

U.S. CHAMBER OF COMMERCE

Senate Phase 3 Relief Package

CHANGES | IMPLEMENTATION | OUTLOOK



Senate Phase 3 Coronavirus Relief Package

\$350 billion in loans for small businesses (< 500 employees)

- Loans equal to the lesser of 2 ½ months of payroll or \$10 million
- Loans convert to grants if used to maintain employees
- Loans by local and national lenders

Liquidity help through the tax code

- Delay for payment of employer payroll taxes
- Net operating loss
- Business interest deductibility

\$425 billion for loans, loans guarantees, and support for the Federal Reserve

- Federal Reserve could leverage \$400 billion to up to \$4 trillion
- Separate programs for airlines and critical national security companies

Major Changes to Initial Senate Bill

- Ban stock buybacks for the term of the gov't assistance plus 1 year on any company receiving a government loan from the bill
- Employment retention tied to federal loans
- Extended Unemployment Insurance and increased benefit of \$600 per week for 4 months
- \$150 billion for a state, tribal, and local Coronavirus Relief fund
- Additional \$55 billion for healthcare system
- \$10 billion for SBA emergency grants of up to \$10,000
- Retention tax credit for employers keeping workers on the payroll

Implementing Phase 3

- Designation of lenders for small business loans / grants
- Creation of a Federal Reserve credit facility
- Definition of key terms like “U.S. business” and terms for loans

What's next?

- Focus on administrative actions
- A “Phase 4” bill will be slower and more partisan – and it will likely be driven by currently unforeseen needs

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