

## Corona Virus Relief Package

December 21, 2020

On December 21st, the United States Senate and House of Representatives approved a \$900 billion [Coronavirus Relief Package](#). President Donald Trump had indicated he would approve the legislation as his negotiating team was a part of the discussions, but after the bill passed, he has apparently had second thoughts, particularly about the amount of stimulus checks to be sent to most American taxpayers. The package contains \$600 stimulus checks for those who make under a certain income and \$300-per-week for federal unemployment stopped at 11 weeks. Although his Treasury Secretary Mnuchin had proposed that amount, Trump now says that's not enough. The package became part of the larger overall budget spending bill also passed in the late hours of the day. Trump has until December 28<sup>th</sup> to sign it. Given the fact the President also made good on his threat to veto an annual military spending bill that included raises and increased benefits for soldiers and veterans, it is unclear if the threat is real, or posturing. Congressional Democrats are now saying they support the President's alternative suggestion for a \$2000/per person check, but Republicans, such as Sen. Pat Toomey, are pushing back on this number, anticipating a subsequent bill coming early in the incoming Biden Administration.

The COVID legislation also assigns \$284 billion of the funds to a new round of Paycheck Protection Program (PPP). PPP eligibility is expanded for nonprofits and local newspapers, TV and radio broadcasters, along with key modifications to serve the smallest businesses and struggling non-profits and better assist independent restaurants, and includes \$15 billion in dedicated funding for live venues, independent movie theaters, and cultural institutions have lost at least 25% of their revenues. The agreement also includes \$20 billion for targeted EIDL Grants that are critical to many smaller businesses on Main Street. A second loan would be limited to employers of 300 or less that have seen drops of at least 25% of their revenue. It would also reduce the amount a borrower can receive from \$10 million to \$2 million, give businesses more flexibility on how they spend the money and simplify the forgiveness process for loans under \$150,000.

The agreement includes dedicated PPP set-asides for very small businesses and lending through community-based lenders like Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs); \$9 billion in emergency U.S. Treasury capital investments in CDFIs and MDIs to support lending in low-income and underserved communities, including persistent poverty counties, that may be disproportionately impacted by the economic effects of the COVID-19 pandemic; and \$3 billion in emergency support for CDFIs through the CDFI Fund to respond to the economic impact of the pandemic on underserved low-income and minority communities.

\$28 billion is dedicated for vaccine purchase and distribution, and the legislation adds \$3 billion to the \$175 billion fund for hospitals and health care providers for reimbursement of health care-related expenses or lost revenue resulting from the pandemic. Unfortunately, the package does not include liability protections for businesses. Congressional Republicans dropped that

piece, in return for Democrats abandoning their push for additional funds for local and state governments.

The agreement provides \$82 billion in funding for colleges and schools, including support for HVAC repair and replacement to mitigate virus transmission and reopen classrooms, and \$10 billion for childcare assistance to help get parents back to work and keep child care providers open.

The package also includes \$25 billion in rental assistance, an extension of the eviction moratorium until January 31<sup>st</sup>, and enhances the Low Income Housing Tax Credit to help increase affordable housing construction and provide greater certainty to new and ongoing affordable housing projects.