CORONAVIRUS AID, RELIEF, AND ECONOMIC STIMULUS (CARES) ACT
SUMMARY OF MAJOR PROVISIONS

Paycheck Protection Loan (PPL) Program
- Allows businesses suffering due to the coronavirus pandemic to borrow money for a variety of qualified costs related to employee compensation and benefits, including (i) employee compensation (capped at $100,000 / employee), (ii) continuation of health care benefits, (iii) mortgage interest, (iv) rent, (v) utilities and (vi) interest on other debt incurred before the covered period (February 15, 2020 – June 30, 2020).
- Employers, including non-profits, with less than 500 employees are generally eligible
  - Certain employers operating in the hospitality and restaurant industry, franchises, and recipients of SBIC investment are measured on a location by location basis
- Loan amounts are limited to 2.5 times average monthly payroll costs for the past year, up to $10,000,000
  - Alternative calculations are available for seasonal employers or employers not in business for a full year prior to the loan origination
- Interest rate cannot exceed 4%
- Debt service payments can be deferred up to one year
- Maximum loan term is 10 years
- All or a portion of the loan may be forgiven
  - Amount eligible for loan forgiveness is equal to the amount spent by the borrower during an 8-week period following the loan origination date on (i) payroll costs (subject to compensation cap of $100,000 / employee), (ii) mortgage interest payments (iii) rent and (iv) utilities

Emergency Economic Disaster Loans (EIDLs) Changes
- Loans may be approved solely on the basis of an application’s credit score
- Eligible applicants may request advances up to $10,000 within 3 days of submission of loan application
  - If used for allowable purpose, advance is not subject to repayment, even if loan request is denied
- Personal guarantees are waived for loans up to $200,000
- Requirement that the applicant must be in business for a year is waived, however must have been in operation on January 31, 2020
- Credit elsewhere requirement is waived

Recovery Rebates for Individuals
- Eligible individual taxpayers can benefit from a tax credit equal to the sum of (i) $1,200 for single filers ($2,400 for joint filers) plus (ii) an amount equal to $500 multiplied by the number of qualifying children. The credits will be phased out by 5% of the amount by which the eligible individuals adjusted gross income exceeds (i) $150,000 for joint files, (ii) $112,500 for heads of household, and (iii) $75,000 for all other types of files.

Expanded Unemployment
- Expands the scope of individuals who are eligible for unemployment benefits, including those who are furloughed or out of work as a direct result of COVID-19, self-employed, gig workers, and those of have exhausted existing state and federal unemployment benefits
  - Individuals expressly excluded from coverage include those who have the ability to telework with pay and those who are receiving paid sick leave or other paid benefits
- Provides an increase of $600 / week in the amounts customarily available for unemployment under state law through July 31, 2020
- Extends unemployment benefits up to 39 weeks