

Legislative Overview of Coronavirus Relief Stimulus Packages & Resources

U.S. CONGRESSMAN

MARC
VEASEY

33RD DISTRICT OF TEXAS



The 1st Stimulus Package:
H.R. 6074: *Coronavirus*
Preparedness & Response
Supplemental Appropriations
Act

Overview of the 1st Stimulus Package: H.R. 6074: *Coronavirus Preparedness & Response Supplemental Appropriations Act*

At the beginning of March, Congress took the first step to combat this pandemic by passing legislation that would:

- Commit more than \$3 billion to the development of treatments and a vaccine available to all, and protect against price-gouging of medicines developed with taxpayer dollars.
- Provide \$2.2 billion in prevention, preparedness and response measures, including nearly a billion dollars to help state, local, tribal and territorial health systems.
- Help families and individuals enrolled in Medicare and Medicaid by extending telemedicine services regardless of where they live.

The 2nd Stimulus Package:
H.R. 6201: *The Families First*
Coronavirus Response Act

Overview of the 2nd Stimulus Package: H.R. 6201: *The Families First Coronavirus Response Act*

In Mid-March, Congress took a second step by passing legislation that would:

- Bolster families' health security: this legislation ensures free coronavirus testing for everyone who needs a test, including the uninsured. The legislation also increases funding for Medicaid to support local, state, tribal and territorial health systems, so that they have the resources needed to combat this public health emergency.
- Help families' economic security: the bill provides two weeks of paid sick leave and up to three months of family and medical leave for eligible workers and enhances Unemployment Insurance. It also supports small businesses by fully reimbursing them for providing leave.
- Expands families' food security: legislation strengthens nutrition initiatives including SNAP, student meals, seniors' meals and food banks.

Paid Sick and Family Leave in Families First Act:

The law requires all private businesses with between 50 and 500 employees to provide emergency paid sick or family leave for employees affected by the coronavirus outbreak.

Employer Tax Credits in Families First Act:

The law provides employers with between 50 and 500 employees with refundable payroll tax credits to cover the cost of providing paid sick leave and paid FMLA leave to their employees.

The 3rd Stimulus Package:
H.R. 748: *The Coronavirus Aid,*
Relief, & Economic Security
(CARES) Act

Overview of 3rd Stimulus Package: H.R. 748: *The Coronavirus Aid, Relief, & Economic Security (CARES) Act*

In March, the President signed a third bipartisan stimulus package that builds upon the last two. The Coronavirus Aid, Relief, and Economic Security (CARES) Act achieves bold, pro-worker action that is desperately needed to protect the health and well-being of the American people. See more below:

- For our workers, the bill created a \$260 billion investment in Unemployment Insurance benefits to match the average full paycheck of laid-off or furloughed workers. Additionally, 13 weeks of federally-funded benefits are to be made available immediately.
- Families will receive full direct payments of \$1200 per adult and \$500 per dependent child, ensuring that families are eligible to receive as much as \$3,400 for a family of four.
- For our small businesses, the bill included a \$377 billion infusion of fast relief for those in need, including securing \$10 billion for SBA emergency grants of up to \$10,000 and making payroll costs, rent, mortgage interest and utility costs eligible for SBA loan forgiveness.
- For our students, the bill provides for more than \$30 billion in emergency education funding, paused payments for federal student loan borrowers and suspended wage garnishment and negative credit reporting during this time.
- For accountability and oversight, we prevented secret bailouts and added special oversight requirements to ensure that any taxpayer dollars given to industry goes first and foremost to workers' paychecks and benefits, not used for CEO bonuses, stock buybacks or dividends.

Unemployment Insurance in CARES Act

- Provides an additional \$600/week for individuals receiving payments through Unemployment Insurance (fully federally funded)
- Gives additional 13 weeks federally funded unemployment compensation.
- Allows part-time, self-employed, and gig economy workers to access UI benefits for the first time.

Rebate Checks in CARES Act

- Eligible individuals receive up to \$1200 per adult, and \$500 per child
- Fully eligible for single incomes up to \$75,000/yr, or household incomes of up to \$150,000/yr
- First round of rebates will be distributed by IRS in mid-April to those who filed their 2018 or 2019 taxes online with direct deposit info
- Next round will go to those who do not file but are currently receiving social security benefits
- Individual checks will start going out sometime in May; may take up to 20 weeks to distribute

Expected Timeline for Economic Impact Payments

MID-APRIL

The IRS will make payments to Americans through direct deposit

THE WEEK OF MAY 4TH

The IRS will begin issuing paper checks to individuals. The checks will be starting with people with the lowest income first.

APRIL/EARLY MAY

The IRS expects to create a portal allow taxpayers, once they have been authenticated, to: (1) find out the status of their rebate payment and (2) update direct deposit information.

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Economic Injury Disaster Loans (EIDL) in CARES Act

- EIDL loans offer up to \$2 million for working capital needs such as fixed debt and payroll.
- You apply for the EIDL loan on the SBA website www.sba.gov/disaster.
- The interest rate is 3.75% for businesses and 2.75% for nonprofits with a 30-year term possible.
- There is an automatic one-year deferment on repayment so the first payment is not due for a full year, although interest begins to accrue at time of disbursement.

Emergency Economic Injury Grant in CARES Act

- The bill creates a new \$10 billion grant program, leveraging SBA's Office of Disaster Assistance infrastructure, to provide small businesses with quick, much needed capital.
- Small businesses, cooperative, ESOPS, private non-profits, independent contractors and the self-employed who apply for EIDL loans are automatically entitled to receive up to \$10,000 to cover immediate payroll, mortgage, rent, and other operating expenses while they wait for additional relief to be processed.

Paycheck Protection Program in CARES Act:

The bill establishes a new guaranteed loan program at SBA for small businesses to cover payroll during the immediate crisis.

The Paycheck Protection Program will:

- Support \$349 billion in 100 percent guaranteed, low interest, no fee loans of up to \$10 million with repayment deferred for at least six months; and
- Forgive up to 100% of the loan if the borrower has retained the same number of employees as when they received the loan.

PAYCHECK PROTECTION PROGRAM (PPP)

ECONOMIC INJURY DISASTER LOAN (EIDL)

payroll and approved operating expenses

USES

working capital

no collateral required

COLLATERAL

no collateral on loans u/\$25k
SBA will take best lien available
(excluding real estate) on loans o/\$25k

up to **100%**
with approval

FORGIVENESS

0% is eligible for forgiveness

2.5X average monthly payroll for the prior 12 months

AMOUNT

up to 6 months of operating expenses
not to exceed **\$2 million**

.5% on unforgiven portion
2-year fixed note

TERMS

3.75% small businesses
2.75% non-profits
30-year fixed note

no payments for first
6 months

DEFERMENT

no payments for first
12 months

- all for-profits
- private non-profits

ELIGIBLE ENTITIES

- sole proprietors
- small agriculture coops and aquaculture
- private non-profits

SBA APPROVED BANK

APPLY

SBA.GOV/DISASTER



last updated 03/31/2020

Small Business Debt Relief Program in CARES Act:

- This program will provide immediate relief to small businesses who already have non-disaster SBA loans, in particular 7(a), 504, and microloans.
- Under this program, SBA will cover all loan payments on these SBA loans, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out loans within six months of the President signing the bill into law.

What's next?
Stimulus Package 4

Thank you!

For more information please reach out to:
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