



This week, with my support, the Congress passed, and President Trump signed into law, the Coronavirus Aid, Relief and Economic Security (CARES) Act to provide much-needed support for individuals, businesses and the healthcare system during this time of uncertainty.

The Coronavirus has led to the voluntary shutdown of parts of our economy to accommodate a growing public health crisis. This crisis was not caused by any bad actors or misguided business interests. It is important for government to act, and we are doing so swiftly.

What Does this Mean for Businesses?

Small Business Relief

Small businesses across the country are shuttered due to unprecedented social distancing measures and directives from federal, state and local governments to close non-essential operations. This legislation will help businesses stay afloat, retain their workforce and come out strong on the other end of the crisis. Specifically, the legislation creates a small business loan program, facilitated by a business's existing bank, that will provide short-term relief as businesses weather this crisis.

- The small business loan provisions now in law will provide federally guaranteed loans for eight weeks of assistance to small businesses, certain nonprofits, sole proprietors, independent contractors and self-employed workers.
- Businesses with 500 employees or fewer, and certain franchisee businesses, are eligible for loans of 2.5x monthly payroll, up to \$10mm.
- **The amount of the loan used for payroll costs, rent, utilities and other obligations over an eight-week period will be forgiven.**
 - To incentivize businesses to retain their workers, the amount of loan forgiveness will be reduced proportionally according to any reduction in workforce.
- The law also expands access to the Small Business Administration Express Loan program, which includes an expedited application process to get capital to businesses as soon as possible.
- Small businesses should work directly with their lenders on the terms, conditions and options for relief.

Broader Economic Stabilization

In addition to providing a means to keep small businesses open, the law includes significant steps to secure the economy, stabilize companies' balance sheets and keep workers employed. The financial markets are under a great deal of strain. The legislation provides the necessary tools to ensure businesses of all sizes have access to capital and needed liquidity to ride out this time of economic uncertainty.

- Specifically, it includes emergency assistance to businesses hardest hit by the Coronavirus outbreak, including airlines.
 - The legislation would allocate \$500bn to an emergency fund to allow the Secretary of the Treasury and the Federal Reserve to stabilize distressed businesses of all sizes through loans or loan guarantees.

- The emergency fund will allow the Federal Reserve to provide liquidity to stabilize business lending and ensure banks can provide much-needed financing for businesses to help with their day-to-day expenses like meeting payroll or paying rent.
- *This assistance won't just go to the biggest corporations—it will benefit small- and medium-sized businesses across the country, either directly or indirectly, who need assistance, access to capital and liquidity support during this trying time. The legislation captures the importance of stabilizing Main Street businesses.*
- The legislation also makes necessary changes to help lenders do business with their customers in this difficult time. By temporarily alleviating or clarifying certain regulatory requirements, banks can get money into the hands of individuals and small businesses who need it most. Our country's banks remain strong, well-capitalized and willing to help their customers. The legislation makes the necessary adjustments to allow them to do so.

It is important to emphasize that this is not a bailout. These problems did not arise because of the misdeeds of any company, or the overly risky behavior of company executives. These companies need assistance because of the government-mandated social distancing measures that have directed consumers to stay home and not shop, travel or conduct business. This assistance to companies will be paid back. The legislation will provide robust oversight of how relief is spent, how effectively it benefits the economy, and how companies that receive assistance are paying back the government; and includes restrictions on companies receiving aid to ensure they are spending the money effectively and retaining their workforce.

With swift and decisive assistance to small businesses and other distressed companies, we can stabilize the economy and, when the public health crisis subsides, get the country back to work. This legislation gives the government, consumers, the private sector and financial market participants the tools to ride out this time of uncertainty. Combined with the strong monetary policy response by the Federal Reserve since the public health crisis began, the legislation will provide needed support to stabilize the economy for continued long-term growth.

What Does this Mean for Individuals?

Unemployment Insurance:

The CARES Act takes the extra step to assist those who have not normally been eligible for regular unemployment insurance:

- Creates a new Pandemic Unemployment Assistance program to help those not traditionally eligible for UI, such as the self-employed and independent contractors, like gig workers and Uber drivers, as well as those who are unable to work or telework as a result of the coronavirus public health emergency.
- Provides funding to reimburse nonprofits and government entities that are not part of the state unemployment system for 50% of the costs they incur through December 31, 2020 to pay unemployment benefits.

- Provides an additional \$600/week payment to each UI or Pandemic Unemployment Assistance recipient for 4 months beginning April 1 through July 31, 2020.
- Provides funding for the 1st week of unemployment for states to waive the traditional “waiting week” before benefits begin.
- Provides an additional 13 weeks of unemployment to help those who remain unemployed after weeks of state unemployment are exhausted.
- Provides states with temporary, limited flexibility to hire temporary staff or re-hire former staff to quickly process unemployment claims.
- Provides funding to states to help them maintain short-time compensation programs to prevent layoffs, as well as expand these work sharing programs in the future.

Individual Rebates:

- With the CARES Act, Americans will receive direct cash assistance. In order to receive this federal money, the individual must have a valid Social Security number – meaning that those who receive Social Security benefits are also eligible for this assistance. Individuals who are in the country illegally are not.
- The full credit amount is \$1,200 for individuals/\$2,400 for couples who file their taxes jointly with income at or below \$75,000 (\$112,500 for heads of household), and couples with income at or below \$150,000. And if you have children, you will receive an additional \$500 per child.
- Your tax rebate amount will be reduced by \$5 for each \$100 your income exceeds the above income limits. That means for those without children, an individual will not receive any rebate if their income exceeds \$99,000; and the same is true for couples with more than \$198,000 of income.
- The rebate does not count as taxable income.

Loosens Rules on Retirement Accounts

- Required minimum distributions (RMDs) from retirement accounts will be suspended for 2020 so seniors are not required to cash out. Additionally, the legislation waives the 10% penalty on coronavirus-related early distributions from 401(k)s and IRAs for 2020.

Students

- The CARES Act enables employers to provide a student loan repayment benefit to employees on a tax-free basis. An employer may contribute up to \$5,250 annually toward an employee’s student loans, and such payment would be excluded from the employee’s income. The money can be used for new student loan repayment as well as other educational assistance like tuition, fees, books etc. The provision applies to any student loan payments made by an employer on behalf of an employee after the law’s date of enactment and before January 1, 2021.
- Provides needed relief for college students to ensure they are not harmed by colleges’ decisions to switch to online delivery models or close outright in the middle of the semester.
- Pauses monthly repayment requirements for six months with no penalties for federal student loan borrowers.
- Codifies the Trump Administration’s decision to pause collections on defaulted federal student loans through September 30, 2020.

- Gives colleges and universities the flexibility to ensure this interrupted or unfinished semester does not stop student progression and ability to continue classes in the future.
- Students will not be on the hook for financial aid distributed to them if the COVID-19 Pandemic forced them to drop out mid-term.
- Provides the Secretary of Education additional authority to ensure school districts are able to focus on addressing student needs.
- Allows schools to use any remaining funds from Title I so they may provide children with the opportunity to receive a high-quality education into next year.
- Gives school districts increased flexibility to use block grants for technology and other activities related to coronavirus recovery.

Housing:

- The legislation also has relief for individuals worried about losing their home or being evicted from their apartment. The law, along with guidance from federal housing regulators, gives temporary housing stability as we restart the economy and get back to full capacity.
- Specifically, the CARES Act prohibits foreclosures on any federally-backed mortgages for 60-days; allows borrowers affected by Coronavirus to shift any missed payments to the end of their mortgage, with no added penalties or interest, for 180 days; and halts evictions for renters in properties with federally-backed mortgages for 120 days.
- Consumers who are economically impacted by the virus should not worry about damage to their credit score due to late payments or financial forbearance because of a loan accommodation agreed to with their lenders. The legislation requires consumer credit scores to be maintained as “current,” or the status reported prior to the accommodation, if a lender agrees to make accommodations for a consumer impacted by Coronavirus.

What Does this Mean for Healthcare?

Direct Funding to Combat the Pandemic:

- Provides \$16 billion for the Strategic National Stockpile to produce PPE, ventilators, and other medical supplies for response efforts.
- Provides \$4.3 billion for the Center for Disease Control and Prevention.
- Provides \$150 billion through the Coronavirus Relief Fund for state and local governments.
- Provides \$100 billion in additional grants for hospitals and healthcare providers.

Access to Care for All Americans:

- Ensures that all tests for COVID-19 are covered with no out-of-pocket costs.
- Ensures that providers and labs supplying COVID-19 testing and related services charge fair and transparent rates by requiring they display the cost on their public website.
- Requires a COVID-19 vaccine be covered with no out-of-pocket costs.
- Ensures that uninsured individuals can receive a COVID-19 test and related service with no cost-sharing in any state Medicaid program that elects to offer such enrollment option.

Hospitals and Healthcare Providers:

- Ensures frontline healthcare workers and hospitals have the resources they need to combat the Coronavirus.
- Provides \$100 billion in direct, additional payments to hospitals & healthcare providers to ensure healthcare providers continue to receive the support they need for COVID-19 related expenses and lost revenue. This brand-new account will be administered by HHS.
- Increases Medicare reimbursement for in-patient hospital care by 20%.
- Provides \$1.32 billion in supplemental funding to community health centers on the front lines of testing and treating patients for COVID-19.
- Promotes the use of telehealth technologies for healthcare delivery, education, and health information services.
- Reauthorizes grant programs to strengthen rural community health by focusing on quality improvement, increasing healthcare access, coordination of care, and integration of services.
- Grants liability protections for doctors who provide volunteer medical services during the public health emergencies related to COVID-19.