FACT SHEET: SMALL BUSINESS LOAN PROGRAM AND TAX CREDITS

Start Date: March 1, 2020
End Date: through June 30, 2020

SMALL BUSINESS LOAN PROGRAM AND TAX CREDITS

This section of the bill was written to prevent workers from losing their jobs and small businesses from going out of business due to economic losses caused by the coronavirus pandemic. The plan provides cash-flow assistance through 100 percent federally-guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven. This proposal would be retroactive to March 1, 2020, to help bring workers who may have already been laid off back onto payrolls.

<u>Small Business Assistance</u>

- Small employers with 500 employees or fewer will be eligible to apply for the loans.

- Loans would be immediately available through existing Small Business Administration-certified lenders, including banks, credit unions, and other financial institutions, and SBA would be required to streamline the process to bring additional lenders into the program.

- The Secretary of Treasury would be authorized to expedite the addition of new lenders and make further enhancements to expedite delivery of capital to small employers.

- The size of the loans would be tied to an applicant's average monthly payroll; mortgage, rent, and utility payments; and other debt obligations over the previous year. The maximum loan amount would be $10 million.

- Conditional upon business retaining their employees and payroll levels during the covered period (March 1, 2020, through June 30, 2020), the portion of the loan used to cover payroll and payments on pre-existing debt would be forgiven. Further, employers with tipped employees would receive forgiveness for additional wages paid to such employees during the covered time.

- The bill would provide $300 billion to support these loans.

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