

**H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)**

**TITLE I—KEEPING AMERICAN WORKERS PAID AND EMPLOYED ACT**

**§ 1101. DEFINITIONS.**

In this title—

- (1) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively; and
- (2) the term “small business concern” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 636).

**§ 1102. PAYCHECK PROTECTION PROGRAM.**

(a) In General.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), in the matter preceding clause (i), by striking “and (E)” and inserting “(E), and (F)”; and

(B) by adding at the end the following:

“(F) PARTICIPATION IN THE PAYCHECK PROTECTION PROGRAM.—In an agreement to participate in a loan on a deferred basis under paragraph (36), the participation by the Administration shall be 100 percent.”; and

(2) by adding at the end the following:

“(36) PAYCHECK PROTECTION PROGRAM.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the terms ‘appropriate Federal banking agency’ and ‘insured depository institution’ have the meanings given those terms in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

“(ii) the term ‘covered loan’ means a loan made under this paragraph during the covered period;

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- “(iii) the term ‘covered period’ means the period beginning on February 15, 2020 and ending on June 30, 2020;
- “(iv) the term ‘eligible recipient’ means an individual or entity that is eligible to receive a covered loan;
- “(v) the term ‘eligible self-employed individual’ has the meaning given the term in section 7002(b) of the Families First Coronavirus Response Act (Public Law 116–127);
- “(vi) the term ‘insured credit union’ has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);
- “(vii) the term ‘nonprofit organization’ means an organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 and that is exempt from taxation under section 501(a) of such Code;
- “(viii) the term ‘payroll costs’—
  - “(I) means—
    - “(aa) the sum of payments of any compensation with respect to employees that is a—
      - “(AA) salary, wage, commission, or similar compensation;
      - “(BB) payment of cash tip or equivalent;
      - “(CC) payment for vacation, parental, family, medical, or sick leave;
      - “(DD) allowance for dismissal or separation;
      - “(EE) payment required for the provisions of group health care benefits, including insurance premiums;
      - “(FF) payment of any retirement benefit; or
      - “(GG) payment of State or local tax assessed on the compensation of employees; and

“(bb) the sum of payments of any compensation to or income of a sole proprietor or independent contractor that is a wage, commission, income, net earnings from self-employment, or similar compensation and that is in an amount that is not more than \$100,000 in 1 year, as prorated for the covered period; and

“(II) shall not include—

“(aa) the compensation of an individual employee in excess of an annual salary of \$100,000, as prorated for the covered period;

“(bb) taxes imposed or withheld under chapters 21, 22, or 24 of the Internal Revenue Code of 1986 during the covered period;

“(cc) any compensation of an employee whose principal place of residence is outside of the United States;

“(dd) qualified sick leave wages for which a credit is allowed under section 7001 of the Families First Coronavirus Response Act (Public Law 116–127); or

“(ee) qualified family leave wages for which a credit is allowed under section 7003 of the Families First Coronavirus Response Act (Public Law 116–127); and

“(ix) the term ‘veterans organization’ means an organization that is described in section 501(c)(19) of the Internal Revenue Code that is exempt from taxation under section 501(a) of such Code.

“(B) PAYCHECK PROTECTION LOANS.—Except as otherwise provided in this paragraph, the Administrator may guarantee covered loans under the same terms, conditions, and processes as a loan made under this subsection.

“(C) REGISTRATION OF LOANS.—Not later than 15 days after the date on which a loan is made under this paragraph, the Administration shall register the loan using the TIN (as defined in section 7701 of the Internal Revenue Code of 1986) assigned to the borrower.

“(D) INCREASED ELIGIBILITY FOR CERTAIN SMALL BUSINESSES AND ORGANIZATIONS.—

“(i) IN GENERAL.—During the covered period, in addition to small business concerns, any business concern, nonprofit organization, veterans organization, or Tribal business concern described in section 31(b)(2)(C) shall be eligible to receive a covered loan if the business concern, nonprofit organization, veterans organization, or Tribal business concern employs not more than the greater of—

“(I) 500 employees; or

“(II) if applicable, the size standard in number of employees established by the Administration for the industry in which the business concern, nonprofit organization, veterans organization, or Tribal business concern operates.

“(ii) INCLUSION OF SOLE PROPRIETORS, INDEPENDENT CONTRACTORS, AND ELIGIBLE SELF-EMPLOYED INDIVIDUALS.—

“(I) IN GENERAL.—During the covered period, individuals who operate under a sole proprietorship or as an independent contractor and eligible self-employed individuals shall be eligible to receive a covered loan.

“(II) DOCUMENTATION.—An eligible self-employed individual, independent contractor, or sole proprietorship seeking a covered loan shall submit such documentation as is necessary to establish such individual as eligible, including payroll tax filings reported to the Internal Revenue Service, Forms 1099–MISC, and income and expenses from the sole proprietorship, as determined by the Administrator and the Secretary.

“(iii) BUSINESS CONCERNS WITH MORE THAN 1 PHYSICAL LOCATION.—During the covered period, any business concern that employs not more than 500 employees per physical location of the business concern and that is assigned a North American Industry

Classification System code beginning with 72 at the time of disbursement shall be eligible to receive a covered loan.

“(iv) **WAIVER OF AFFILIATION RULES.**—During the covered period, the provisions applicable to affiliations under section 121.103 of title 13, Code of Federal Regulations, or any successor regulation, are waived with respect to eligibility for a covered loan for—

“(I) any business concern with not more than 500 employees that, as of the date on which the covered loan is disbursed, is assigned a North American Industry Classification System code beginning with 72;

“(II) any business concern operating as a franchise that is assigned a franchise identifier code by the Administration; and

“(III) any business concern that receives financial assistance from a company licensed under section 301 of the Small Business Investment Act of 1958 (15 U.S.C. 681).

“(v) **EMPLOYEE.**—For purposes of determining whether a business concern, nonprofit organization, veterans organization, or Tribal business concern described in section 31(b)(2)(C) employs not more than 500 employees under clause (i)(I), the term ‘employee’ includes individuals employed on a full-time, part-time, or other basis.

“(vi) **AFFILIATION.**—The provisions applicable to affiliations under section 121.103 of title 13, Code of Federal Regulations, or any successor thereto, shall apply with respect to a nonprofit organization and a veterans organization in the same manner as with respect to a small business concern.

“(E) **MAXIMUM LOAN AMOUNT.**—During the covered period, with respect to a covered loan, the maximum loan amount shall be the lesser of—

“(i) (I) the sum of—

“(aa) the product obtained by multiplying—

“(AA) the average total monthly payments by the applicant for payroll costs incurred during the 1-year period before the date on which the loan is made, except that, in the case of an applicant that is seasonal employer, as determined by the Administrator, the average total monthly payments for payroll shall be for the 12-week period beginning February 15, 2019, or at the election of the eligible recipient, March 1, 2019, and ending June 30, 2019; by

“(BB) 2.5; and

“(bb) the outstanding amount of a loan under subsection (b)(2) that was made during the period beginning on January 31, 2020 and ending on the date on which covered loans are made available to be refinanced under the covered loan; or

“(II) if requested by an otherwise eligible recipient that was not in business during the period beginning on February 15, 2019 and ending on June 30, 2019, the sum of—

“(aa) the product obtained by multiplying—

“(AA) the average total monthly payments by the applicant for payroll costs incurred during the period beginning on January 1, 2020 and ending on February 29, 2020; by

“(BB) 2.5; and

“(bb) the outstanding amount of a loan under subsection (b)(2) that was made during the period beginning on January 31, 2020 and ending on the date on which covered loans are made available to be refinanced under the covered loan; or

“(ii) \$10,000,000.

“(F) ALLOWABLE USES OF COVERED LOANS.—

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- “(i) IN GENERAL.—During the covered period, an eligible recipient may, in addition to the allowable uses of a loan made under this subsection, use the proceeds of the covered loan for—
  - “(I) payroll costs;
  - “(II) costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, and insurance premiums;
  - “(III) employee salaries, commissions, or similar compensations;
  - “(IV) payments of interest on any mortgage obligation (which shall not include any prepayment of or payment of principal on a mortgage obligation);
  - “(V) rent (including rent under a lease agreement);
  - “(VI) utilities; and
  - “(VII) interest on any other debt obligations that were incurred before the covered period.
- “(ii) DELEGATED AUTHORITY.—
  - “(I) IN GENERAL.—For purposes of making covered loans for the purposes described in clause (i), a lender approved to make loans under this subsection shall be deemed to have been delegated authority by the Administrator to make and approve covered loans, subject to the provisions of this paragraph.
  - “(II) CONSIDERATIONS.—In evaluating the eligibility of a borrower for a covered loan with the terms described in this paragraph, a lender shall consider whether the borrower—
    - “(aa) was in operation on February 15, 2020; and
    - “(bb)(AA) had employees for whom the borrower paid salaries and payroll taxes; or

“(BB) paid independent contractors, as reported on a Form 1099–MISC.

“(iii) ADDITIONAL LENDERS.—The authority to make loans under this paragraph shall be extended to additional lenders determined by the Administrator and the Secretary of the Treasury to have the necessary qualifications to process, close, disburse and service loans made with the guarantee of the Administration.

“(iv) REFINANCE.—A loan made under subsection (b)(2) during the period beginning on January 31, 2020 and ending on the date on which covered loans are made available may be refinanced as part of a covered loan.

“(v) NONRECOURSE.—Notwithstanding the waiver of the personal guarantee requirement or collateral under subparagraph (J), the Administrator shall have no recourse against any individual shareholder, member, or partner of an eligible recipient of a covered loan for nonpayment of any covered loan, except to the extent that such shareholder, member, or partner uses the covered loan proceeds for a purpose not authorized under clause (i).

“(G) BORROWER REQUIREMENTS.—

“(i) CERTIFICATION.—An eligible recipient applying for a covered loan shall make a good faith certification—

“(I) that the uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient;

“(II) acknowledging that funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments;

“(III) that the eligible recipient does not have an application pending for a loan under this subsection for the same purpose and duplicative of amounts applied for or received under a covered loan; and



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“(IV) during the period beginning on February 15, 2020 and ending on December 31, 2020, that the eligible recipient has not received amounts under this subsection for the same purpose and duplicative of amounts applied for or received under a covered loan.

“(H) FEE WAIVER.—During the covered period, with respect to a covered loan—

“(i) in lieu of the fee otherwise applicable under paragraph (23)(A), the Administrator shall collect no fee; and

“(ii) in lieu of the fee otherwise applicable under paragraph (18)(A), the Administrator shall collect no fee.

“(I) CREDIT ELSEWHERE.—During the covered period, the requirement that a small business concern is unable to obtain credit elsewhere, as defined in section 3(h), shall not apply to a covered loan.

“(J) WAIVER OF PERSONAL GUARANTEE REQUIREMENT.—During the covered period, with respect to a covered loan—

“(i) no personal guarantee shall be required for the covered loan; and

“(ii) no collateral shall be required for the covered loan.

“(K) MATURITY FOR LOANS WITH REMAINING BALANCE AFTER APPLICATION OF FORGIVENESS.—With respect to a covered loan that has a remaining balance after reduction based on the loan forgiveness amount under section 1106 of the CARES Act—

“(i) the remaining balance shall continue to be guaranteed by the Administration under this subsection; and

“(ii) the covered loan shall have a maximum maturity of 10 years from the date on which the borrower applies for loan forgiveness under that section.

“(L) INTEREST RATE REQUIREMENTS.—A covered loan shall bear an interest rate not to exceed 4 percent.

“(M) LOAN DEFERMENT.—

“(i) DEFINITION OF IMPACTED BORROWER.—

“(I) IN GENERAL.—In this subparagraph, the term ‘impacted borrower’ means an eligible recipient that—

“(aa) is in operation on February 15, 2020; and

“(bb) has an application for a covered loan that is approved or pending approval on or after the date of enactment of this paragraph.

“(II) PRESUMPTION.—For purposes of this subparagraph, an impacted borrower is presumed to have been adversely impacted by COVID–19.

“(ii) DEFERRAL.—During the covered period, the Administrator shall—

“(I) consider each eligible recipient that applies for a covered loan to be an impacted borrower; and

“(II) require lenders under this subsection to provide complete payment deferment relief for impacted borrowers with covered loans for a period of not less than 6 months, including payment of principal, interest, and fees, and not more than 1 year.

“(iii) SECONDARY MARKET.—During the covered period, with respect to a covered loan that is sold on the secondary market, if an investor declines to approve a deferral requested by a lender under clause (ii), the Administrator shall exercise the authority to purchase the loan so that the impacted borrower may receive a deferral for a period of not less than 6 months, including payment of principal, interest, and fees, and not more than 1 year.

“(iv) GUIDANCE.—Not later than 30 days after the date of enactment of this paragraph, the Administrator shall provide guidance to lenders under this paragraph on the deferment process described in this subparagraph.

“(N) SECONDARY MARKET SALES.—A covered loan shall be eligible to be sold in the secondary market consistent with this subsection. The

Administrator may not collect any fee for any guarantee sold into the secondary market under this subparagraph.

“(O) REGULATORY CAPITAL REQUIREMENTS.—

“(i) RISK WEIGHT.—With respect to the appropriate Federal banking agencies or the National Credit Union Administration Board applying capital requirements under their respective risk-based capital requirements, a covered loan shall receive a risk weight of zero percent.

“(ii) TEMPORARY RELIEF FROM TDR DISCLOSURES.—

Notwithstanding any other provision of law, an insured depository institution or an insured credit union that modifies a covered loan in relation to COVID–19-related difficulties in a troubled debt restructuring on or after March 13, 2020, shall not be required to comply with the Financial Accounting Standards Board Accounting Standards Codification Subtopic 310–40 (‘Receivables – Troubled Debt Restructurings by Creditors’) for purposes of compliance with the requirements of the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), until such time and under such circumstances as the appropriate Federal banking agency or the National Credit Union Administration Board, as applicable, determines appropriate.

“(P) REIMBURSEMENT FOR PROCESSING.—

“(i) IN GENERAL.—The Administrator shall reimburse a lender authorized to make a covered loan at a rate, based on the balance of the financing outstanding at the time of disbursement of the covered loan, of—

“(I) 5 percent for loans of not more than \$350,000;

“(II) 3 percent for loans of more than \$350,000 and less than \$2,000,000; and

“(III) 1 percent for loans of not less than \$2,000,000.

“(ii) FEE LIMITS.—An agent that assists an eligible recipient to prepare an application for a covered loan may not collect a fee in excess of the limits established by the Administrator.

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“(iii) **TIMING.**—A reimbursement described in clause (i) shall be made not later than 5 days after the disbursement of the covered loan.

“(iv) **SENSE OF THE SENATE.**—It is the sense of the Senate that the Administrator should issue guidance to lenders and agents to ensure that the processing and disbursement of covered loans prioritizes small business concerns and entities in underserved and rural markets, including veterans and members of the military community, small business concerns owned and controlled by socially and economically disadvantaged individuals (as defined in section 8(d)(3)(C)), women, and businesses in operation for less than 2 years.

“(Q) **DUPLICATION.**—Nothing in this paragraph shall prohibit a recipient of an economic injury disaster loan made under subsection (b)(2) during the period beginning on January 31, 2020 and ending on the date on which covered loans are made available that is for a purpose other than paying payroll costs and other obligations described in subparagraph (F) from receiving assistance under this paragraph.

“(R) **WAIVER OF PREPAYMENT PENALTY.**—Notwithstanding any other provision of law, there shall be no prepayment penalty for any payment made on a covered loan.”.

- (b) **Commitments For 7(A) Loans.**—During the period beginning on February 15, 2020 and ending on June 30, 2020—
- (1) the amount authorized for commitments for general business loans authorized under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), including loans made under paragraph (36) of such section, as added by subsection (a), shall be \$349,000,000,000; and
  - (2) the amount authorized for commitments for such loans under the heading “BUSINESS LOANS PROGRAM ACCOUNT” under the heading “Small Business Administration” under title V of the Consolidated Appropriations Act, 2020 (Public Law 116–93; 133 Stat. 2475) shall not apply.
- (c) **Express Loans.**—
- (1) **IN GENERAL.**—Section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking “\$350,000” and inserting “\$1,000,000”.

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- (2) PROSPECTIVE REPEAL.—Effective on January 1, 2021, section 7(a)(31)(D) of the Small Business Act (15 U.S.C. 636(a)(31)(D)) is amended by striking “\$1,000,000” and inserting “\$350,000”.
- (d) Exception To Guarantee Fee Waiver For Veterans.—Section 7(a)(31)(G) of the Small Business Act (15 U.S.C. 636(a)(31)(G)) is amended—
  - (1) by striking clause (ii); and
  - (2) by redesignating clause (iii) as clause (ii).
- (e) Interim Rule.—On and after the date of enactment of this Act, the interim final rule published by the Administrator entitled “Express Loan Programs: Affiliation Standards” (85 Fed. Reg. 7622 (February 10, 2020)) is permanently rescinded and shall have no force or effect.

### § 1103. ENTREPRENEURIAL DEVELOPMENT.

- (a) Definitions.—In this section—
  - (1) the term “covered small business concern” means a small business concern that has experienced, as a result of COVID–19—
    - (A) supply chain disruptions, including changes in—
      - (i) quantity and lead time, including the number of shipments of components and delays in shipments;
      - (ii) quality, including shortages in supply for quality control reasons; and
      - (iii) technology, including a compromised payment network;
    - (B) staffing challenges;
    - (C) a decrease in gross receipts or customers; or
    - (D) a closure;
  - (2) the term “resource partner” means—

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- (A) a small business development center; and
  - (B) a women's business center;
  - (3) the term “small business development center” has the meaning given the term in section 3 of the Small Business Act (15 U.S.C. 632); and
  - (4) the term “women's business center” means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).
- (b) Education, Training, And Advising Grants.—
- (1) **IN GENERAL.**—The Administration may provide financial assistance in the form of grants to resource partners to provide education, training, and advising to covered small business concerns.
  - (2) **USE OF FUNDS.**—Grants under this subsection shall be used for the education, training, and advising of covered small business concerns and their employees on—
    - (A) accessing and applying for resources provided by the Administration and other Federal resources relating to access to capital and business resiliency;
    - (B) the hazards and prevention of the transmission and communication of COVID–19 and other communicable diseases;
    - (C) the potential effects of COVID–19 on the supply chains, distribution, and sale of products of covered small business concerns and the mitigation of those effects;
    - (D) the management and practice of telework to reduce possible transmission of COVID–19;
    - (E) the management and practice of remote customer service by electronic or other means;
    - (F) the risks of and mitigation of cyber threats in remote customer service or telework practices;
    - (G) the mitigation of the effects of reduced travel or outside activities on covered small business concerns during COVID–19 or similar occurrences; and

- (H) any other relevant business practices necessary to mitigate the economic effects of COVID–19 or similar occurrences.
- (3) GRANT DETERMINATION.—
- (A) SMALL BUSINESS DEVELOPMENT CENTERS.—The Administration shall award 80 percent of funds authorized to carry out this subsection to small business development centers, which shall be awarded pursuant to a formula jointly developed, negotiated, and agreed upon, with full participation of both parties, between the association formed under section 21(a)(3)(A) of the Small Business Act (15 U.S.C. 648(a)(3)(A)) and the Administration.
  - (B) WOMEN'S BUSINESS CENTERS.—The Administration shall award 20 percent of funds authorized to carry out this subsection to women's business centers, which shall be awarded pursuant to a process established by the Administration in consultation with recipients of assistance.
  - (C) NO MATCHING FUNDS REQUIRED.—Matching funds shall not be required for any grant under this subsection.
- (4) GOALS AND METRICS.—
- (A) IN GENERAL.—Goals and metrics for the funds made available under this subsection shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, between the resource partners and the Administrator, which shall—
    - (i) take into consideration the extent of the circumstances relating to the spread of COVID–19, or similar occurrences, that affect covered small business concerns located in the areas covered by the resource partner, particularly in rural areas or economically distressed areas;
    - (ii) generally follow the use of funds outlined in paragraph (2), but shall not restrict the activities of resource partners in responding to unique situations; and
    - (iii) encourage resource partners to develop and provide services to covered small business concerns.

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- (B) PUBLIC AVAILABILITY.—The Administrator shall make publicly available the methodology by which the Administrator and resource partners jointly develop the metrics and goals described in subparagraph (A).
- (c) Resource Partner Association Grants.—
  - (1) IN GENERAL.—The Administrator may provide grants to an association or associations representing resource partners under which the association or associations shall establish a single centralized hub for COVID–19 information, which shall include—
    - (A) 1 online platform that consolidates resources and information available across multiple Federal agencies for small business concerns related to COVID–19; and
    - (B) a training program to educate resource partner counselors, members of the Service Corps of Retired Executives established under section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)), and counselors at veterans business outreach centers described in section 32 of the Small Business Act (15 U.S.C. 657b) on the resources and information described in subparagraph (A).
  - (2) GOALS AND METRICS.—Goals and metrics for the funds made available under this subsection shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, between the association or associations receiving a grant under this subsection and the Administrator.
- (d) Report.—Not later than 6 months after the date of enactment of this Act, and annually thereafter, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that describes—
  - (1) with respect to the initial year covered by the report—
    - (A) the programs and services developed and provided by the Administration and resource partners under subsection (b);
    - (B) the initial efforts to provide those services under subsection (b); and



- (C) the online platform and training developed and provided by the Administration and the association or associations under subsection (c); and
- (2) with respect to the subsequent years covered by the report—
  - (A) with respect to the grant program under subsection (b)—
    - (i) the efforts of the Administrator and resource partners to develop services to assist covered small business concerns;
    - (ii) the challenges faced by owners of covered small business concerns in accessing services provided by the Administration and resource partners;
    - (iii) the number of unique covered small business concerns that were served by the Administration and resource partners; and
    - (iv) other relevant outcome performance data with respect to covered small business concerns, including the number of employees affected, the effect on sales, the disruptions of supply chains, and the efforts made by the Administration and resource partners to mitigate these effects; and
  - (B) with respect to the grant program under subsection (c)—
    - (i) the efforts of the Administrator and the association or associations to develop and evolve an online resource for small business concerns; and
    - (ii) the efforts of the Administrator and the association or associations to develop a training program for resource partner counselors, including the number of counselors trained.

**§ 1104. STATE TRADE EXPANSION PROGRAM.**

- (a) In General.—Notwithstanding paragraph (3)(C)(iii) of section 22(l) of the Small Business Act (15 U.S.C. 649(l)), for grants under the State Trade Expansion Program under such section 22(l) using amounts made available for fiscal year 2018 or fiscal year 2019, the period of the grant shall continue through the end of fiscal year 2021.
- (b) Reimbursement.—The Administrator shall reimburse any recipient of assistance under section 22(l) of the Small Business Act (15 U.S.C. 649(l)) for financial losses relating to a foreign trade mission or a trade show exhibition that was cancelled solely due to a

public health emergency declared due to COVID–19 if the reimbursement does not exceed a recipient's grant funding.

**§ 1105. WAIVER OF MATCHING FUNDS REQUIREMENT UNDER THE WOMEN’S BUSINESS CENTER PROGRAM.**

During the 3-month period beginning on the date of enactment of this Act, the requirement relating to obtaining cash contributions from non-Federal sources under section 29(c)(1) of the Small Business Act (15 U.S.C. 656(c)(1)) is waived for any recipient of assistance under such section 29.

**§ 1106. LOAN FORGIVENESS.**

(a) Definitions.—In this section—

- (1) the term “covered loan” means a loan guaranteed under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102;
- (2) the term “covered mortgage obligation” means any indebtedness or debt instrument incurred in the ordinary course of business that—
  - (A) is a liability of the borrower;
  - (B) is a mortgage on real or personal property; and
  - (C) was incurred before February 15, 2020;
- (3) the term “covered period” means the 8-week period beginning on the date of the origination of a covered loan;
- (4) the term “covered rent obligation” means rent obligated under a leasing agreement in force before February 15, 2020;
- (5) the term “covered utility payment” means payment for a service for the distribution of electricity, gas, water, transportation, telephone, or internet access for which service began before February 15, 2020;
- (6) the term “eligible recipient” means the recipient of a covered loan;

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- (7) the term “expected forgiveness amount” means the amount of principal that a lender reasonably expects a borrower to expend during the covered period on the sum of any—
    - (A) payroll costs;
    - (B) payments of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation);
    - (C) payments on any covered rent obligation; and
    - (D) covered utility payments; and
  - (8) the term “payroll costs” has the meaning given that term in paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act.
- (b) Forgiveness.—An eligible recipient shall be eligible for forgiveness of indebtedness on a covered loan in an amount equal to the sum of the following costs incurred and payments made during the covered period:
- (1) Payroll costs.
  - (2) Any payment of interest on any covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation).
  - (3) Any payment on any covered rent obligation.
  - (4) Any covered utility payment.
- (c) Treatment Of Amounts Forgiven.—
- (1) **IN GENERAL.**—Amounts which have been forgiven under this section shall be considered canceled indebtedness by a lender authorized under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).
  - (2) **PURCHASE OF GUARANTEES.**—For purposes of the purchase of the guarantee for a covered loan by the Administrator, amounts which are forgiven under this section shall be treated in accordance with the procedures that are otherwise

applicable to a loan guaranteed under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

- (3) REMITTANCE.—Not later than 90 days after the date on which the amount of forgiveness under this section is determined, the Administrator shall remit to the lender an amount equal to the amount of forgiveness, plus any interest accrued through the date of payment.
- (4) ADVANCE PURCHASE OF COVERED LOAN.—
  - (A) REPORT.—A lender authorized under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), or, at the discretion of the Administrator, a third party participant in the secondary market, may, report to the Administrator an expected forgiveness amount on a covered loan or on a pool of covered loans of up to 100 percent of the principal on the covered loan or pool of covered loans, respectively.
  - (B) PURCHASE.—The Administrator shall purchase the expected forgiveness amount described in subparagraph (A) as if the amount were the principal amount of a loan guaranteed under section 7(a) of the Small Business Act 636(a).
  - (C) TIMING.—Not later than 15 days after the date on which the Administrator receives a report under subparagraph (A), the Administrator shall purchase the expected forgiveness amount under subparagraph (B) with respect to each covered loan to which the report relates.
- (d) Limits On Amount Of Forgiveness.—
  - (1) AMOUNT MAY NOT EXCEED PRINCIPAL.—The amount of loan forgiveness under this section shall not exceed the principal amount of the financing made available under the applicable covered loan.
  - (2) REDUCTION BASED ON REDUCTION IN NUMBER OF EMPLOYEES.—
    - (A) IN GENERAL.—The amount of loan forgiveness under this section shall be reduced, but not increased, by multiplying the amount described in subsection (b) by the quotient obtained by dividing—

- (i) the average number of full-time equivalent employees per month employed by the eligible recipient during the covered period; by
  - (ii) (I) at the election of the borrower—
    - (aa) the average number of full-time equivalent employees per month employed by the eligible recipient during the period beginning on February 15, 2019 and ending on June 30, 2019; or
    - (bb) the average number of full-time equivalent employees per month employed by the eligible recipient during the period beginning on January 1, 2020 and ending on February 29, 2020; or
  - (II) in the case of an eligible recipient that is seasonal employer, as determined by the Administrator, the average number of full-time equivalent employees per month employed by the eligible recipient during the period beginning on February 15, 2019 and ending on June 30, 2019.
- (B) **CALCULATION OF AVERAGE NUMBER OF EMPLOYEES.**—For purposes of subparagraph (A), the average number of full-time equivalent employees shall be determined by calculating the average number of full-time equivalent employees for each pay period falling within a month.
- (3) **REDUCTION RELATING TO SALARY AND WAGES.**—
- (A) **IN GENERAL.**—The amount of loan forgiveness under this section shall be reduced by the amount of any reduction in total salary or wages of any employee described in subparagraph (B) during the covered period that is in excess of 25 percent of the total salary or wages of the employee during the most recent full quarter during which the employee was employed before the covered period.
  - (B) **EMPLOYEES DESCRIBED.**—An employee described in this subparagraph is any employee who did not receive, during any single pay period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.

- (4) **TIPPED WORKERS.**—An eligible recipient with tipped employees described in section 3(m)(2)(A) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(2)(A)) may receive forgiveness for additional wages paid to those employees.
- (5) **EXEMPTION FOR RE-HIRES.**—
- (A) **IN GENERAL.**—In a circumstance described in subparagraph (B), the amount of loan forgiveness under this section shall be determined without regard to a reduction in the number of full-time equivalent employees of an eligible recipient or a reduction in the salary of 1 or more employees of the eligible recipient, as applicable, during the period beginning on February 15, 2020 and ending on the date that is 30 days after the date of enactment of this Act.
- (B) **CIRCUMSTANCES.**—A circumstance described in this subparagraph is a circumstance—
- (i) in which—
- (I) during the period beginning on February 15, 2020 and ending on the date that is 30 days after the date of enactment of this Act, there is a reduction, as compared to February 15, 2020, in the number of full-time equivalent employees of an eligible recipient; and
- (II) not later than June 30, 2020, the eligible employer has eliminated the reduction in the number of full-time equivalent employees;
- (ii) in which—
- (I) during the period beginning on February 15, 2020 and ending on the date that is 30 days after the date of enactment of this Act, there is a reduction, as compared to February 15, 2020, in the salary or wages of 1 or more employees of the eligible recipient; and
- (II) not later than June 30, 2020, the eligible employer has eliminated the reduction in the salary or wages of such employees; or

(iii) in which the events described in clause (i) and (ii) occur.

(6) EXEMPTIONS.—The Administrator and the Secretary of the Treasury may prescribe regulations granting de minimis exemptions from the requirements under this subsection.

(e) Application.—An eligible recipient seeking loan forgiveness under this section shall submit to the lender that is servicing the covered loan an application, which shall include—

(1) documentation verifying the number of full-time equivalent employees on payroll and pay rates for the periods described in subsection (d), including—

(A) payroll tax filings reported to the Internal Revenue Service; and

(B) State income, payroll, and unemployment insurance filings;

(2) documentation, including cancelled checks, payment receipts, transcripts of accounts, or other documents verifying payments on covered mortgage obligations, payments on covered lease obligations, and covered utility payments;

(3) a certification from a representative of the eligible recipient authorized to make such certifications that—

(A) the documentation presented is true and correct; and

(B) the amount for which forgiveness is requested was used to retain employees, make interest payments on a covered mortgage obligation, make payments on a covered rent obligation, or make covered utility payments; and

(4) any other documentation the Administrator determines necessary.

(f) Prohibition On Forgiveness Without Documentation.—No eligible recipient shall receive forgiveness under this section without submitting to the lender that is servicing the covered loan the documentation required under subsection (e).

(g) Decision.—Not later than 60 days after the date on which a lender receives an application for loan forgiveness under this section from an eligible recipient, the lender shall issue a decision on the an application.

- (h) **Hold Harmless.**—If a lender has received the documentation required under this section from an eligible recipient attesting that the eligible recipient has accurately verified the payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments during covered period—
  - (1) an enforcement action may not be taken against the lender under section 47(e) of the Small Business Act (15 U.S.C. 657t(e)) relating to loan forgiveness for the payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments, as the case may be; and
  - (2) the lender shall not be subject to any penalties by the Administrator relating to loan forgiveness for the payments for payroll costs, payments on covered mortgage obligations, payments on covered lease obligations, or covered utility payments, as the case may be.
- (i) **Taxability.**—For purposes of the Internal Revenue Code of 1986, any amount which (but for this subsection) would be includible in gross income of the eligible recipient by reason of forgiveness described in subsection (b) shall be excluded from gross income.
- (j) **Rule Of Construction.**—The cancellation of indebtedness on a covered loan under this section shall not otherwise modify the terms and conditions of the covered loan.
- (k) **Regulations.**—Not later than 30 days after the date of enactment of this Act, the Administrator shall issue guidance and regulations implementing this section.

**§ 1107. DIRECT APPROPRIATIONS.**

- (a) **In General.**—There is appropriated, out of amounts in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2020, to remain available until September 30, 2021, for additional amounts—
  - (1) \$349,000,000,000 under the heading “Small Business Administration—Business Loans Program Account, CARES Act” for the cost of guaranteed loans as authorized under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102(a) of this Act;
  - (2) \$675,000,000 under the heading “Small Business Administration—Salaries and Expenses” for salaries and expenses of the Administration;



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- (3) \$25,000,000 under the heading “Small Business Administration—Office of Inspector General”, to remain available until September 30, 2024, for necessary expenses of the Office of Inspector General of the Administration in carrying out the provisions of the Inspector General Act of 1978 (5 U.S.C. App.);
  - (4) \$265,000,000 under the heading “Small Business Administration—Entrepreneurial Development Programs”, of which—
    - (A) \$240,000,000 shall be for carrying out section 1103(b) of this Act; and
    - (B) \$25,000,000 shall be for carrying out section 1103(c) of this Act;
  - (5) \$10,000,000 under the heading “Department of Commerce—Minority Business Development Agency” for minority business centers of the Minority Business Development Agency to provide technical assistance to small business concerns;
  - (6) \$10,000,000,000 under the heading “Small Business Administration—Emergency EIDL Grants” shall be for carrying out section 1110 of this Act;
  - (7) \$17,000,000,000 under the heading “Small Business Administration—Business Loans Program Account, CARES Act” shall be for carrying out section 1112 of this Act; and
  - (8) \$25,000,000 under the heading “Department of the Treasury—Departmental Offices—Salaries and Expenses” shall be for carrying out section 1109 of this Act.
- (b) **Secondary Market.**—During the period beginning on the date of enactment of this Act and ending on September 30, 2021, guarantees of trust certificates authorized by section 5(g) of the Small Business Act (15 U.S.C. 635(g)) shall not exceed a principal amount of \$100,000,000,000.
- (c) **Reports.**—Not later than 180 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a detailed expenditure plan for using the amounts appropriated to the Administration under subsection (a).

**§ 1108. MINORITY BUSINESS DEVELOPMENT AGENCY.**

- (a) **Definitions.**—In this section—

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- (1) the term “Agency” means the Minority Business Development Agency of the Department of Commerce;
  - (2) the term “minority business center” means a Business Center of the Agency;
  - (3) the term “minority business enterprise” means a for-profit business enterprise—
    - (A) not less than 51 percent of which is owned by 1 or more socially disadvantaged individuals, as determined by the Agency; and
    - (B) the management and daily business operations of which are controlled by 1 or more socially disadvantaged individuals, as determined by the Agency; and
  - (4) the term “minority chamber of commerce” means a chamber of commerce developed specifically to support minority business enterprises.
- (b) Education, Training, And Advising Grants.—
- (1) IN GENERAL.—The Agency may provide financial assistance in the form of grants to minority business centers and minority chambers of commerce to provide education, training, and advising to minority business enterprises.
  - (2) USE OF FUNDS.—Grants under this section shall be used for the education, training, and advising of minority business enterprises and their employees on—
    - (A) accessing and applying for resources provided by the Agency and other Federal resources relating to access to capital and business resiliency;
    - (B) the hazards and prevention of the transmission and communication of COVID–19 and other communicable diseases;
    - (C) the potential effects of COVID–19 on the supply chains, distribution, and sale of products of minority business enterprises and the mitigation of those effects;
    - (D) the management and practice of telework to reduce possible transmission of COVID–19;
    - (E) the management and practice of remote customer service by electronic or other means;

- (F) the risks of and mitigation of cyber threats in remote customer service or telework practices;
  - (G) the mitigation of the effects of reduced travel or outside activities on minority business enterprises during COVID–19 or similar occurrences; and
  - (H) any other relevant business practices necessary to mitigate the economic effects of COVID–19 or similar occurrences.
- (3) **NO MATCHING FUNDS REQUIRED.**—Matching funds shall not be required for any grant under this section.
- (4) **GOALS AND METRICS.**—
- (A) **IN GENERAL.**—Goals and metrics for the funds made available under this section shall be jointly developed, negotiated, and agreed upon, with full participation of both parties, between the minority business centers, minority chambers of commerce, and the Agency, which shall—
    - (i) take into consideration the extent of the circumstances relating to the spread of COVID–19, or similar occurrences, that affect minority business enterprises located in the areas covered by minority business centers and minority chambers of commerce, particularly in rural areas or economically distressed areas;
    - (ii) generally follow the use of funds outlined in paragraph (2), but shall not restrict the activities of minority business centers and minority chambers of commerce in responding to unique situations; and
    - (iii) encourage minority business centers and minority chambers of commerce to develop and provide services to minority business enterprises.
  - (B) **PUBLIC AVAILABILITY.**—The Agency shall make publicly available the methodology by which the Agency, minority business centers, and minority chambers of commerce jointly develop the metrics and goals described in subparagraph (A).
  - (c) **Waivers.**—

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- (1) **IN GENERAL.**—Notwithstanding any other provision of law or regulation, the Agency may, during the 3-month period that begins on the date of enactment of this Act, waive any matching requirement imposed on a minority business center or a specialty center of the Agency under a cooperative agreement between such a center and the Agency if the applicable center is unable to raise funds, or has suffered a loss of revenue, because of the effects of COVID–19.
- (2) **REMAINING COMPLIANT.**—Notwithstanding any provision of a cooperative agreement between the Agency and a minority business center, if, during the period beginning on the date of enactment of this Act and ending on September 30, 2021, such a center decides not to collect fees because of the economic consequences of COVID–19, the center shall be considered to be in compliance with that agreement if—
  - (A) the center notifies the Agency with respect to that decision, which the center may provide through electronic mail; and
  - (B) the Agency, not later than 15 days after the date on which the center provides notice to the Agency under subparagraph (A)—
    - (i) confirms receipt of the notification under subparagraph (A); and
    - (ii) accepts the decision of the center.
- (d) **Report.**—Not later than 6 months after the date of enactment of this Act, and annually thereafter, the Agency shall submit to the Committee on Small Business and Entrepreneurship and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Small Business and the Committee on Energy and Commerce of the House of Representatives a report that describes—
  - (1) with respect to the period covered by the initial report—
    - (A) the programs and services developed and provided by the Agency, minority business centers, and minority chambers of commerce under subsection (b); and
    - (B) the initial efforts to provide those services under subsection (b); and
  - (2) with respect to subsequent years covered by the report—
    - (A) with respect to the grant program under subsection (b)—

- (i) the efforts of the Agency, minority business centers, and minority chambers of commerce to develop services to assist minority business enterprises;
  - (ii) the challenges faced by owners of minority business enterprises in accessing services provided by the Agency, minority business centers, and minority chambers of commerce;
  - (iii) the number of unique minority business enterprises that were served by the Agency, minority business centers, or minority chambers of commerce; and
  - (iv) other relevant outcome performance data with respect to minority business enterprises, including the number of employees affected, the effect on sales, the disruptions of supply chains, and the efforts made by the Agency, minority business centers, and minority chambers of commerce to mitigate these effects .
- (e) Authorization Of Appropriations.—There is authorized to be appropriated \$10,000,000 to carry out this section, to remain available until expended.

**§ 1109. UNITED STATES TREASURY PROGRAM MANAGEMENT AUTHORITY.**

- (a) Definitions.—In this section—
- (1) the terms “appropriate Federal banking agency” and “insured depository institution” have the meanings given those terms in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);
  - (2) the term “insured credit union” has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752); and
  - (3) the term “Secretary” means the Secretary of the Treasury.
- (b) Authority To Include Additional Financial Institutions.—The Department of the Treasury, in consultation with the Administrator, and the Chairman of the Farm Credit Administration shall establish criteria for insured depository institutions, insured credit unions, institutions of the Farm Credit System chartered under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.), and other lenders that do not already participate in lending under programs of the Administration, to participate in the paycheck protection program

to provide loans under this section until the date on which the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19) expires.

- (c) **Safety And Soundness.**—An insured depository institution, insured credit union, institution of the Farm Credit System chartered under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.), or other lender may only participate in the program established under this section if participation does not affect the safety and soundness of the institution or lender, as determined by the Secretary in consultation with the appropriate Federal banking agencies or the National Credit Union Administration Board, as applicable.
- (d) **Regulations For Lenders And Loans.**—
  - (1) **IN GENERAL.**—The Secretary may issue regulations and guidance as necessary to carry out the purposes of this section, including to—
    - (A) allow additional lenders to originate loans under this section; and
    - (B) establish terms and conditions for loans under this section, including terms and conditions concerning compensation, underwriting standards, interest rates, and maturity.
  - (2) **REQUIREMENTS.**—The terms and conditions established under paragraph (1) shall provide for the following:
    - (A) A rate of interest that does not exceed the maximum permissible rate of interest available on a loan of comparable maturity under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act.
    - (B) Terms and conditions that, to the maximum extent practicable, are consistent with the terms and conditions required under the following provisions of paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102 of this Act:
      - (i) Subparagraph (D), pertaining to borrower eligibility.
      - (ii) Subparagraph (E), pertaining to the maximum loan amount.
      - (iii) Subparagraph (F)(i), pertaining to allowable uses of program loans.

- (iv) Subparagraph (H), pertaining to fee waivers.
  - (v) Subparagraph (M), pertaining to loan deferment.
- (C) A guarantee percentage that, to the maximum extent practicable, is consistent with the guarantee percentage required under subparagraph (F) of section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)), as added by section 1102 of this Act.
- (D) Loan forgiveness under terms and conditions that, to the maximum extent practicable, is consistent with the terms and conditions for loan forgiveness under section 1106 of this Act.
- (e) **Additional Regulations Generally.**—The Secretary may issue regulations and guidance as necessary to carry out the purposes of this section, including to allow additional lenders to originate loans under this title and to establish terms and conditions such as compensation, underwriting standards, interest rates, and maturity for under this section.
- (f) **Certification.**—As a condition of receiving a loan under this section, a borrower shall certify under terms acceptable to the Secretary that the borrower—
- (1) does not have an application pending for a loan under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) for the same purpose; and
  - (2) has not received such a loan during the period beginning on February 15, 2020 and ending on December 31, 2020.
- (g) **Opt-In For SBA Qualified Lenders.**—Lenders qualified to participate as a lender under 7(a) of the Small Business Act (15 U.S.C. 636(a)) may elect to participate in the paycheck protection program under the criteria, terms, and conditions established under this section. Such participation shall not preclude the lenders from continuing participation as a lender under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).
- (h) **Program Administration.**—With guidance from the Secretary, the Administrator shall administer the program established under this section, including the making and purchasing of guarantees on loans under the program, until the date on which the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19) expires.

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- (i) Criminal Penalties.—A loan under this section shall be deemed to be a loan under the Small Business Act (15 U.S.C. 631 et seq.) for purposes of section 16 of such Act (15 U.S.C. 645).

### § 1110. EMERGENCY EIDL GRANTS.

- (a) Definitions.—In this section—
  - (1) the term “covered period” means the period beginning on January 31, 2020 and ending on December 31, 2020; and
  - (2) the term “eligible entity” means—
    - (A) a business with not more than 500 employees;
    - (B) any individual who operates under a sole proprietorship, with or without employees, or as an independent contractor;
    - (C) a cooperative with not more than 500 employees;
    - (D) an ESOP (as defined in section 3 of the Small Business Act (15 U.S.C. 632)) with not more than 500 employees; or
    - (E) a tribal small business concern, as described in section 31(b)(2)(C) of the Small Business Act (15 U.S.C. 657a(b)(2)(C)), with not more than 500 employees.
- (b) Eligible Entities.—During the covered period, in addition to small business concerns, private nonprofit organizations, and small agricultural cooperatives, an eligible entity shall be eligible for a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).
- (c) Terms; Credit Elsewhere.—With respect to a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19 during the covered period, the Administrator shall waive—
  - (1) any rules related the personal guarantee on advances and loans of not more than \$200,000 during the covered period for all applicants;



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- (2) the requirement that an applicant needs to be in business for the 1-year period before the disaster, except that no waiver may be made for a business that was not in operation on January 31, 2020; and
  - (3) the requirement in the flush matter following subparagraph (E) of section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)), as so redesignated by subsection (f) of this section, that an applicant be unable to obtain credit elsewhere.
- (d) **Approval And Ability To Repay For Small Dollar Loans.**—With respect to a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19 during the covered period, the Administrator may—
- (1) approve an applicant based solely on the credit score of the applicant and shall not require an applicant to submit a tax return or a tax return transcript for such approval; or
  - (2) use alternative appropriate methods to determine an applicant’s ability to repay.
- (e) **Emergency Grant.**—
- (1) **IN GENERAL.**—During the covered period, an entity included for eligibility in subsection (b), including small business concerns, private nonprofit organizations, and small agricultural cooperatives, that applies for a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID–19 may request that the Administrator provide an advance that is, subject to paragraph (3), in the amount requested by such applicant to such applicant within 3 days after the Administrator receives an application from such applicant.
  - (2) **VERIFICATION.**—Before disbursing amounts under this subsection, the Administrator shall verify that the applicant is an eligible entity by accepting a self-certification from the applicant under penalty of perjury pursuant to section 1746 of title 28 United States Code.
  - (3) **AMOUNT.**—The amount of an advance provided under this subsection shall be not more than \$10,000.
  - (4) **USE OF FUNDS.**—An advance provided under this subsection may be used to address any allowable purpose for a loan made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)), including—

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- (A) providing paid sick leave to employees unable to work due to the direct effect of the COVID-19;
  - (B) maintaining payroll to retain employees during business disruptions or substantial slowdowns;
  - (C) meeting increased costs to obtain materials unavailable from the applicant's original source due to interrupted supply chains;
  - (D) making rent or mortgage payments; and
  - (E) repaying obligations that cannot be met due to revenue losses.
- (5) **REPAYMENT.**—An applicant shall not be required to repay any amounts of an advance provided under this subsection, even if subsequently denied a loan under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)).
- (6) **UNEMPLOYMENT GRANT.**—If an applicant that receives an advance under this subsection transfers into, or is approved for, the loan program under section 7(a) of the Small Business Act (15 U.S.C. 636(a)), the advance amount shall be reduced from the loan forgiveness amount for a loan for payroll costs made under such section 7(a).
- (7) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Administration \$10,000,000,000 to carry out this subsection.
- (8) **TERMINATION.**—The authority to carry out grants under this subsection shall terminate on December 31, 2020.
- (f) **Emergencies Involving Federal Primary Responsibility Qualifying For SBA Assistance.**—Section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) is amended—
- (1) in subparagraph (A), by striking “or” at the end;
  - (2) in subparagraph (B), by striking “or” at the end;
  - (3) in subparagraph (C), by striking “or” at the end;
  - (4) by redesignating subparagraph (D) as subparagraph (E);
  - (5) by inserting after subparagraph (C) the following:

“(D) an emergency involving Federal primary responsibility determined to exist by the President under the section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5191(b)); or”; and

- (6) in subparagraph (E), as so redesignated—
  - (A) by striking “or (C)” and inserting “(C), or (D)”;
  - (B) by striking “disaster declaration” each place it appears and inserting “disaster or emergency declaration”;
  - (C) by striking “disaster has occurred” and inserting “disaster or emergency has occurred”;
  - (D) by striking “such disaster” and inserting “such disaster or emergency”; and
  - (E) by striking “disaster stricken” and inserting “disaster- or emergency-stricken”; and
- (7) in the flush matter following subparagraph (E), as so redesignated, by striking the period at the end and inserting the following: “: Provided further, That for purposes of subparagraph (D), the Administrator shall deem that such an emergency affects each State or subdivision thereof (including counties), and that each State or subdivision has sufficient economic damage to small business concerns to qualify for assistance under this paragraph and the Administrator shall accept applications for such assistance immediately.”.

**§ 1111. RESOURCES AND SERVICES IN LANGUAGES OTHER THAN ENGLISH.**

- (a) In General.—The Administrator shall provide the resources and services made available by the Administration to small business concerns in the 10 most commonly spoken languages, other than English, in the United States, which shall include Mandarin, Cantonese, Japanese, and Korean.
- (b) Authorization Of Appropriations.—There is authorized to be appropriated to the Administrator \$25,000,000 to carry out this section.

**§ 1112. SUBSIDY FOR CERTAIN LOAN PAYMENTS.**

- (a) Definition Of Covered Loan.—In this section, the term “covered loan” means a loan that is—
  - (1) guaranteed by the Administration under—
    - (A) section 7(a) of the Small Business Act (15 U.S.C. 636(a))—
      - (i) including a loan made under the Community Advantage Pilot Program of the Administration; and
      - (ii) excluding a loan made under paragraph (36) of such section 7(a), as added by section 1102; or
    - (B) title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.); or
  - (2) made by an intermediary to a small business concern using loans or grants received under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).
- (b) Sense Of Congress.—It is the sense of Congress that—
  - (1) all borrowers are adversely affected by COVID–19;
  - (2) relief payments by the Administration are appropriate for all borrowers; and
  - (3) in addition to the relief provided under this Act, the Administration should encourage lenders to provide payment deferments, when appropriate, and to extend the maturity of covered loans, so as to avoid balloon payments or any requirement for increases in debt payments resulting from deferments provided by lenders during the period of the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19).
- (c) Principal And Interest Payments.—
  - (1) IN GENERAL.—The Administrator shall pay the principal, interest, and any associated fees that are owed on a covered loan in a regular servicing status—

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- (A) with respect to a covered loan made before the date of enactment of this Act and not on deferment, for the 6-month period beginning with the next payment due on the covered loan;
  - (B) with respect to a covered loan made before the date of enactment of this Act and on deferment, for the 6-month period beginning with the next payment due on the covered loan after the deferment period; and
  - (C) with respect to a covered loan made during the period beginning on the date of enactment of this Act and ending on the date that is 6 months after such date of enactment, for the 6-month period beginning with the first payment due on the covered loan.
- (2) **TIMING OF PAYMENT.**—The Administrator shall begin making payments under paragraph (1) on a covered loan not later than 30 days after the date on which the first such payment is due.
- (3) **APPLICATION OF PAYMENT.**—Any payment made by the Administrator under paragraph (1) shall be applied to the covered loan such that the borrower is relieved of the obligation to pay that amount.
- (d) **Other Requirements.**—The Administrator shall—
- (1) communicate and coordinate with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and State bank regulators to encourage those entities to not require lenders to increase their reserves on account of receiving payments made by the Administrator under subsection (c);
  - (2) waive statutory limits on maximum loan maturities for any covered loan durations where the lender provides a deferral and extends the maturity of covered loans during the 1-year period following the date of enactment of this Act; and
  - (3) when necessary to provide more time because of the potential of higher volumes, travel restrictions, and the inability to access some properties during the COVID–19 pandemic, extend lender site visit requirements to—
    - (A) not more than 60 days (which may be extended at the discretion of the Administration) after the occurrence of an adverse event, other than a payment default, causing a loan to be classified as in liquidation; and

(B) not more than 90 days after a payment default.

- (e) Rule Of Construction.—Nothing in this section may be construed to limit the authority of the Administrator to make payments pursuant to subsection (c) with respect to a covered loan solely because the covered loan has been sold in the secondary market.
- (f) Authorization Of Appropriations.—There is authorized to be appropriated to the Administrator \$17,000,000,000 to carry out this section.

### § 1113. BANKRUPTCY.

(a) Small Business Debtor Reorganization.—

(1) IN GENERAL.—Section 1182(1) of title 11, United States Code, is amended to read as follows:

“(1) DEBTOR.—The term ‘debtor’—

“(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title and excluding a person whose primary activity is the business of owning single asset real estate) that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition or the date of the order for relief in an amount not more than \$7,500,000 (excluding debts owed to 1 or more affiliates or insiders) not less than 50 percent of which arose from the commercial or business activities of the debtor; and

“(B) does not include—

“(i) any member of a group of affiliated debtors that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than \$7,500,000 (excluding debt owed to 1 or more affiliates or insiders);

“(ii) any debtor that is a corporation subject to the reporting requirements under section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or

“(iii) any debtor that is an affiliate of an issuer, as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).”.

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- (2) **APPLICABILITY OF CHAPTERS.**—Section 103(i) of title 11, United States Code, is amended by striking “small business debtor” and inserting “debtor (as defined in section 1182)”.
- (3) **APPLICATION OF AMENDMENT.**—The amendment made by paragraph (1) shall apply only with respect to cases commenced under title 11, United States Code, on or after the date of enactment of this Act.
- (4) **TECHNICAL CORRECTIONS.**—
  - (A) **DEFINITION OF SMALL BUSINESS DEBTOR.**—Section 101(51D)(B)(iii) of title 11, United States Code, is amended to read as follows:

“(iii) any debtor that is an affiliate of an issuer (as defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)).”.
  - (B) **UNCLAIMED PROPERTY.**—Section 347(b) of title 11, United States Code, is amended by striking “1194” and inserting “1191”.
- (5) **SUNSET.**—On the date that is 1 year after the date of enactment of this Act, section 1182(1) of title 11, United States Code, is amended to read as follows:

“(1) **DEBTOR.**—The term ‘debtor’ means a small business debtor.”.

(b) **Bankruptcy Relief.**—

- (1) **IN GENERAL.**—
  - (A) **EXCLUSION FROM CURRENT MONTHLY INCOME.**—Section 101(10A)(B)(ii) of title 11, United States Code, is amended—
    - (i) in subclause (III), by striking “; and” and inserting a semicolon;
    - (ii) in subclause (IV), by striking the period at the end and inserting “; and”; and
    - (iii) by adding at the end the following:

“(V) Payments made under Federal law relating to the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the coronavirus disease 2019 (COVID–19).”.

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(B) CONFIRMATION OF PLAN.—Section 1325(b)(2) of title 11, United States Code, is amended by inserting “payments made under Federal law relating to the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the coronavirus disease 2019 (COVID–19),” after “other than”.

(C) MODIFICATION OF PLAN AFTER CONFIRMATION.—Section 1329 of title 11, United States Code, is amended by adding at end the following:

“(d) (1) Subject to paragraph (3), for a plan confirmed prior to the date of enactment of this subsection, the plan may be modified upon the request of the debtor if—

“(A) the debtor is experiencing or has experienced a material financial hardship due, directly or indirectly, to the coronavirus disease 2019 (COVID–19) pandemic; and

“(B) the modification is approved after notice and a hearing.

“(2) A plan modified under paragraph (1) may not provide for payments over a period that expires more than 7 years after the time that the first payment under the original confirmed plan was due.

“(3) Sections 1322(a), 1322(b), 1323(c), and the requirements of section 1325(a) shall apply to any modification under paragraph (1).”.

(D) APPLICABILITY.—

(i) The amendments made by subparagraphs (A) and (B) shall apply to any case commenced before, on, or after the date of enactment of this Act.

(ii) The amendment made by subparagraph (C) shall apply to any case for which a plan has been confirmed under section 1325 of title 11, United States Code, before the date of enactment of this Act.

(2) SUNSET.—

(A) IN GENERAL.—

(i) EXCLUSION FROM CURRENT MONTHLY INCOME.—Section 101(10A)(B)(ii) of title 11, United States Code, is amended—



- (I) in subclause (III), by striking the semicolon at the end and inserting “; and”;
  - (II) in subclause (IV), by striking “; and” and inserting a period; and
  - (III) by striking subclause (V).
- (ii) CONFIRMATION OF PLAN.—Section 1325(b)(2) of title 11, United States Code, is amended by striking “payments made under Federal law relating to the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the coronavirus disease 2019 (COVID–19),”.
  - (iii) MODIFICATION OF PLAN AFTER CONFIRMATION.—Section 1329 of title 11, United States Code, is amended by striking subsection (d).
- (B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect on the date that is 1 year after the date of enactment of this Act.

**§ 1114. EMERGENCY RULEMAKING AUTHORITY.**

Not later than 15 days after the date of enactment of this Act, the Administrator shall issue regulations to carry out this title and the amendments made by this title without regard to the notice requirements under section 553(b) of title 5, United States Code.