

**Coronavirus Aid, Relief, and Economic Security Act” or the “CARES Act”**  
**Summary**

**DIVISION A -- Keeping Workers Paid and Employed, Health Care System Enhancements, and Economic Stabilization**

**Title I – Keep American Workers Paid Act**

**Sec. 1101: Definitions**

**Sec. 1102: Paycheck Protection Program**

Increases the government guarantee of loans made for the Payment Protection Program under section 7(a) of the Small Business Act to 100 percent through December 31, 2020.

Outlines the terms in this section.

Provides the authority for the Administrator of the U.S. Small Business Administration (SBA) to make loans under the Paycheck Protection Program.

Requires the Administrator to register each loan using the TIN, as defined by the IRS, within 15 days.

Defines eligibility for loans as a small business, nonprofit, or veteran’s organization with 500 employees, or the applicable size standard for the industry as provided by SBA, if higher.

Excludes nonprofit organizations who receive Medicaid reimbursements from eligibility for loans.

Includes sole-proprietors, independent contractors, and other self-employed individuals as eligible for loans.

Allow businesses with more than one physical location and employs no more than 500 employees per physical location in certain industries to be eligible.

Waives affiliation rules for businesses in the hospitality and restaurant industries, franchises who are approved on the SBA’s Franchise Directory, and small businesses who receive financing through the Small Business Investment Company (SBIC) program.

Defines the covered loan period as beginning on February 15, 2020 and ending on December 31, 2020.

Increases the maximum 7(a) loan amount to \$10 million through December 31, 2020 and provides a formula by which the loan amount is tied to payroll costs incurred by the business to determine the size of the loan, not to exceed \$10 million.

Allowable uses of the loan include payroll support, such as employee salaries, as paid sick or medical leave, insurance premiums, mortgage payments, and any other debt obligations.

Provides delegated authority, which is the ability for lenders to make determinations on borrower eligibility and creditworthiness without going through all of SBA's channels, to all current 7(a) lenders who make these loans to small businesses, and provides that same authority to lenders who join the program and make these loans.

For eligibility purposes, requires lenders to, instead of determining repayment ability, which is not possible during this crisis, to determine whether a business was operational on February 15, 2020, and had employees for whom it paid salaries and payroll taxes, is an independent contractor, and has been impacted by the COVID-19.

Provides an avenue, through the U.S. Department of Treasury, for additional lenders to be approved to help keep worker paid and employed.

Provides a limitation on a borrower from receiving this assistance and an economic injury disaster loan through SBA for the same purpose.

Requires eligible borrowers to make a good faith certification they have been impacted by COVID-19 and will use the funds to retain workers and maintain payroll and other debt obligations and sets out parameters for full-time equivalent employees.

Waives both borrower and lender fees for participation in the Paycheck Protection Program.

Waives the credit elsewhere test for funds provided under this program.

Waives collateral and personal guarantee requirements under this program.

Outlines the treatment of any portion of a loan that is not used for forgiveness purposes. The remaining loan balance will have a maturity of not more than 10 years, and the guarantee for that portion of the loan will remain intact.

Requires that loans made under this section do not exceed current interest rates provided by the 7(a) loan program whether made by an SBA lender, or lender approved by Treasury.

Ensures borrowers are not charged any prepayment fees.

Increases the government guarantee of 7(a) loans to 100 percent through December 31, 2020, at which point guarantee percentages will return to 75 percent for loans exceeding \$150,000 and 85 percent for loans equal to or less than \$150,000.

Allows complete deferment of 7(a) loan payments for not more than one year and requires SBA to disseminate guidance to lenders on this deferment process within 30 days.

Provides guidance for loans sold on the secondary market.

Provides the regulatory capital risk weight of loans made under this program, and temporary relief from troubled debt restructuring (TDR) disclosures for loans that are deferred under this program.

Requires the Administrator to provide a lender with a process fee for servicing the loan.

Allows borrowers who have received an economic injury disaster loan (EIDL) between February 15, 2020 and March 31, 2020 to receive assistance under this program.

Provides an authorization level of \$349 billion for the 7(a) program through December 31, 2020.

Increases the maximum loan for a SBA Express loan from \$350,000 to \$1 million through December 31, 2020, after which point the Express loan will have a maximum of \$500,000.

### **Sec. 1103: Entrepreneurial Development**

Authorizes SBA to provide additional financial awards to resource partners (Small Business Development Centers and Women's Business Centers) to provide counseling, training, and education on SBA resources and business resiliency to small business owners impacted by COVID-19.

Authorizes SBA to provide an association or association representing resource partners with grants to establish:

- one online platform that consolidates resources and information available across multiple Federal agencies for small business concerns related to COVID-19; and
- a training program to educate Small Business Development Center, Women's Business Center, Service Corps of Retired Executives, and Veteran's Business Outreach Center counselors on the various federal resources available to ensure counselors are directing small businesses appropriately.

### **Sec. 1104: Waiver of Matching Funds Requirement under the Women's Business Center Program**

Eliminates the non-federal match requirement for Women's Business Centers (WBC) for a period of three months.

### **Sec. 1105: Loan Forgiveness**

Establishes that the borrower shall be eligible for loan forgiveness equal to the amount spent by the borrower during an 8-week period after the origination date of the loan on payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and payment on any utility for which service began before February 15, 2020.

Amounts forgiven may not exceed the principal amount of the loan.

The amount forgiven will be reduced proportionally by any reduction in employees retained compared to the prior year and reduced by the reduction in pay of any employee beyond 25

percent of their prior year compensation. Borrowers which re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period.

Borrowers will verify through documentation to lenders their payments during the period. A safe harbor protects lenders from liability.

Upon a lender's report of an expected loan forgiveness amount for a loan or pool of loans, the SBA will purchase such amount of the loan from the lender.

Canceled indebtedness resulting from this section will not be included in the borrower's taxable income.

### **Sec. 1106: Direct Appropriations**

This section appropriates funds for the following uses:

- \$299.4 billion for loan guarantees and loan subsidies,
- \$700 million for salaries and expenses,
- \$240 million for small business development centers and women's business centers for technical assistance for businesses,
- \$25 million for resource partner associations to provide online information and training,
- \$10 million for minority business centers for technical assistance for businesses, and
- \$25 million for the Office of Inspector General.

### **Sec. 1107: Minority Business Development Agency**

Authorizes \$10 million for the Minority Business Development Agency within the Department of Commerce to provide grants to Minority Business Centers for the purpose of providing counseling, training, and education on federal resources and business response to COVID-19 for small businesses.

Eliminates the Minority Business Center program's non-federal match requirement for a period of three months and allows for centers to waive fee-for-service requirements through September 2021.

### **Sec. 1108: Contracting**

Requires Federal agencies to extend contract performance time by no less than 30 days to small businesses affected by COVID-19 until September 2021, unless the contract is considered to be mission critical by the agency.

Requires the Federal government to continue to pay small business contractors and revise delivery schedules, holding small contractors harmless for being unable to perform a contract due to COVID-19 caused interruptions until September 2021.

Requires Federal agencies to promptly pay small business prime contractors and requires prime contractors to promptly pay small business subcontractors within 15 days, notwithstanding any other provision of law or regulation, for the duration of the President invoking the Defense Production Act in response to COVID-19.

Bars a small business from receiving more than one federal contract modification with respect to any single contract.

Requires any Federal agency seeking to cancel a small business prime contract, due to the vendor failing to meet on the terms of their contract either directly or indirectly due to the novel coronavirus, to first consult with the agency's Director of the Office of Small and Disadvantaged Business Utilization (OSDBU). The OSDBU director must certify that the contract is mission critical; the re-solicitation of that contract would allow a faster delivery that the existing small business could provide; and the re-solicitation is, to the greatest extent possible, awarded to another small business prior to the contract being cancelled.

#### **Sec. 1109: United States Treasury Program Management Authority**

Establishes the authority of the U.S. Department of Treasury, the Farm Credit Administration, and other federal financial regulatory agencies to authorize bank and nonbank lenders to participate in loans made under the Paycheck Protection Program.

For financial institutions admitted under this section, gives Treasury the authority to issue regulations and guidance for terms concerning lender compensation, underwriting standards, interest rates, and maturity. Interest rates set under this authority may not exceed the maximum permissible rate of interest set on loans made under Section 1102 of this Act.

Requires that Treasury ensure that terms and conditions provided by this section are the same as the terms established for loans under Section 1102 of this Act for borrower eligibility, maximum loan amount, allowable uses, fee waivers, deferment, guarantee percentage, and loan forgiveness.

Establishes that the SBA will administer the program, including purchasing and guaranteeing loans, with guidance from Treasury.

#### **Sec. 1110: Emergency EIDL Grants**

Defines an eligible entity to include startups, cooperatives, and ESOPs with fewer than 500 employees or any individual operating as a sole proprietor or an independent contractor.

Requires that for any SBA EIDL loans made in response to COVID-19 before December 31, 2020, the SBA shall waive any personal guarantee on advances and loans below \$200,000, the requirement that an applicant needs to have been in business for the 1-year period before the disaster, and the credit elsewhere requirement.

Allows SBA to offer EIDL loans based solely on an applicant's credit score or an appropriate alternative method for determining applicant's ability to repay.

Establishes an Emergency Grant to allow an eligible entity who has applied for an EIDL loan to request an advance on that loan, of not more than \$10,000, which the SBA must distribute within 3 days.

In advance of disbursing the advance payment, the SBA must verify that the entity has applied for an EIDL loan.

Outlines that advance payment may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses.

Establishes that applicant shall not be required to repay advance payments, even if subsequently denied for an EIDL loan.

Requires that an advance payment be considered when determining loan forgiveness, if the applicant transfers into the SBA's 7(a) loan program.

Authorizes \$10,000,000,000 to be appropriated to the SBA to carry out this program.

Terminates the authority to carry out Emergency EIDL Grants on December 30, 2020.

Establishes that an emergency involving Federal primary responsibility determined to exist by the President under the Stafford Disaster Relief and Emergency Assistance Act qualifies as trigger for EIDL loans and, in such circumstances, the SBA Administrator shall deem 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.

#### **Sec. 1111: SBA Resources in Several Languages other than English**

This section requires and authorizes \$25 million for the SBA to offer resources and services in the 10 most commonly spoken languages, other than English.

#### **Sec. 1112: Subsidy for Certain Loan Payments**

Defines an eligible loan as an existing 7(a) (including Community Advantage), 504, and microloan product.

Allows SBA to encourage lenders to provide deferments and to extend the maturity of the loans to avoid balloon payments or any increases in debt for the borrower during the period of the national emergency declaration.

Requires the SBA to pay the principal, interest, and any associated fees that are owed on the defined loans for a 6 month period starting on the next payment due. Loans that are already on deferment will include an additional 6 months of payment by the SBA beginning with the next payment. Loans made during this period until 6 months after the enactment will also qualify for 6 months of deferral payment by the SBA.

SBA must make payments no later than 30 days after the date on which the first payment is due.

Requires SBA to coordinate with the Federal Deposit Insurance Corporation (FDIC), 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 accounts they are receiving funds from SBA, waive

limits on maximum loan maturities during the one year period, provide extra time to access properties but not more than 60 days, and not more than 90 days after default.

Requires the SBA to still make payments even if the loan was sold on the secondary market.

This section appropriates \$16.8 billion to carry out this program.

**Sec. 1113: Emergency Rulemaking Authority**

SBA is required to establish regulations no later than 15 days after enactment of this Act.

**Title II – ASSISTANCE FOR AMERICAN WORKERS, FAMILIES, AND BUSINESSES**

**Subtitle A – Unemployment Insurance Provisions**

**Section 2101. Short Title**

This title is called the Relief for Workers Affected by Coronavirus Act

**Section 2102. Pandemic Unemployment Assistance**

This section creates a temporary Pandemic Unemployment Assistance program through December 31, 2020 to provide payment to those not traditionally eligible for unemployment benefits (self-employed, independent contractors, those with limited work history, and others) who are unable to work as a direct result of the coronavirus public health emergency.

**Section 2103. Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations**

This section provides payment to states to reimburse nonprofits, government agencies, and Indian tribes for half of the costs they incur through December 31, 2020 to pay unemployment benefits.

**Section 2104. Emergency Increase in Unemployment Compensation Benefits**

This section provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance recipient for up to three months.

**Section 2105. Temporary Full Federal Funding of the First Week of Compensable Regular Unemployment for States with No Waiting Week**

This section provides funding to pay the cost of the first week of unemployment benefits through December 31, 2020 for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive unemployment benefits.

**Section 2106. Emergency State Staffing Flexibility**

This section provides states with temporary, limited flexibility to hire temporary staff, re-hire former staff, or take other steps to quickly process unemployment claims.

**Section 2107. Pandemic Emergency Unemployment Compensation**

This section provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after weeks of state unemployment are no longer available.

**Section 2108. Temporary Financing of Short-Time Compensation Payments in States with Programs in Law**

This section provides funding to support “short-time compensation” programs, where employers reduce employee’s hours instead of laying off workers and the employees with reduced hours receive a pro-rated unemployment benefit. This provision would pay 100 percent of the costs they incur in providing short-time compensation through December 31, 2020.

**Section 2109. Temporary Financing of Short-Time Compensation Agreements**

This section provides funding to support states which begins a “short-time compensation” program. This provision would pay 50 percent of the costs a state incurs in providing short-time compensation through December 31, 2020.

**Section 2110. Grants for Short-Time Compensation Programs**

This section provides \$100 million in grants to states that enact “short-time compensation” programs to help them implement and administer these programs.

**Section 2111. Assistance and Guidance in Implementing Programs**

This section requires the Department of Labor to disseminate model legislative language for states, provide technical assistance, and establish reporting requirements related to “short-time compensation” programs.

**Section 2112. Waiver of the 7-day Waiting Period for Benefits under the Railroad Unemployment Insurance Act**

This section temporarily eliminates the 7-day waiting period for railroad unemployment insurance benefits through December 31, 2020 (to make this program consistent with the change made for states through the same period in an earlier section of this title).

**Section 2113. Enhanced Benefits under the Railroad Unemployment Insurance Act**

This section provides an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance recipient for up to three months (to make this program consistent with the change made for states in an earlier section of this title).

**Section 2114. Extended Unemployment under the Railroad Unemployment Insurance Act**

This section provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after weeks of state unemployment are no longer available (to make this program consistent with the change made for states in an earlier section of this title).



## **Subtitle B – Recovery Rebates & Other Individual Provisions**

### **Section 2201. 2020 recovery rebates for individuals**

Recovery checks of \$1,200 will be put into the hands of all individuals with adjusted gross income up to \$75,000 or \$112,500 in the case of those with a head of household filing status. All married couples, with adjusted gross income up to \$150,000 who file a joint return, are eligible for \$2,400. Those amounts increase by \$500 for every child. The IRS will base these amounts on the taxpayer's 2019 tax return if filed, but if the taxpayer has not yet filed, the rebate will be based on the taxpayer's 2018 filed return. The rebate amount is reduced by \$5 for each \$100 a taxpayer's income exceeds the phase-out threshold. The amount is completely phased-out for single filers with incomes exceeding \$99,000, \$136,500 for head of household filers, and \$198,000 for joint filers.

### **Section 2202. Special rules for use of retirement funds**

Consistent with previous disaster-related relief, the provision waives the 10-percent early withdrawal penalty for distributions up to \$100,000 from qualified retirement accounts for coronavirus-related purposes made on or after January 1, 2020. In addition, income attributable to such distributions would be subject to tax over three years, and the taxpayer may recontribute the funds to an eligible retirement plan within three years without regard to that year's cap on contributions. Further, the provision provides flexibility for loans from certain retirement plans for coronavirus-related relief.

A coronavirus-related distribution is a one made to an individual: (1) who is diagnosed with COVID-19, (2) whose spouse or dependent is diagnosed with COVID-19, or (3) who experiences adverse financial consequences as a result of being quarantined, furloughed, laid off, having work hours reduced, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19, or other factors as determined by the Treasury Secretary.

### **Section 2203. Temporary waiver of required minimum distribution rules for certain retirement plans and accounts**

The provision waives the required minimum distribution rules for certain defined contribution plans and IRAs for calendar year 2020. This provision provides relief to individuals who would otherwise be required to withdraw funds from such retirement accounts during an economic slowdown due to COVID-19.

### **Section 2204. Allowance of partial above the line deduction for charitable contributions**

The provision encourages Americans to contribute to churches and charitable organizations in 2020 by permitting them to deduct up to \$300 of cash contributions, whether they itemize their deductions or not.

### **Section 2205. Modification of limitations on charitable contributions during 2020**

The provision increases the limitations on deductions for charitable contributions by individuals who itemize, as well as corporations. For individuals, the 50-percent of adjusted gross income limitation is suspended for 2020. For corporations, the 10-percent limitation is increased to 25

percent of taxable income. This provision also increases the limitation on deductions for contributions of food inventory from 15 percent to 25 percent.

### **Subtitle C – Business Provisions**

#### **Section 2301. Delay of payment of employer payroll taxes**

The provision allows employers and self-employed individuals to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees. Employers generally are responsible for paying a 6.2-percent Social Security tax on employee wages. The provision requires that the deferred employment tax be paid over the following two years, with half of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022. The Social Security Trust Funds will be held harmless under this provision.

#### **Section 2302. Modifications for net operating losses**

The provision relaxes the limitations on a company's use of losses. NOLs are currently subject to a taxable income limitation, and they cannot be carried back to reduce income in a prior tax year. This provision provides that a loss from 2018, 2019, or 2020 can be carried back five years. The provision also temporarily removes the taxable income limitation to allow an NOL to fully offset income. These changes will allow companies to utilize losses and amend prior years returns, which will provide critical cash flow and liquidity during the COVID-19 emergency.

#### **Section 2303. Modification of limitation on losses for taxpayers other than corporations**

The provision modifies the loss limitation applicable to pass-through businesses and sole proprietors, so they can utilize excess business losses and access critical cash flow to maintain operations and payroll for their employees.

#### **Section 2304. Modification of credit for prior year minimum tax liability of corporations**

The corporate AMT was repealed as part of the Tax Cuts and Jobs Act, but corporate AMT credits were made available as refundable credits over several years, ending in 2021. The provision accelerates the ability of companies to recover those AMT credits, permitting companies to claim a refund now and obtain additional cash flow during the COVID-19 emergency.

#### **Section 2305. Modification of limitation on business interest**

The provision temporarily increases the amount of interest expense businesses are allowed to deduct on their tax returns, by increasing the 30-percent limitation to 50 percent of the taxable income (with adjustments) for 2019 and 2020. As businesses look to weather the storm of the current crisis, this provision will allow them to increase liquidity with a reduced cost of capital, so that they are able to continue operations and keep employees on payroll.

#### **Section 2306. Technical amendment regarding qualified improvement property**

The provision enables businesses, especially in the hospitality industry, to write off immediately costs associated with improving facilities instead of having to depreciate those improvements over the 39-year life of the building. The provision, which corrects an error in the Tax Cuts and Jobs Act, not only increases companies' access to cash flow by allowing them to amend a prior

year return, but also incentivizes them to continue to invest in improvements as the country recovers from the COVID-19 emergency.

### **Title III – Supporting America’s Health Care System in the Fight Against the Coronavirus**

Attached, separate.

### **Title IV – Economic Stabilization And Assistance To Severely Distressed Sectors Of The United States Economy**

#### **Section 4001. Short Title.**

#### **Section 4002. Definitions.**

Defines an “Eligible Business” as a United States business that has not otherwise received adequate economic relief in the form of loans or loan guarantees provided under this Act. This Section also defines a “State” as any of the several States, the District of Columbia, any of the territories and possessions of the United States, and any Indian tribe.

#### **Section 4003. Emergency Relief and Taxpayer Protections**

- Provides \$500 billion to Treasury’s Exchange Stabilization Fund to provide loans, loan guarantees, and other investments, distributed as follows:
  - (1) Direct lending, including:
    - a. \$50 billion for passenger air carriers;
    - b. \$8 billion for cargo air carriers; and
    - c. \$17 billion for businesses important to maintaining national security.
  - (2) \$425 billion for loans, loan guarantees, and investments in support of the Federal Reserve’s lending facilities to eligible businesses, states, and municipalities. Federal Reserve 13(3) lending is a critical tool that can be used in times of crisis to help mitigate extraordinary pressure in financial markets that would otherwise have severe adverse consequences for households, businesses, and the U.S. economy.
- All direct lending must meet the following criteria:
  - (1) Alternative financing is not reasonably available;
  - (2) The loan is secured or made at an interest rate that reflects the risk of the loan;
  - (3) The duration of the loan shall be as short as possible and shall not exceed 5 years;
  - (4) Borrowers cannot engage in stock buybacks during the duration of the loan; and
  - (5) Borrowers must maintain existing employment levels, to the extent possible.
- Any lending through a facility established by the Federal Reserve under this Section

must be broad-based, with verification that each participant is not insolvent and is unable to obtain adequate financing elsewhere. Loan forgiveness is not permissible in any such credit facility.

**Section 4004. Limitation on Certain Employee Compensation.**

Prohibits recipients of any direct lending authorized by this Title from increasing the compensation of any officer or employee whose total compensation exceeds \$425,000, or from offering such employees severance pay or other benefits upon termination of employment which exceeds twice the maximum total annual compensation received by that employee.

**Section 4005. Continuation of Certain Air Service.**

Authorizes the Secretary of Transportation to require air carriers receiving loans under this Title to maintain scheduled air transportation service where deemed necessary by the Secretary of Transportation.

**Section 4006. Coordination with Secretary of Transportation.**

Requires the Secretary of the Treasury to coordinate with the Secretary of Transportation in implementing this Title with respect to air carriers.

**Section 4007. Suspension of Certain Aviation Excise Taxes.**

Repeals Federal Excise Taxes collected in relation to commercial aviation. Excise taxes are applied to the transportation of persons (i.e. ticket tax), the transportation of property (i.e. cargo tax), and aviation fuel.

**Section 4008. Transaction Account Guarantee Authority.**

Authorizes the Federal Deposit Insurance Corporation (FDIC) to fully guarantee both noninterest-bearing transaction accounts, and debt of solvent insured depositories and depository institution holding companies. The National Credit Union Administration (NCUA) is given authority to temporarily increase share insurance coverage for noninterest-bearing transaction accounts. Such authorities, programs, guarantees, and increases shall terminate no later than December 31, 2020.

**Section 4009. Temporary Government in the Sunshine Act Relief.**

Temporarily permits the Board of Governors of the Federal Reserve to conduct meetings without regards to the Sunshine Act, which institutes certain requirements for open and closed meetings that may be impracticable to carry out under certain unusual and exigent circumstances, such as those related to the coronavirus, if the Chairman determines, in writing, that such circumstances exist. The Federal Reserve is still required to keep a record of all votes and the reason for votes during this time. This authority expires at the earlier of December 31, 2020, or the date on which the public emergency declaration related to coronavirus is terminated.

**Section 4010. Temporary Hiring Flexibility.**

Provides the Secretary of Housing and Urban Development (HUD) and the Chairman of the U.S. Securities and Exchange Commission (SEC) additional hiring flexibility upon a determination that an expedited recruitment process is necessary and appropriate to respond to the coronavirus. Such authority expires at the earlier of December 31, 2020, or the date on which the public emergency declaration related to coronavirus is terminated.

**Section 4011. Temporary Lending Limit Waiver.**

Temporarily aligns the exemption to the OCC's lending limits for financial institutions and nonbank financial companies, and temporarily authorizes the Comptroller of the Currency to exempt any transaction from the lending limits, if the exemption is in the public interest. The temporary exemption from lending limits and authorization to exempt transactions expires at the earlier of December 31, 2020, or the date on which the public emergency declaration related to coronavirus is terminated.

**Section 4012. Temporary Relief for Community Banks.**

Requires the Federal banking agencies by interim rule to temporarily reduce the Community Bank Leverage Ratio (CBLR) for qualifying community banks from 9 percent to 8 percent, and provide for a reasonable grace period if a community bank's CBLR falls below the prescribed level. The interim rule expires at the earlier of December 31, 2020, or the date on which the public emergency declaration related to coronavirus is terminated.

**Section 4013. Temporary Relief from Troubled Debt Restructurings.**

A financial institution or federally-insured credit union may elect to suspend requirements under U.S. Generally Accepted Accounting Principles for loan modifications related to the coronavirus pandemic, and suspend any such determination regarding loans modified as a result of the effects of the coronavirus. The Federal banking agencies and the NCUA must defer to the financial institution to make a suspension. Such election may begin on March 1, 2020 and last no later than 60 days after the lifting of the coronavirus public health emergency.

**Section 4014. Optional Temporary Relief from Current Expected Credit Losses.**

An insured depository institution (including federally-insured credit unions), bank holding company, and any affiliate has the option to temporarily delay measuring credit losses on financial instruments using the new Current Expected Credit Losses accounting standard. Such option to delay expires at the earlier of December 31, 2020, or the date on which the public emergency declaration related to coronavirus is terminated.

**Section 4015. Non-Applicability of Restrictions on ESF During National Emergency.**

Temporarily suspends the statutory limitation on the use of the Exchange Stabilization Fund (Section 131 of the Emergency Economic Stabilization Act of 2008) for guarantee programs for the United States money market mutual fund industry. Any guarantee established as a result of the application of this Section shall terminate not later than December 31, 2020.

**Section 4016. Temporary Credit Union Provisions.**

Temporarily enhances access to the Central Liquidity Facility (CLF), including for corporate credit unions, to meet liquidity needs while ensuring there is evidence that the applying credit union has made reasonable efforts to first use primary sources of liquidity, such as its balance sheet and market funding sources. It also increases resources available to meet liquidity needs through the Facility. These amendments sunset on December 31, 2020.

**Section 4017. Increasing Access to Materials Necessary for National Security and Pandemic Recovery.**

Waives for a two-year period the requirement for a separate act of Congress to authorize certain projects exceeding \$50 million and the requirement that any amounts unused in the Defense Production Act Fund at the end of the fiscal year that exceed \$750 million be swept and returned to the Treasury's General Fund. This Section also waives for one year following enactment the requirement for a 30-day layover after Presidential notification to Congress before a project may start and the requirement that Congress separately authorize certain projects exceeding \$50 million in aggregate cost.

**Section 4018. Reports.**

Requires the Comptroller General of the United States to conduct a study on the loans, loan guarantees, and other investments provided under this Title, and to provide a report to Congress within nine months and annually thereafter.

**Section 4019. Direct Appropriation.**

Authorizes the appropriation of funds necessary to implement this Title.

**Section 4020. Rule of Construction.**

Limits all support provided by the Department of the Treasury under this Title to loans, loan guarantees, and other investments as provided by this Title.

**Section 4021. Termination Authority.**

All authority to make new loans, loan guarantees, or other investments provided under this Title shall terminate on December 31, 2020.

**Title V – Budgetary provisions**

The emergency designations preclude budgetary effects from causing a sequester or triggering other budgetary enforcement mechanisms.

**DIVISION B -- Emergency Appropriations for Coronavirus Health Response and Agency Operations**

Summary attached, separate.