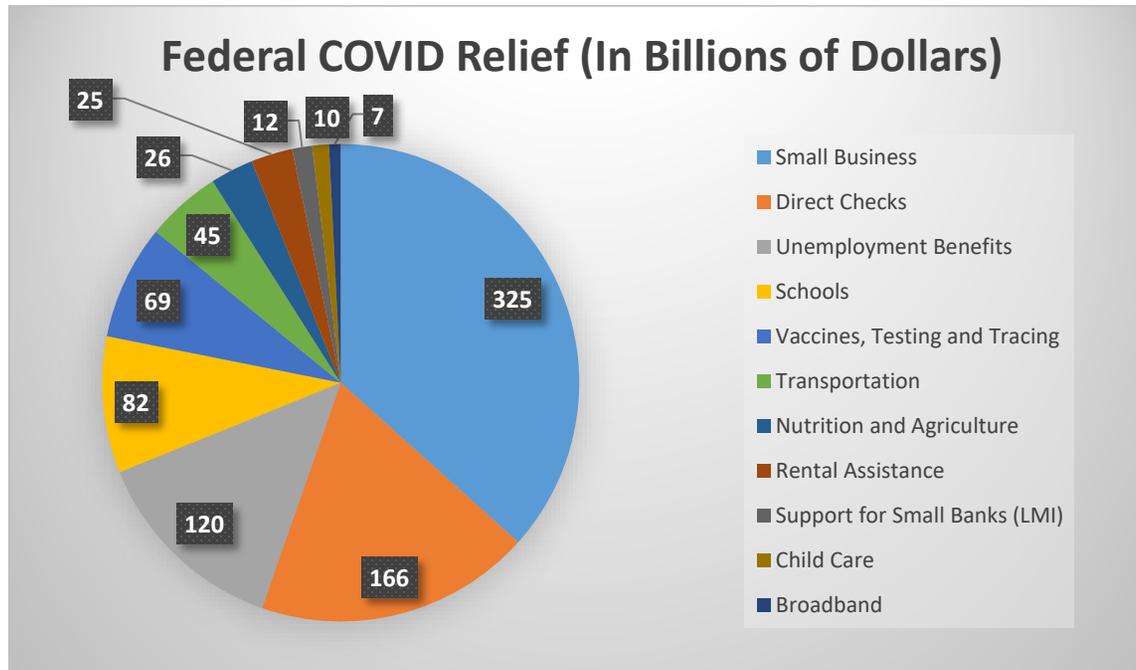


# UNDERSTANDING THE 2021 FEDERAL COVID RELIEF PACKAGE (\$900 BILLION)

DECEMBER 30, 2020

SOURCES: National Development Council, Minority Business Development Agency and Simon & Company.

## FEDERAL COVID RELIEF



- No direct, general purpose aid to states and local governments.

| <b>SMALL BUSINESS AID (\$325B)</b>                             |               |  |
|--|---------------|--|
| <b>Assistance</b>  | <b>Amount</b> | <b>Details</b>   |
| <b>Paycheck Protection Program (PPP)</b>                       | \$284B        | <ul style="list-style-type: none"> <li>- Expands eligibility to 501(c)(6) non-profit organizations, including destination marketing organizations, local newspapers, TV and radio broadcasters</li> <li>- Includes a second draw option for prior PPP borrowers</li> <li>- \$15B set-aside of PPP for first and second draws issued by CDFIs and MDIs</li> <li>- Hold-harmless safe harbor for PPP lenders from enforcement and penalties to include all certifications made by borrowers/applicants connected to initial or second-draw PPP loans</li> <li>- Simplifies forgiveness of loans up to \$150,000 after the borrower completes a one-page attestation</li> <li>- Repeals a CARES Act provision that required PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount</li> </ul> |
| <b>Economic Injury Disaster Loans (EIDL) - SBA</b>             | \$20B         | <ul style="list-style-type: none"> <li>- Second draw option for EIDL grants</li> </ul>   |
| <b>Employee Retention Tax Credit (extension and expansion)</b> | \$20B         | <ul style="list-style-type: none"> <li>- Designed to keep additional U.S workers on payroll and to help small businesses and non-profit organizations</li> </ul>   |
| <b>Save Our Stages (emergency grants to venues) - SBA</b>      | \$15B         | <ul style="list-style-type: none"> <li>- Weeks 1-2 of grant competition: Any entity that lost 90% or more of its revenue last year can apply</li> <li>- Weeks 3-4 of grant competition: Any entity that lost 70% or more of its revenue last year can apply</li> <li>- Required to show the applicant is a "venue"</li> <li>- Cannot apply for PPP if receiving these grant funds</li> </ul>   |
| <b>Small Business Loan Guarantees - SBA</b>                    | \$3.5B        | <ul style="list-style-type: none"> <li>- Payment of principal and interest on (P&amp;I) on SBA loans under the 7(a), 504 and microloan programs</li> <li>- Includes another 8 months of payments for microloan borrowers</li> </ul>  |

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| <b>Community Lenders:</b><br><br><b>Community Development Finance Institutions (CDFIs) and Minority Depository Institutions (MDIs)</b> | \$12B         | <ul style="list-style-type: none"> <li>- Dedicated PPP set-asides for very small businesses and lending through CDFIs and MDIs</li> <li>- \$9B in emergency low-cost, long-term capital investments by the U.S. Treasury in CDFIs and MDIs to support lending in low-income and underserved communities, including persistent poverty counties               <ul style="list-style-type: none"> <li>- Targeted to depositories</li> <li>- Tier One capital or other long-term debt instruments</li> </ul> </li> <li>- \$3B in emergency support (grants) for CDFIs through the CDFI Fund               <ul style="list-style-type: none"> <li>- \$1.25B for formula grants to CDFIs (\$25M for native communities) available within 60 days of enactment</li> <li>- \$1.75B for CDFIs and minority lending institutions</li> </ul> </li> </ul> |
| <b>Micro-lending Program - SBA</b>   | \$57M         |  |
| <b>Other Provisions</b>  |               | <ul style="list-style-type: none"> <li>- Extends SBA CARES Act debt relief through 9/30/21               <ul style="list-style-type: none"> <li>- Applies to 7a, 504, microloans</li> <li>- P&amp;I payments resume 2/1/21</li> <li>- Borrowers approved under the CARES Act receive 3 additional months capped at \$9,000/month</li> <li>- Borrowers in underserved areas hard hit by the pandemic may receive up to \$9,000/month for 5 additional months</li> <li>- New borrowers can receive up to \$9,000/month for up to 6 months (any time between 2/1/21 and 9/30/21)</li> </ul> </li> <li>- Small business assistance not taxable</li> <li>- Extends the date by which state and local governments must expend CARES Act awards from 12/31/20 until 12/31/21</li> </ul>   |

### ***UNEMPLOYMENT ASSISTANCE (\$120B)***

- Federal supplemental benefit of \$300/week for 11 weeks through March 14, 2021
- Extends pandemic-related unemployment insurance (UI) programs, including the Pandemic Unemployment Assistance (PUA) Program for the self-employed and gig workers and the Pandemic Emergency Unemployment Compensation (PEUC) Program that provides additional weeks of federally-funded unemployment benefits for those who exhausted regular state benefits; increases the maximum number of weeks from 39 to 50 that an individual may claim benefits through regular State unemployment plus the PEUC Program or through the PUA Program
- Extra benefit of \$100/week for certain workers who have both wage and self-employment income but whose base UI benefit calculation doesn't take their self-employment into account

### ***COMMUNITY DEVELOPMENT: TAX CREDITS AND RENTAL ASSISTANCE***

- \$5B five-year extension of the New Markets Tax Credit
- Enhanced Low Income Housing Tax Credit (permanent 4% credit, \$1.1B disaster allocation)
- \$25B in rental assistance (past rent due, future rent payments, and utility and energy bills to prevent shutoffs)
- Moratorium on evictions and foreclosures extended through January 31, 2021
- Five-year extension of Work Opportunity Tax Credit

### ***TRANSPORTATION AND INFRASTRUCTURE: AIRLINES, ROADS, TRAINS AND BROADBAND***

- \$16B for airline workers
- \$14B for transit infrastructure grants
- \$10B in state highway funding
- \$7B for broadband grants and investment
- \$2B in grants for buses, ferries and other transportation providers
- \$2B for airports
- \$1B for Amtrak

## *EDUCATION*

- \$54B in K-12 education grants
- \$20B in higher education grants
- \$5B to Governor's Emergency Education Relief Fund
- \$2B for HBCUs, minority-serving institutions and tribal colleges
- \$1B in financial aid grants to for-profit colleges
- \$1B in education grants for tribes and territories

## *HEALTHCARE*

- \$22B to States for testing, tracing and COVID mitigation
- \$20B for vaccine procurement
- \$12B to repeal the Medicare sequester for 2021
- \$9B for vaccine distribution through the States and CDC
- \$9B in support for healthcare providers
- \$5B for mental health funding
- \$3B for other health funding