

# Keeping Workers Paid and Employed Act

The *Keeping Workers Paid and Employed Act* would prevent workers from losing their jobs and small businesses from going under due to economic losses caused by the coronavirus pandemic. The plan would provide cash-flow assistance through 100 percent federally guaranteed loans to employers who maintain their payroll during this emergency. If employers maintain their payroll, the loans would be forgiven, which would help workers to remain employed and affected small businesses and our economy to quickly snap-back after the crisis. This proposal would be retroactive to March 1, 2020, to help bring workers who may have already been laid off back onto payrolls.

## Small Business Assistance

- Small employers with 500 employees or fewer will be eligible to apply for the loans.
- Loans would be immediately available through existing Small Business Administration-certified lenders, including banks, credit unions, and other financial institutions, and SBA would be required to streamline the process to bring additional lenders into the program.
- The Secretary of Treasury would be authorized to expedite the addition of new lenders and make further enhancements to expedite delivery of capital to small employers.
- The size of the loans would be tied to an applicant's average monthly payroll; mortgage, rent, and utility payments; and other debt obligations over the previous year. The maximum loan amount would be \$10 million.
- Conditional upon business retaining their employees and payroll levels during the covered period (March 1, 2020, through June 30, 2020), the portion of the loan used to cover payroll and payments on pre-existing debt would be forgiven. Further, employers with tipped employees would receive forgiveness for additional wages paid to such employees during the covered time.
- The bill would provide \$300 billion to support these loans.

## Loan Guaranty Program

- The bill would expand the allowable uses for the existing 7(a) Small Business Administration loan program to permit payroll support, including paid sick leave, supply chain disruptions, employee salaries, mortgage payments, and other debt obligations to provide immediate access to capital for affected small businesses.
- The maximum loan amount for SBA Express loans would be increased from \$350,000 to \$1 million. These loans provide borrowers with revolving lines of credit for working capital purposes.
- The cost of participation in the 7(a) program would be reduced for both borrowers and lenders by providing fee waivers, an automatic deferment of payments for one year, and no prepayment penalties.

## Entrepreneurial Assistance

- The bill would provide grants to offer counseling, training, and related assistance to small businesses affected by COVID-19:
  - \$240 million for SBA Small Business Development Centers and Women's Business Centers. The non-federal match for Women's Business Centers would be waived for a period of three months.
  - \$10 million for Minority Business Development Agency's Minority Business Centers
  - \$25 million for grants to associations representing resource partners.