



e-Alert

05.01.20

US Senate Advances New \$484 Billion Coronavirus Aid Package

Background

Ever since the outbreak of the COVID-19 virus, the US Congress has passed a series of aid packages and programs designed to keep businesses afloat, provide financial support to struggling Americans, and bolster states' ability to effectively combat the spread of the virus.

One of these aid packages was the Paycheck Protection Program (PPP) under the CARES Act, which offered \$349 billion in forgivable loans to small businesses. The forgivable portion of these loans could be used to cover up to eight weeks of payroll costs, some mortgage interest, rent, and utility costs dependent on certain terms and restrictions. Unfortunately, the funds allocated to the PPP were exhausted in about 14 days after nearly 1.7 million loans were allocated. Just last week, the Senate advanced an additional \$484 billion aid package to provide further funding to the PPP among other things. The package was quickly approved by the House of Representatives and signed by the president. You can find a summary breakdown of the aid package [here](#).

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Summary

On Tuesday, April 21, the US Senate voted to advance an additional \$484 billion coronavirus aid package. On Thursday, April 23, the House of Representatives also voted to pass the package, and, on Friday, April 24, President Trump signed off on it. This is the fourth such package passed into law since the start of the outbreak.

Here is how the majority of this \$484 billion in funding will be allocated:

- About \$321 billion, the majority of the funds, will go to the exhausted PPP.
 - \$60 billion of this will be allocated for small banks and lenders that provide loans to underserved communities.
- \$75 billion will go directly to hospitals.
- \$25 billion will go toward COVID-19 testing, allocated to various federal, state, and local entities.
- \$60 billion will go to small-business loans and grants through existing disaster-relief programs.
 - \$50 billion of this will go to the Disaster Loans Program Account
 - \$10 billion of this will go to Emergency Economic Injury Disaster (EIDL) Grants
- An additional \$2.1 billion in funding will go to cover salaries and expenses for the Small Business Administration through September 30, 2021.

Notably, the aid package does not include operational funding for state and local governments, many of which are struggling to avoid laying off or furloughing their staff. It also does not include additional funding for food aid. President Trump has indicated that one or both things may be addressed with additional aid packages or programs, though no details have been offered at this time.

Of course, these numbers are only estimates, and each funding category is further broken down based on federal, state, local, and private needs.

Employer Next Steps

- It's best to keep an eye on this aid package as it advances to a vote in the House and proceeds to the president for final approval.
- If you have already submitted a loan application through the PPP, reach out to your lending institution for details on the status of your application.
- If you have not yet filed a loan application but wish to do so, please work with your lending institution for information, updated deadlines for filing, and other next steps.

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