



April 4, 2020

## ACG Coronavirus Update

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### OVERVIEW

- The Centers for Disease Control and Prevention (CDC) is recommending that all Americans wear cloth masks when they go out in public. Meanwhile, Spain reported its lowest daily death toll in a week.

### NEW RESOURCES

- [Final Borrower Application Form](#)
- [Lender Electronic Data Form](#)
- [PPP New Lender Application Form \(Federally Insured Depository Institutions, Federally Insured Credit Unions, Farm Credit System Institutions\)](#)
- Paycheck Protection Program: [Interim Final Rule](#), [Interim Final Rule on Affiliation](#), and [Applicable Affiliation Rules](#)
  - [Top-line overview of the program](#)
  - [Information for lenders](#)
  - [Information for borrowers](#)
- [Find an eligible lender](#)
- [Frequently Asked Questions](#)
- [Senate RPC summary of the CARES Act](#), [Committee Resources](#), and [Agency Resources](#)
- [The CARES Act Relief Funds Toolkit](#)

### ADMINISTRATION

- During Friday's White House press briefing, President Donald Trump said he would invoke the Defense Production Act to stop "unscrupulous" exports of medical supplies. He said the Department of Homeland Security will work with the Federal Emergency Management Agency "to prevent the export of N95 respirators, surgical mask, gloves and other personal protective equipment. We need these items immediately for domestic use." This comes after the World Trade Organization [released a report](#) showing that the U.S. is one of the top exporters of medical supplies, along with Germany and Switzerland. The report also cited that China, Germany, and the United States together exported 40 percent of personal protective products.
- President Trump has nominated Brian Miller, a White House lawyer, to oversee the distribution of business loans in the \$2 trillion stimulus package. The CARES Act specified that the new watchdog, known as the Special Inspector General for Pandemic Recovery (SIGPR), will notify lawmakers immediately if any agency refuses to comply with its information requests. Miller's nomination requires Senate confirmation.

- General Motors is asking the administration to temporarily halt import tariffs on parts needed to make ventilators. In a [letter](#) to the U.S. Trade Representative, GM officials asked the federal government to grant exclusions for several categories of ventilator parts made in China, including filters parts, compressor silencers, grommets and a power cord set.

## CONGRESS

- Earlier this week, House Democrats indicated they would build on a \$760 billion infrastructure proposal for the fourth package. However, Pelosi suggested that “may have to be for a bill beyond this.” Instead, Pelosi proposed expanding upon the \$2 trillion economic stimulus package by “passing a CARES 2 package.” “It is imperative that we go bigger and further assisting small business, to go longer in unemployment benefits and provide additional resources to process UI claims and to give families additional direct payments,” Pelosi said in a [press statement](#). Republican lawmakers are also considering expanding the benefits for small businesses to pay employees and cover expenses for beyond eight weeks. “We are already working on ideas for phase four and we’re collecting those ideas from constituents in Colorado, we’ve got some adjustments to the CARES Act that I think would be appropriate for phase four,” said Sen. Cory Gardner (R-CO). “I’d like to see an infrastructure bill more forward. Maybe that’s phase four, maybe that’s ‘phase 5.’ But there’s going to be additional action required.” Pelosi expects to put the bill to a vote in late April.
- In a letter to Apple CEO Tim Cook, Sens. Bob Menendez (D-NJ), Richard Blumenthal (D-CT), Cory Booker (D-NJ) and Kamala Harris (D-CA) said they are “concerned for the safety and security of Americans’ private health data.” The concerns come after Apple launched a coronavirus screening website and app last week. Both the website and app guides users through a diagnostic questionnaire and, depending on the results, will recommend next steps, including guidance on social distancing and self-isolating. The Senate Democrats are requesting the company to assure the data will not be sold to third parties and to outline the safety policies it has in place.

## Financial Services

- The U.S. Small Business Administration launched the Paycheck Protection Program (PPP), a \$349 billion emergency loan program created under the CARES Act. Small businesses and sole proprietorships can now apply for loans. Starting April 10, independent contractors and self-employed individuals can apply for loans. The program provides forgivable loans of up to \$10 million to small businesses left financially distressed by the COVID-19 pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses. Earlier this week, the Treasury Department issued [details](#) on the PPP and a [loan application available for download](#). As of mid-afternoon Friday, among the largest U.S. lenders, only Bank of America and JPMorgan Chase were accepting applications for the program. Bank of America reports that, as of Friday afternoon, it has received 60,000 PPP loan applications worth \$6 billion. See SBA press release [here](#) and read more [here](#).
- The Internal Revenue Service (IRS) will make about 60 million payments to Americans through direct deposit in mid-April, likely, the week of April 13<sup>th</sup>. The IRS has direct deposit information for these individuals from their 2018 or 2019 tax returns. Within 10 day after the first round of payments are made in mid-April, the IRS plans to make a second run of payments. These

payments will be made to Social Security beneficiaries who did not file tax returns in 2018 or 2019 and receive their Social Security benefits via direct deposit. Read more [here](#).

- The Treasury Department and the IRS [launched](#) the Employee Retention Credit, designed to encourage businesses to keep employees on their payroll. The refundable tax credit is 50 percent of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.
- The Federal Reserve announced Wednesday night that it is temporarily loosening financial institutions' supplementary leverage ratio (SLR) rules to absorb some of the stress in Treasury markets. The SLR applies to large banks with assets in excess of \$250 billion. The rule change eases the banks' ability to continue to hold cash and Treasury bonds on their balance sheets while Treasury yields remain low and banks are flooded with increased deposits. While the leverage ratio is intended to reduce banks' risk profiles, the change will give banks additional space to continue lending in the face of market pressures. Read full announcement [here](#).

## **ADDITIONAL RESOURCES**

- [ACG's Title One Call with Senate Small Business Committee's Josh Duncan and Philip Todd](#)
- [Employee Retention Credit Information](#)
- [Guidelines and Application Procedures for Payroll Support to Air Carriers and Contractors under Division A, Title IV, Subtitle B of the CARES Act](#)
- [Procedures and Minimum Requirements for Loans to Air Carriers and Eligible Businesses and National Security Businesses under Division A, Title IV, Subtitle A of the CARES Act](#)
- [COVID-19 Projections](#)
- [The CARES Act Relief Funds Toolkit](#)
- [FAQ document Sen. Marco Rubio's Office](#)
- [CARES Act](#)
  - [Unemployment Insurance Provisions one-pager](#)
  - [Small Business Loan Provisions one-pager](#)
  - [Title IV one-pager](#)
  - [Key Tax Provisions Summary](#)
- [Paycheck Protection Program and EIDL Grant Flowchart](#)
- [Congressional Research Service: CARES Act](#)
- [Recording of ACG & ACGA Policy Call: The Great American Stimulus](#)
- [Q&A Coronavirus Policy Briefing](#)
- [Coronavirus International Travel Updates](#) and [A Guide to State Coronavirus Lockdowns](#)
- [COVID-19 Treatment and Vaccine Tracker](#)
- [Guidance on the Essential Critical Infrastructure Workforce](#)
- [Summary of Families First Coronavirus Response Act \(H.R. 6201\)](#)
- [List of House Democrats Coronavirus staff points of contact](#)
- [COVID-19 Media updates](#)
- [The Johns Hopkins Tracker](#)

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