Small Business Administration (SBA)
Small Business Economic Injury Disaster Loans (EIDL)
- The bill appropriates an additional $10 billion for emergency Economic Injury Disaster Loan (EIDL) grants until they are spent.

Paycheck Protection Program (PPP)
The PPP is extended from June 30, 2020 to December 31, 2020. The bill also amends the program by:
- Creating a carve out of 25% of the funds to be used specifically for small businesses with 10 or fewer employees to guarantee they are fully able to access PPP assistance;
- Creating a carve out of 25% of the funds solely for the use of all nonprofits, no matter their size or type but requiring that at least half this amount go to small nonprofits under the 500-employee threshold;
- Extends eligibility to all nonprofits of all sizes.

Of interest to nonprofits, the CARES Act made 501(c)(3) entities eligible for PPP loans, which left out many nonprofits on the frontlines of the pandemic. Anecdotal reports also indicate that eligible nonprofits are experiencing much difficult accessing PPP assistance. In order to help nonprofits, the bill would:
- Create a 25% set-aside of funds solely for nonprofits;
- the eligibility to allow all nonprofits to participate; and
- Remove the size restrictions on nonprofits.

Additionally, current guidelines prohibit otherwise-eligible entities undergoing bankruptcy proceedings from receiving a PPP loan. The Heroes Act creates a narrow exception to target
specific businesses and nonprofits, such as nonprofit critical access hospitals, that are undergoing Chapter 11 bankruptcy reorganizations.

Moreover, the bill makes several amendments to the loan forgiveness portion of the PPP, including:

- Adds flexibility in the covered period for borrowers by extending the 8-week period to 24 weeks and extends the covered period from June 30 to December 31;
- Harmonizes the use of proceeds with forgiveness;
- Mandates forgiveness data collection and reporting;
- Creates a safe harbor for borrowers who cannot rehire in the prescribed timeframe;
-Eliminates the 75/25 rule on use of loan proceeds; and
- Clarifies the hold harmless provision for lenders.

Finally, the bill restricts the collection of small business and nonprofit debt during a national disaster or emergency. More specifically, the bill provides a moratorium during the COVID-19 crisis and for the subsequent 120 days. The bill also ensures reasonable forbearance and repayment options.

**U.S. Department of Treasury/the Federal Reserve**

**Main Street Lending Program Requirements**

The bill places several mandates on Treasury and the Fed regarding nonprofit eligibility for this program, including:

- Recognizing nonprofit organizations as eligible borrowers;
- Requiring the stipulation that the Fed “immediately” offers a “a low-cost loan option tailored to the unique needs of nonprofit organizations with deferred payments, and the loan may be forgiven solely for non-profits predominantly serving low-income communities that are ineligible for a PPP loan;”
- Mandating that the Fed must provide at least one low-cost loan option for small business and nonprofits that does not have a minimum loan size

**Other Provisions**

- The bill clarifies that nonprofits are considered “covered employers” under amendments to the Emergency Paid Sick Leave Act;
- The bill amends the CARES Act to waive the non-federal match requirement for non-profit employers for award years 2019-2020 and 2020-2021;
- The bill establishes a technical assistance center at the Substance Abuse and Mental Health Services Administration (SAMHSA) that will support public or nonprofit entities and health professionals seeking to establish or expand access to mental health and substance use services associated with the COVID-19 pandemic; and
The bill provides clarification for the Federal Emergency Management Agency (FEMA) that assistance for activities, costs, and purchases of states, local, or eligible private nonprofits can be covered if it falls under the Stafford Act.