of COVID-19. 80 percent of funds will be awarded to Small Business Development Centers; 20 percent will be awarded to Women's Business Centers. Matching funds will not be required for any grants. Goals and metrics for the funds available will be jointly developed, negotiated, and agreed upon between resource partners and the Administrator. The methodology for developing metrics and goals will be made publicly available.
c. Resource partner association grants.	The Administrator may provide grants to an association or associations representing resource partners under which the association or associations shall establish a single centralized hub of COVID-19 information. This will include one online platform consolidating resources and information available and a training program to educate resource partner counselors, members of the Service Corps of Retired Executives (established under 15 USC 637(b)(1)B)), and counselors at veterans business outreach centers (see 15 USC 657b) on the available resources and information.

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	Goals and metrics for the funds available will be jointly developed, negotiated, and agreed upon between the association or associations receiving a grant and the Administrator.
d. Report.	<p>Not later than 6 months after enactment, and annually thereafter, the Administrator will submit to the Committees of Jurisdiction a report initially (i.e., for the first year) describing programs and services developed and provided by the Administration and resource partners, initial efforts to provide services, and the online platform and training developed.</p> <p>In subsequent years, with respect to the Education, Training, and Advising Grants (subsection (b)), the report will describe efforts of the Administrator and resource partners to develop services to assist covered small business concerns, challenges faced by small business concerns in accessing services, the number of unique small business concerns, and other relevant outcome performance data. The report also must describe the efforts to develop and evolve an online resource and a training program for resource partner counselors, including the number of counselors trained.</p> <p>With respect to the Resource Partner Association Grants (subsection (c)), the report will describe efforts of the Administrator and the association or associations to develop and evolve an online resource for small business concerns and the efforts to develop a training program for resource partner counselors, including the number of counselors trained.</p>
Sec. 1104. State trade expansion program.	
a. In general.	The grant period for grants under the State Trade Expansion Program will continue through the end of FY 2021. This uses amounts made available for FY 2018 or FY 2019.
b. Reimbursement.	The Administrator will reimburse any recipient of assistance for financial losses related to foreign trade mission or a trade show exhibition that was canceled solely due to the COVID-19 public health emergency if the reimbursement does not exceed a recipient's grant funding.
Sec. 1105. Waiver of matching funds requirement under the women's business center program.	
This section waives the requirement relating to obtaining cash contributions from non-Federal sources (see 15 USC 656(c)(1)) for anyone receiving assistance under the Women's Business Center Program. This is effective for the 3-month period beginning on the date of enactment.	
Sec. 1106. Loan forgiveness.	
a. Definitions.	<p>"Covered loan" means a loan guaranteed under paragraph (36) of 7(a) of the SBA as added by section 1102.</p> <p>"Covered mortgage obligation" means any indebtedness or debt instrument incurred in the ordinary course of business that is the borrower's liability, is a mortgage on real or personal property, and was incurred before 2/15/2020.</p> <p>"Covered period" means the 8-week period beginning on the date of origination of a covered loan</p> <p>"Covered rent obligation" means rent obligated under a leasing agreement in force before 2/15/2020.</p> <p>"Covered utility payment" means payment for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before 2/15/2020.</p> <p>"Eligible recipient" means recipient of a covered loan.</p>

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	<p>"Expected forgiveness amount" means the amount of principal that a lender reasonably expects a borrower to expend during the covered period on the sum of any payroll costs, payments of interest on any covered mortgage obligation (which will not include any prepayment of or payment of principal on a covered mortgage obligation), payments on any covered rent obligation, and covered utility payments.</p> <p>"Payroll costs" has the definition under paragraph (36) of 7(a) of the SBA as added by section 1102.</p>
<p>b. Forgiveness.</p>	<p>An eligible recipient will be eligible for covered loan forgiveness of indebtedness on a covered loan in an amount <i>equal to the sum of the following costs incurred and payments made during the covered period</i>: (1) payroll costs; (2) any payment of interest on any covered mortgage obligation; (3) any payment on any covered rent obligation; and (4) any covered utility payment.</p>
<p>c. Treatment of amounts forgiven.</p>	<p>Amounts forgiven will be considered canceled indebtedness by an authorized 7(a) lender. For the purposes of the purchase of the guarantee for a covered loan by the Administrator, amounts forgiven under this section will be treated in accordance with procedures otherwise applicable to a 7(a) guaranteed loan.</p> <p>Not later than 90 days after the date on which the amount of forgiveness is determined, the Administrator will remit to the lender an amount equal to the amount of forgiveness plus any accrued interest through the date of payment.</p> <p>A 7(a) lender (or at the discretion of the Administrator, a third party participant in the secondary market) may report to the Administrator an expected forgiveness amount on a covered loan or on a pool of covered loans for up to 100 percent of the principal on the covered loan(s). Not later than 15 days after receiving this report, the Administrator will purchase the expected forgiveness amount of each covered loan on the report as if it were the principal amount of a guaranteed 7(a) loan.</p>
<p>d. Limits on amount of forgiveness.</p>	<p>The amount of loan forgiveness <i>will not exceed</i> the principal amount of the financing made available under the applicable covered loan.</p> <p><i>Reduction Based on Reduction in Number of Employees:</i></p> <p>The loan forgiveness amount <i>will be reduced</i> (but not increased) based on the eligible recipient's reduction in number of employees. The reduction will be determined by multiplying the covered loan forgiveness amount (described in subsection (b)) by the quotient obtained by dividing the average number of full-time equivalent (FTE) employees per month employed during the covered period by:</p> <ul style="list-style-type: none"> (1) <i>at the election of the borrower</i>: (A) the average number of FTE employees per month employed by the eligible recipient from 2/15/2019 through June 30, 2019; or (B) the average number of FTE employees per month employed by the eligible recipient from 1/1/2020 through 2/29/2020; or (2) for seasonal employers, as determined by the Administrator, divided by the average number of FTE employees per month employed by the eligible recipient during the period beginning 2/15/19 through 6/30/19. <p><i>Calculation of Average Number of Employees:</i></p>

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	<p>For the purposes of calculating the reduction, the average number of FTE employees will be the average number of FTE employees for each pay period falling within a month.</p> <p><i>Reduction Relating to Salary and Wages:</i> The loan forgiveness amount will also be reduced by the amount of any reduction in total salary or wages of an employee during the covered period that is in excess of 25 percent of the employee’s total salary or wages during the most recent full quarter during which the employee was employed before the covered period.</p> <p>An employee for the purposes of this calculation is any employee who did not receive during any single pay period during 2019, wages or salary at an annualized rate of pay that is more than \$100,000. Eligible recipients with tipped employees (see 29 USC 203(m)(2)(A)) may receive forgiveness for additional wages paid to those employees.</p> <p>In the following circumstances, the amount of loan forgiveness for an eligible recipient will not be affected by a reduction in FTE employees or a reduction in the salary of 1 or more employees, during the period of 2/15/2020 through 30 days after enactment: There is a reduction in the number of FTE employees and/or in salary or wages of 1 or more employees from 2/15/2020 through 30 days after enactment (as compared to 2/15/2020) and not later than 6/30/2020, the eligible employer has eliminated the reduction (i.e., through hiring an FTE employee or by eliminating the reduction in salary or wages so that these return to the 2/15/2020 levels).</p> <p><i>Exemptions:</i> The Administrator and the Treasury Secretary may prescribe regulations granting de minimis exemptions from these requirements.</p>
<p>e. Application for loan forgiveness.</p>	<p>An eligible recipient seeking loan forgiveness must submit an application to the lender that is servicing the covered loan, which must include:</p> <ul style="list-style-type: none"> (1) documentation verifying the number of FTE employees on payroll and pay rates for the periods described above (this includes: payroll tax filings reported to the IRS; and state income, payroll, and unemployment insurance filings); (2) documentation, including canceled checks, payment receipts, transcripts of accounts, or other documents verifying payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments; (3) a certification from a representative of the eligible recipient authorized to make certifications that states the documentation presented is true and correct and the amount for which forgiveness is requested was used to retain employees, make interest payments on a covered mortgage obligation, make payments on a covered rent obligation, or make covered utility payments; and (4) any other documentation the Administrator determines necessary.
<p>f. Prohibition on forgiveness</p>	<p>No eligible recipient will receive forgiveness without submitting the information in subsection (e) to the lender.</p>

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without documentation.	
g. Decision.	Not later than 60 days after the date on which a lender receives an application for loan forgiveness, the lender will issue a decision on the application.
h. Hold harmless.	If a lender has received the documentation required from an eligible recipient attesting that the eligible recipient has accurately verified the payments for payroll costs, on covered mortgage obligations, on covered lease obligations, or covered utilities during the covered period, the lender will be protected from any enforcement action under the SBA and will not be subject to any penalties by the Administrator related to loan forgiveness for the payments specified.
i. Taxability.	Canceled indebtedness will be excluded from gross income for tax purposes.
j. Rule of construction.	Cancellation of indebtedness will not otherwise modify the terms and conditions of the covered loan.
k. Regulations.	The Administrator will issue implementing guidance and regulations not later than 30 days after enactment.
Sec. 1107. Direct appropriations.	
a. In general.	<p>Business Loans Program Account: \$349 billion (for the cost of guaranteed loans authorized under paragraph (36) of section 7(a) of the SBA as added by section 1102(a)).</p> <p>SBA Salaries and Expenses: \$675 million.</p> <p>SBA Office of Inspector General: \$25 million available until 9/30/2024 (to carry out responsibilities).</p> <p>Entrepreneurial Development Programs: \$240 million for Education, Training, and Advising Grants and \$25 million for Resource Partner Association Grants (both described above in section 1103).</p> <p>Minority Business Development Agency: \$10 million (for minority business centers, part of the Department of Commerce), to provide technical assistance to small business concerns (described in section 1108).</p> <p>Emergency EIDL Grants: \$10 billion (see section 1110).</p> <p>Subsidy for Certain Loan Payments: \$17 billion (see section 1112).</p> <p>Treasury Program Management Authority: \$25 million (see section 1109).</p>
b. Secondary market.	From enactment through 9/30/2021, guarantees of trust certificates (see 15 USC 635(g)) will not exceed a principal amount of \$100 billion.
b. Reports.	The Administrator must submit to the Committees of Jurisdiction a detailed expenditure plan for the amounts appropriated to the Administration not later than 180 days after enactment.
Sec. 1108. Minority business development agency.	
a. Definitions.	<p>"Agency" means the Department of Commerce Minority Business Development Agency.</p> <p>"Minority business center" means a Business Center of the Agency.</p> <p>"Minority business enterprise" means a for-profit business enterprise not less than 51 percent of which is owned by 1 or more socially disadvantaged individuals (as determined by the Agency) and the management and daily business operations of which are controlled by 1 or more socially disadvantaged individuals (as determined by the Agency).</p> <p>"Minority chamber of commerce" means a chamber of commerce developed specifically to support minority business enterprises.</p>

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<p>b. Education, training, and advising grants.</p>	<p>The Agency may provide financial assistance through grants to minority business centers and minority chambers of commerce to provide education, training, and advising to minority business enterprises.</p> <p>These grants must be used for educating, training, and advising minority business enterprises and their employees on: (1) accessing and applying for resources; (2) hazards and prevention of transmitting and spread of COVID-19 and other communicable diseases; (3) potential effects of COVID-19 on the supply chains, distribution, and sale of products of minority business enterprises and mitigating those effects; (4) management and practice of telework; (5) management and practice of remote customer service; (6) risks of and mitigating cyber threats in remote customer service or telework; (7) mitigating the effects of reduced travel or outside activities on minority business enterprises; and (8) any other relevant business practices necessary to mitigate the economic effects of COVID-19.</p> <p>Matching funds will not be required for any grants. Goals and metrics for the funds available will be jointly developed, negotiated, and agreed upon between the minority business centers, minority chambers of commerce, and the Agency. The methodology for developing metrics and goals will be made publicly available.</p>
<p>c. Waivers.</p>	<p>The Agency may, during the 3 months following Enactment, waive any matching requirements imposed on a minority business center or a specialty center of the Agency under a cooperative agreement between such a center and the Agency if the center is unable to raise funds or has lost revenue due to COVID-19.</p> <p>If, from the date of enactment through 9/30/2021, a center decides not to collect fees because of the economic consequences of COVID-19, the center will be considered to be in compliance with that agreement if: (A) the center notifies the Agency of that decision (may be provided through electronic mail); and (B) the Agency, not later than 15 days after the center provides notice, confirms receipt of the notification and accepts the center’s decision.</p>
<p>d. Report.</p>	<p>Not later than 6 months after enactment and annually thereafter, the Agency will submit to the Committees of Jurisdiction a report that initially describes the programs and services developed and provided by the Agency, minority business centers, and minority chambers of commerce, and the initial efforts to provide those services.</p> <p>In subsequent years, the report will describe the efforts of the Agency, minority business centers, and minority chambers of commerce to develop services to assist minority business enterprises, the challenges faced by minority business enterprise owners in accessing services, the number of unique minority business enterprises served, and other relevant outcome performance data including the number of employees affected, the effect on sales, the disruptions of supply chain, and the efforts to mitigate these effects.</p>
<p>e. Authorization of appropriations.</p>	<p>\$10 million is authorized to be appropriated to carry out this section, to remain available until expended.</p>
<p>Sec. 1109. United States Treasury Program Management Authority.</p>	

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a. Definitions.	<p>“Appropriate Federal banking agency” means the office of the Comptroller of the Current, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System (see 12 USC 1813(q)).</p> <p>“Insured depository institution” means any bank or savings association insured by the Federal Deposit Insurance Corporation (see 12 USC 1813(c)(2)).</p> <p>“Insured credit union” means any credit union the member accounts of which are insured in accordance with “Share Insurance” (12 USC Chapter 14, Subchapter II).</p> <p>“Secretary” means the Secretary of the Treasury.</p>
b. Authority to include additional financial institutions.	<p>The Department of Treasury, in consultation with the Administrator and the Chairman of the Farm Credit Administration will establish criteria for insured depository institutions, insured credit unions, institutions of the Farm Credit System chartered under the Farm Credit Act (12 USC 2001 et seq), and other lenders that do not already participate in lending under the Administration’s programs, to participate in PPP to provide loans under this section until the COVID-19 national emergency expires.</p>
c. Safety and soundness.	<p>An insured depository institution, insured credit union, institution of the Farm Credit System, or other lender may only participate in the program established under this section if participation does not affect the safety and soundness of the institution or lender (as determined by the Secretary in consultation with the appropriate Federal banking agencies or the National Credit Union Administration Board).</p>
d. Regulations for lenders and loans.	<p>The Secretary may issue regulations and guidance as necessary, including to: (1) allow additional lenders to originate loans under this section; and (2) establish terms and conditions for loans under this section, including terms and conditions concerning compensation, underwriting standards, interest rates, and maturity.</p> <p>Terms and conditions will provide for the following:</p> <ol style="list-style-type: none"> (1) A rate of interest that does not exceed the maximum permissible rate of interest available on a loan of comparable maturity under paragraph (36) (as added by section 1102); (2) Terms and conditions that, to the maximum extent practicable, are the same as those required under paragraph (36), including provisions related to borrower eligibility (subparagraph (D)), the maximum payment amount (subparagraph (E)), allowable uses of program loans (subparagraph (F)(i)), fee waivers (subparagraph (H)), and loan deferment (subparagraph (M)); (3) A guarantee percentage that, to the maximum extent practicable, is consistent with the guarantee percentage required under the PPP as described in section 1102; and (4) Loan forgiveness under terms and conditions that, to the maximum extent practicable, is consistent with those for loan forgiveness under section 1106.
e. Additional regulations generally.	<p>The Treasury Secretary may issue regulations and guidance as needed to carry out the purposes of this section.</p>
f. Certification.	<p>As a condition of receiving a loan under this section, a borrower must certify (under terms acceptable to the Secretary) that the borrower does not have an application pending for a 7(a) loan and has not received such a loan between 2/15/2020 and 12/31/2020.</p>

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g. Opt-in for SBA qualified lenders.	Qualified 7(a) lenders may elect to participate in the PPP under the criteria, terms, and conditions established. Participation will not preclude the lenders from continuing participation as a 7(a) lender.
h. Program administration.	With guidance from the Secretary, the Administrator will administer the program established under this section, including making and purchasing guarantees on loans, until the COVID-19 national emergency expires.
i. Criminal penalties.	A loan under this section will be deemed to be an SBA loan for the purposes of offenses and penalties (see 15 USC 645).
Sec. 1110. Emergency EIDL grants.	
a. Definitions.	<p>“Covered period” means 1/31/2020 through 12/31/2020.</p> <p>“Eligible entity” means a business with not more than 500 employees, any individual who operates under a sole proprietorship (with or without employees), or as an independent contractor, a cooperative with not more than 500 employees, an employee stock ownership program (ESOP) with not more than 500 employees, or a tribal small business concern with not more than 500 employees (see 15 USC 657a(b)(2)(C)).</p>
b. Eligible entities.	In addition to small business concerns, private nonprofit organizations, and small agricultural cooperatives, an eligible entity will be eligible for a 7(b)(2) loan during the covered period.
c. Terms; credit elsewhere.	For 7(b)(2) loans in response to COVID-19 during the covered period, the Administrator will waive: (1) any rules related to personal guarantee on advances and loans of not more than \$200,000 for all applicants; (2) the requirement that an applicant needs to be in business for the 1-year period before the disaster (except that no waiver may be made for a business that was not in operation on 1/31/2020); and (3) the requirement that an applicant be unable to obtain credit elsewhere (see the paragraph following newly designated 15 USC 636(b)(2)(E), as re-designated by subsection (f) of this section).
d. Approval and ability to repay for small dollar loans.	With respect to 7(b)(2) loans in response to COVID-19 during the covered period, the Administrator may: (1) approve an applicant based solely on credit score and will not require a tax return or tax return transcript for approval; or (2) use “alternative appropriate methods” to determine an applicant’s ability to repay.
e. Emergency grant.	<p>During the covered period, an eligible entity, including small business concerns, private nonprofit organizations, and small agricultural cooperatives, that applies for a 7(b)(2) loan in response to COVID-19 may request that the Administrator provide an advance in the amount requested (not to exceed \$10,000) within 3 days after the Administrator receives an application. Before disbursing this amount, the Administrator will verify that the applicant is an eligible entity by accepting a self-certification from the applicant under penalty of perjury.</p> <p><i>Use of Funds:</i></p> <p>An advance provided may be used to address any allowable purpose for a 7(b)(2) loan, including: (1) providing paid sick leave to employees unable to work due to direct effects of COVID-19; (2) maintaining payroll to retain employees during business disruptions or substantial slowdowns; (3) meeting increased costs to obtain materials unavailable from the applicant’s original source due to supply chain interruptions; (4) making rent or mortgage payments; and (5) repaying obligations that cannot be met due to revenue losses.</p>

Section	Summary
	<p><i>Repayment:</i> Applicants will not be required to repay any amounts of an advance even if they subsequently are denied a 7(b)(2) loan.</p> <p><i>Unemployment Grant:</i> If an applicant that receives an advance transfers into, or is approved for a 7(a) loan, the advance will be reduced from the loan forgiveness amount for a 7(a) loan for payroll costs.</p> <p><i>Authorization of Appropriations:</i> \$10 billion is authorized to be appropriated to the Administration for this subsection.</p> <p><i>Termination:</i> The authority to carry out these grants will terminate on 12/31/2020.</p>
<p>f. Emergencies involving federal primary responsibility qualifying for SBA assistance.</p>	<p>This subsection amends 7(b)(2) loans by providing the Administration the authority make 7(b)(2) loans for: “(D) an emergency involving Federal primary responsibility determined to exist by the President under section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5191(b))”</p> <p>In addition, this subsection amends the paragraph following newly designated subparagraph (E), so that the paragraph reads (new text in bold): <i>Provided</i>, That no loan or guarantee shall be extended pursuant to this paragraph (2) unless the Administration finds that the applicant is not able to obtain credit elsewhere: <i>Provided further, That for purposes of subparagraph (D), the Administrator shall deem that such an emergency affects each State or subdivision thereof (including counties), and 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.</i></p> <p>In addition, throughout newly designated subparagraph (E), the term “disaster” is amended to state “disaster or emergency”.</p>
<p>Sec. 1111. Resources and services in languages other than English.</p>	
<p>a. In general.</p>	<p>The Administration will provide the resources and services made available by the Administration to small business concerns in the 10 most commonly spoken languages other than English, including Mandarin, Cantonese, Japanese, and Korean.</p>
<p>b. Authorization of appropriations.</p>	<p>\$25 million is authorized to be appropriated to the Administrator to carry out this section.</p>
<p>Sec. 1112. Subsidy for certain loan payments.</p>	
<p>a. Definition of covered loan.</p>	<p>“Covered loan” means a loan that is: (1) guaranteed by the Administration under 7(a) (including Community Advantage Pilot Program loans, and excluding a PPP loan), or loans to State development companies (see 15 USC 695); or</p>

Section	Summary
	(2) made by an intermediary to a small business concern using loans or grants received under the SBA’s Microloan Program (see 15 USC 636(m)).
b. Sense of Congress.	(1) All borrowers are adversely affected by COVID-19; (2) Administration relief payments are appropriate for all borrowers; and (3) In addition to relief provided under this Act, the Administration should encourage lenders to provide payment deferments, when appropriate, and extend the maturity of covered loans to avoid balloon payments or any requirement for increases in debt payments resulting from deferments provided by lenders during the COVID-19 national emergency.
c. Principal and interest payments.	The Administrator will pay principal, interest, and any associated fees owed on a covered loan in a regular servicing status with respect to a covered loan: (1) made before the date of enactment and not on deferment, for the 6-month period beginning with the next payment due on the covered loan; (2) made before the date of enactment and on deferment, for the 6-month period beginning with the next payment due on the covered loan after the deferment period; and (3) made during the period of the date of enactment and 6 months after enactment for the 6-month period beginning with the first payment due on the covered loan. The Administrator will begin making payments on a covered loan not later than 30 days after the date on which the first payment is due. In addition, any payment made by the Administrator will be applied to the covered loan so that the borrower is relieved of the obligation to pay that amount.
d. Other requirements.	The Administrator is required to: (1) Communicate and coordinate with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and State bank regulators to encourage those entities to not require lenders to increase their reserves on account of receiving payments made by the Administrator (under subsection (c)); (2) Waive statutory limits on maximum loan maturities for any covered loan durations where the lender provides a deferral and extends the maturity of covered loans during the 1-year period following enactment; and (3) When necessary to provide more time because of the potential of higher volumes, travel restrictions, and the inability to access some properties during COVID-19, extend lender site visit requirements to: (A) not more than 60 days (may be extended at the discretion of the Administration) after the occurrence of an adverse event, other than a payment default, causing a loan to be classified as “in liquidation”; and (B) not more than 90 days after a payment default.
e. Rule of construction.	Nothing in this section limits the Administrator’s authority to make payments pursuant to subsection (c) with respect to a covered loan solely because the covered loan has been sold in the secondary market.
f. Authorization of appropriations.	\$17 billion is authorized to be appropriated to the Administrator.
Sec. 1113. Bankruptcy.	
a. Small business debtor reorganization.	Effectively, this paragraph temporarily raises the threshold for small business bankruptcies from \$2.7 million to \$7.5 million. Specifically, this section temporarily amends the term “debtor” (see 11 USC 1182(1)) to state: (1) DEBTOR.—The term ‘debtor’—

Section	Summary
	<p>(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title and excluding a person whose primary activity is the business of owning single asset real estate) that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition or the date of the order for relief in an amount not more than \$7,500,000 (excluding debts owed to 1 or more affiliates or insiders) not less than 50 percent of which arose from the commercial or business activities of the debtor; and</p> <p>(B) does not include—</p> <ul style="list-style-type: none"> (i) any member of a group of affiliated debtors that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than \$7,500,000 (excluding debt owed to 1 or more affiliates or insiders); (ii) any debtor that is a corporation subject to the reporting requirements under section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or (iii) any debtor that is an affiliate of an issuer, as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c). <p>This section also amends 11 USC 103(i) to replace “small business debtor” with “debtor” (as defined above)”. This amendment will only apply with respect to cases commenced under 11 USC on or after enactment. In addition, this section makes technical corrections with respect to the definition of small business debtor and unclaimed property.</p> <p><i>Sunset:</i> One year after enactment, 11 USC 1182(1) will be amended such that the term “debtor” means “small business debtor”.</p>
<p>b. Bankruptcy relief.</p>	<p>Effectively, this paragraph temporarily removes certain COVID-19-related expenses from the statutory definition of monthly income. This paragraph also temporarily allows plans to be readjusted, upon the request of the debtor, due to COVID-19.</p> <p>With respect to plan modifications after confirmation, this paragraph would amend 11 USC 1329 by adding the following:</p> <ul style="list-style-type: none"> (d)(1) Subject to paragraph (3), for a plan confirmed prior to the date of enactment of this subsection, the plan may be modified upon the request of the debtor if— <ul style="list-style-type: none"> (A) the debtor is experiencing or has experienced a material financial hardship due, directly or indirectly, to the coronavirus disease 2019 (COVID-19) pandemic; and (B) the modification is approved after notice and a hearing. (2) A plan modified under paragraph (1) may not provide for payments over a period that expires more than 7 years after the time that the first payment under the original confirmed plan was due. (3) Sections 1322(a), 1322(b), 1323(c), and the requirements of section 1325(a) shall apply to any modification under paragraph (1). <p>These amendments will apply to any case commenced on or after enactment. Further, the modification of plan after confirmation will apply to any case for which a plan has been confirmed under 11 USC 1325 before enactment.</p>

<i>Section</i>	<i>Summary</i>
	<i>Sunset:</i> These amendments will sunset 1 year after enactment.
Sec. 1114. Emergency rulemaking authority.	
Not later than 15 days after enactment, the Administrator will issue regulations without regard to notice requirements.	