

S. 3548 – Coronavirus Aid, Relief, and Economic Security Act – Small Business Provisions

Senate Republicans and Democrats have unveiled legislation to provide emergency relief to workers, families, small businesses, and distressed industries. The full package is big, targeted, and will make a difference. **Here are the small business details.**

Key points:

- A strong “paycheck protection” program means small businesses have an incentive to keep employees on payroll.
- The bill also offers extensive debt relief
- The Small Business Administration is also required to enact these programs with regulations no later than 15 days after the Act is signed into law.

What you need to know:

- **Paycheck Protection: Forgiveness For Small Business Loans for Keeping Employees:** The bill creates a “paycheck protection program” for small employers, self-employed individuals, and “gig economy” workers, with \$350 billion to help prevent workers from losing their jobs and small businesses from going under due to economic losses caused by the COVID-19 pandemic. The “Paycheck Protection Program” would provide 8 weeks of cash-flow assistance through 100 percent federally guaranteed loans to small employers who maintain their payroll during this emergency. If the employer maintains payroll, the portion of the loans used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven, which would help workers to remain employed and affected small businesses and our economy to recover quickly from this crisis. This proposal would be retroactive to February 15, 2020, to help bring workers who may have already been laid off back onto payrolls.
- **Small Business Contractors Also Get Protection:** Federal agencies would be required to extend contract performance periods and promptly pay small business contractors Small business contractors impacted by COVID-19.
- **Debt Relief:** For six months, SBA is required to pay all principal, interest and fees on all existing SBA loan products including 7(a), Community Advantage, 504, and Microloan programs for six months.
- **Timely:** The bill requires that SBA enact these programs with regulations no later than 15 days after the Act is signed into law.

The Details: Providing more cash flow to businesses and incentives to keep employees on payroll is a much-needed life-support program for the economy.