

Summary of Revised "CARES" Act Released by Majority Leader McConnell on Sunday, March 22, 2020

NOTE

The bill is subject to further changes as negotiations continue.

The U.S. Chamber of Commerce will revise this document as it continues to review the draft bill and any subsequent changes. Summary as of 4:30 PM Sunday, March 22, 2020

Small Business "Paycheck Protection Program"

- New \$340 billion SBA lending program, modeled on existing 7(a) program, with 100% government guarantee (as opposed to 75% guarantee for 7(a) loans).
- Eligibility
 - Small businesses as defined by SBA size standards (generally up to 500 employees, but up to 1,500 employees depending on the sector and certain sectors are based on revenue).
 - Businesses in the Accommodation and Food Services Sector (NAICS Code 72) are eligible with up to 500 employees at each location.
 - Non-profits with fewer than 500 employees who are 501(c)(3)s and do not receive Medicaid funding.
 - Sole proprietors, the self-employed, and independent contractors.
- Regulatory Streamlining: SBA's standard "no credit elsewhere" test is waived and non-SBA lenders approved by Treasury and SBA can provide loans.
- Maximum Loans: Generally monthly payroll costs for 2 1/2 months, not to exceed \$10 million. Payroll costs exclude compensation paid to individuals, including the self-employed, above \$100,000 a year.
- Requirements: The employer certifies that they will maintain their average full-time equivalent employment, with incentives to re-hire if employees have been furloughed.
- Loan Forgiveness: The borrower shall have a portion of their loan forgiven in the amount equal to their payroll costs (not including costs for compensation above \$100,000 annually), interest payments on mortgages, rent payments, and utility payments between February 15 and June 30, 2020. Loan forgiveness will be reduced if the borrower reduces employment by a ratio similar to their reduction in employment or if borrower reduces salaries and wages by more than 25%.