Detailed Summary: Coronavirus Aid, Relief, and Economic Security (CARES) Act

March 31, 2020

On March 27, 2020, President Trump signed H.R. 748, the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") into law. This legislation, also referred to as phase three of coronavirus relief measures, is almost certainly not the last action government policymakers will take to support the American economy during the COVID-19 pandemic. The $2 trillion aid package is the largest deployment of capital ever authorized by Congress and includes several provisions designed to ensure banks can continue to provide assistance and relief to consumers and businesses on a scale commensurate with the unprecedented nature of this pandemic.

This summary follows the sequential order of the legislation. We have also provided direct links to the major provisions of the bill of most immediate importance to banks, followed by links to additional analysis.

It is important to note that at this point we do not have all the answers about how these programs will work. Much will depend on soon-to-be-taken regulatory actions in the coming days and weeks. For continued guidance on how these programs and policies will be implemented, we encourage you to monitor ABA's coronavirus **webpage**.

Index of Important Provisions

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Additional Resources:
- For the specific legislative language of the CARES Act, see **Legislative Text**.
- For an overview of the legislation, see **ABA's Executive Summary**.
- For regulatory updates and other COVID-19 information, please visit ABA’s coronavirus **webpage**.

Pub. L. No. 116-136 was signed into law March 27, 2020 (this is the effective date of the Act)

Section	**Issue**	**Summary**	**Potential Bank Impact**	**Effective / Sunset Date**
Division A – Keeping Workers Paid and Employed, Health Care System Enhancements, and Economic Stabilization				
Title I – Keeping Workers Employed and Paid Act (Small Business Issues)				
1101	Definitions	Defines "small business concern" as in the Small Business Administration Act (15 U.S.C. 632). As defined small businesses can vary in size depending on the business or sector.	This is a key definition for eligibility purposes.	
1102	Paycheck Protection Program (PPP)	Funding Provides $349 billion for 7(a) programs from February 15, 2020 to June 30, 2020.		Effective from Feb. 15, 2020 to June 30, 2020. However, increases the maximum amount for PPP 7(a) loans to $10 million through December 31, 2020.
		Includes a "Sense of the Senate" provision that prioritizes loans in underserved and rural markets, including veterans, women and minorities, and businesses in operation for less than two years.	A "Sense of the Senate" goes to intent but is not a statutory requirement. This "Sense of the Senate" will have limited impact if the Administration views it as hampering efforts to get money into the hands of borrowers as quickly as possible.	
		Increase 7(a) Guarantee Increases the government guarantee of loans made for the Paycheck Protection Program (PPP) under section 7(a) of the Small Business Act to 100 percent through December 31, 2020.		
		PPP Loans		

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		Authorizes the Administrator of the U.S. Small Business Administration (hereafter, SBA) to make loans under the PPP.		
		Defines the covered loan period as beginning on February 15, 2020 and ending on June 30, 2020.		
		Increases the maximum PPP 7(a) loan amount to $10 million through December 31, 2020.		
		Loan size is limited to 250 percent of an employer's average monthly payroll, with maximum loan relief of $10 million.	The loan size calculation raises several concerns. First, it only considers payroll and yet the loan can also be used to pay for mortgage, rent, and utilities. The result could be smaller loans that may not cover the full need of the business. Second, for established businesses, calculation of monthly payroll is based on 2019 costs. This may undercount where a customer has experienced significant growth since June 2019. Third, only the first $100k of an employee's salary is included, which further erodes the accuracy of the loan size calculation.	
		Allowable uses of the loan include payroll costs, group healthcare benefits, paid sick or medical leave, insurance premiums, employee salaries and compensation, mortgage interest payments, rent obligations, utilities, and interest on any other debt		

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		obligations incurred before the covered period.		
		Waives both borrower and lender fees for participation in the PPP.		
		Waives the credit elsewhere test for funds provided under this program.		
		Waives collateral and personal guarantee requirements under this program.		
		Outlines the treatment of any portion of a loan that is not used for forgiveness purposes. The remaining loan balance will have a maturity of not more than 10 years, and the 100 percent guarantee for that portion of the loan will remain intact.		
		Requires that loans made under this section do not exceed an interest rate of 4%.	Capping the interest rate at 4% is below that for a normal 7(a) loans, which are currently 2 points above prime.	
		During the covered period, no personal guarantee or collateral is required. SBA has no recourse specifically against individuals, shareholders, members, or partners of an entity receiving a covered loan except to the extent loan proceeds are not used for an authorized purpose		
		Any loan made after January 31, 2020 (as part of the Phase 2 program) and ending		

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		during a date which covered loans are made may be refinanced as part of a covered loan.		
		Eligibility for Loans Small businesses, nonprofits, tribal business concerns, or veterans' organizations with 500 employees, or the applicable size standard for the industry as provided by SBA if higher, are eligible for loans. This includes sole-proprietors, independent contractors, and other self-employed individuals. Businesses with more than one physical location and that employ no more than 500 employees per physical location in certain industries are eligible. The affiliation rules are waived for businesses in the hospitality and restaurant industries, franchises who are approved on the SBA's Franchise Directory, and small businesses who receive financing through the Small Business Investment Company (SBIC) program.	The 500-employee limit includes "FTE, part-time or other basis." Banks may need to require additional information as FTEs are the usual basis for reporting. ABA members have asked for clarification regarding which nonprofits are covered, such as non-profit hospitals. There are helpful paperwork reductions such as such as waivers on affiliation standards, credit elsewhere, and the collateral and personal guarantee requirements.	
		Delegated Authority for Lenders Lenders are authorized to make determinations on borrower eligibility and	This will speed up current timing for making loans. This streamlined process also applies to new lenders entering the program for the first	

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		creditworthiness without going through normal SBA channels. This applies to all current 7(a) lenders and to new lenders that join the program. The Department of Treasury will provide guidance regarding how additional lenders are to be approved. In exercising delegated authority, lenders are required to determine whether the business was operational on February 15, 2020, had employees for whom it paid salaries and payroll taxes, or had paid independent contractors.	time. However, SBA will need to clarify how this will work. In addition, SBA will need to provide guidance and training to new lenders on how to use the ETRAN, SBA's loan guarantee solution or ideally automate. Guidance needs to be provided as quickly as possible. ABA members are concerned about how this will be applied to fintech companies and non-banks.	
		Borrower Obligations Requires eligible borrowers to make a good faith certification that a loan is necessary to support ongoing operations due to the current economic uncertainty, that funds will be used to retain workers and maintain payroll and other debt obligations, that the borrower does not have pending applications for duplicative loans, and that the borrower has not previously received loans during the covered period for this purpose.	This good faith certification is necessary for the program to work quickly and successfully as it will save time on lenders needing to track down paperwork.	
		Deferment of Payments	Deferment of payments for six months to up to one year is attractive to our members.	

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		Allows complete deferment of 7(a) loan payments, including payment of principal, interest, and fees for not less than six months and not more than one year. Requires SBA to provide guidance to lenders on this deferment process within 30 days.		
		Secondary Market Requirements Provides guidance for loans sold on the secondary market, and grants SBA authority to purchase a loan if an investor declines to approve deferment. SBA may not collect fees on any loan in the secondary market.	SBA will need to clarify the process for an investor to decline a deferral request, and how and when the SBA will purchase loans to start the deferral process. It should also work to make this process more efficient for lenders and borrowers.	
		Regulatory Capital Treatment Sets the regulatory capital risk weight of loans made under this program at 0%, and temporary relief from troubled debt restructuring (TDR) disclosures after March 1, 2020 for loans that are deferred under this program. Requires the Administrator to reimburse a lender for servicing the loan within 5 days of disbursing funds. 5% for loans under $350,000, 3% for loans between $350,000 and $2,000,000, and 1% for loans above $2,000,000.	The TDR provision is elective. It may not be strictly necessary due to the updated Interagency statement that alleviates TDR concerns for 6 months, but overall, it is acceptable to ABA members. Lenders seem to be prohibited from charging servicing fees for the duration of the loan, so compensation is limited to agency fees and 4% interest.	

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		Agent fees are capped at levels established by the Administrator		
		EIDL Allows borrowers who have received an economic injury disaster loan (EIDL) between January 31, 2020 and March 27, 2020 (the date of enactment) to receive assistance under this program. Ensures borrowers are not charged any prepayment fees when paying off principal earlier in the loan term.		
		Express Loans Increases the maximum loan for Express loans from $350,000 to $1 million through December 31, 2020, after that they revert to a maximum of $350,000. Rescinds the interim final rule on Express Loans; Affiliation Standards.	Moving the express loans limit to $1million is helpful, but it is still only at a 50% guarantee. The Act repeals the Interim Final rule on Express loans, Affiliations standards. This is important for smaller institutions that provide agricultural loans and 7(a) lenders generally; some burdensome requirements are removed.	
1106	Loan Forgiveness	Establishes that the borrower shall be eligible for loan forgiveness equal to the amount spent by the borrower during an eight-week period after the origination date of the loan. Funds must be spent on payroll costs, interest payment on any mortgage incurred prior to February 15, 2020, payment of rent on any lease in force prior to February 15, 2020, and	Large onus on the lender to determine the level of forgiveness. The formulas are quite complicated given the fact that it is basically a grant if the loan is forgiven. Lenders' role in processing debt forgiveness is a concern due to the potential for borrower application errors.	Effective upon enactment.

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		payment on any utility for which service began before February 15, 2020. The Administrator must remit funds to the lender in an amount equal to the amount of forgiveness, plus any interest accrued, within 90 days of the forgiveness determination. Upon a lender's report of an expected loan forgiveness amount for a loan or pool of loans, the SBA will purchase such amount of the loan from the lender. This purchase will occur within 15 days after the Administrator receives the report. Amounts forgiven may not exceed the principal amount of the loan. The amount forgiven will be reduced proportionally by any reduction in employees retained compared to the prior year and reduced by the reduction in total salary or wages of any employee in excess of 25 percent of their prior year total salary or wages. Borrowers who re-hire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period. The reduction amount will be changed if an employee is able to re-hire empty positions not later than June 30, 2020. Or, the employer raises wages back to pre-February 15, 2020 levels prior to June 30, 2020.	Lenders have up to 60 days to approve or deny the application. Unclear how long SBA has after the application is approved to disburse the funds. The calculation excludes employees making more than at $100k annually.	

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		Borrowers will verify through documentation to lenders their payments during the period. There is a prohibition of forgiveness without documentation. The lender must make a decision on the forgiveness application within 60 days of receipt. The bill contains a Hold Harmless provision, which prohibits enforcement actions against lenders if they have received documentation from a borrower seeking forgiveness and that borrower attests they have accurately verified how they spent the money. Canceled indebtedness resulting from this section will not be included in the borrower's taxable income. Within 30 days, the Administrator must issue guidance and regulations implementing this section.	Some liability protection afforded by inclusion of the Hold Harmless provision. However, some ABA members have raised concerns about potential liability under the False Claims Act. To help address this concern, SBA should provide clear guidance on the obligations of lenders in the collection of information from the borrower as part of the forgiveness process. Ideally, this would be a streamlined process with borrowers responsible for certifying they have used the funds properly. It is important for SBA to act quickly and they have indicated they intend to have guidance within days of enactment.	
1107	Direct Appropriations	$349 billion for loan guarantees and subsidies. (Section 1102) $300 million for SBA salaries and expenses. $10 billion for EIDL grants (Section 1110)	Deploying $350 billion in a short period of time will present significant operational challengers.	Effective upon enactment.

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		$17 billion for the principal and interest program for existing 7(a) Loans (Section 1112) Several million for SBA’s IG, small business and women centers and resource partner associations. The Secondary Market from date of enactment and ending September 30, 2021 will be capped at a principal amount of $100 billion Report due within 180 days after enactment with a detailed expenditure plan for the Appropriations Committees	More detailed is needed about how the Inspector General (IG) will conduct oversight function. This cap on the secondary market should be manageable if the loans are being repaid and SBA is processing forgiveness in a timely manner.	
1109	United States Treasury Program Management Authority	Treasury can include additional financial institutions to participate in the paycheck protection program until the National Emergency expires. Allows for any federally insured depository institution or other lender participation as deemed by the Department of Treasury. The Department is required to promulgate regulations and guidance for these additional lenders and establish terms and conditions for lenders.	The “other lenders” portion of this section allows for non-federally insured depository lenders to provide these types of loans (i.e. Fintechs). ABA members have raised multiple concerns about the ability to administer this program quickly and efficiently. Particularly, members have expressed concerns around the anticipated volume of loans that will need to be approved in a very short amount of time.	Effective upon enactment to the end of the national emergency.

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		Borrower must certify that it does not have an application pending for a 7(a) loan for the same purpose and has not received a loan between for the same purpose between February 15, 2020 and December 31, 2020. SBA Qualified Lenders can opt to participate in the program through Treasury's established guidance and regulations. They can also participate in the existing 7(a) lending program Authority goes until national emergency ends.	Overall, this section is confusing, but the intent seems to be to operate the program through SBA with Treasury guidance. Clarification needs to be made in any guidance issued as to who is operating the program and how funds will be disbursed.	
1110	Emergency EIDL Grants	Expands eligibility for access to Economic Injury Disaster Loans (EIDL) to include Tribal businesses, cooperatives, and ESOPs with fewer than 500 employees or any individual operating as a sole proprietor or an independent contractor during the covered period (January 31, 2020 to December 31, 2020). Private non-profits are also eligible for both grants and EIDLs. Requires that for any SBA EIDL loans made in response to COVID-19 after January 31, 2020 and before December 31, 2020, the SBA shall waive any personal guarantee on advances and loans below $200,000, the requirement that an applicant needs to have been in business for the 1-year period before	Additional EIDL loans are helpful provided SBA has the bandwidth to process them. It will likely need to use volunteers from local banks.	Effective from January 31, 2020 to December 31, 2020.

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		the disaster, and the credit elsewhere requirement. Allows SBA to offer EIDL loans based solely on an applicant's credit score or an appropriate alternative method for determining applicant's ability to repay. Establishes an Emergency Grant to allow an eligible entity who has applied for an EIDL loan to request an advance on that loan, of not more than $10,000, which the SBA must distribute within 3 days. Borrower does not have to pay this money back even if application ultimately denied. In advance of disbursing the advance payment, the SBA must verify that the entity has applied for an EIDL loan. Authorizes $10 billion in appropriations for this section. Terminates authority to carry out EIDL on December 30, 2020.	This $10,000 cash advance will be attractive to many business owners.	
1112	Subsidy for Certain Loan Payments	Defines a covered loan as an existing 7(a) (including Community Advantage), 504, or microloan product. Paycheck Protection Program (PPP) loans (authorized by section 1102) are not covered.	Using $17 billion to forgive up to 6 months of principal and interest (P&I) payments on existing 7(a) loans is significant, as is the confirmed amount of money appropriated.	Effective upon enactment.

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		Requires the SBA to pay the principal, interest, and any associated fees that are owed on the covered loans for a six-month period starting on the next payment due. Loans that are already on deferment will receive six months of payment by the SBA beginning with the first payment after the deferral period. Loans made up until six months after enactment will also receive a full 6 months of loan payments by the SBA. SBA must make payments no later than 30 days after the date on which the first payment is due. Requires the SBA to still make payments even if the loan was sold on the secondary market. Includes "Sense of Congress" language that COVID-19 adversely impacts all borrowers, that relief payments are appropriate and in addition to the relief provided by the Act, and that lenders should be encouraged to provide payment deferments "as appropriate" and extend the maturity of SBA loans in deferment beyond existing statutory limits to avoid balloon payments. This section authorizes the appropriation of $17 billion to carry out the program.	ABA members are generally supportive of this language.	
1113	Bankruptcy	Section 1113 increases the amount of debt to $7.5 million (currently $2.5 million) a small business may have in order to use the "fast	These changes are temporary but will allow a larger number of business to use the	Effective until one-year after

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		track" small business changes to Chapter 11 enacted earlier this year. Section 1113 also provides that, for consumers in Chapter 13 repayment plans, emergency income received from the government as a result of the COVID 19 crisis need not be paid to creditors and cannot be considered when calculating the consumer's income for bankruptcy purposes. Additionally, the consumer may extend the repayment plan from 5 to 7 years if the consumer can show the extension is necessary due financial constraints from the COVID 19 crisis.	streamlined bankruptcy procedures enacted into law. For creditors in business bankruptcy cases involving small businesses, lenders will need to ensure that careful attention is paid to court deadlines. Cases on the "fast track" will proceed more quickly and objections will need to me lodged sooner than normal. For creditors in consumer cases, lenders will need to prepare for more frequent modifications of repayment plans, perhaps reducing amounts collected. In addition, lenders should be prepared for some repayment plans to last 7 years. These changes will require updated compliance and monitoring efforts.	the date of enactment.
1114	Emergency Rulemaking Authority	SBA must issue regulations no later than 15 days after enactment; waives Notice & Comment Rulemaking	Because there is no comment period, ABA proactively reached out to SBA to inform the regulatory effort.	Effective upon enactment.
Title II – Assistance for American Workers, Families, and Businesses (unemployment insurance and tax issues)				
Subtitle A – Unemployment Insurance Provisions				
2102	Pandemic unemployment assistance	Unemployment assistance for those not traditionally eligible (self-employed, independent contractors, those with limited work history) unable to work due to emergency.	Important to economic stability and consumer lending.	Effective January 27 through December 31, 2020.

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2103	Emergency unemployment relief for governments and nonprofits	Reimbursement for non-profits, governments, and tribes for half of the costs they occur before December 31, 2020 to pay unemployment assistance.	Important to economic stability, state government financial stability, and consumer lending.	Ends December 31, 2020.
2104	Emergency increase in unemployment compensation	Additional $600 per week to each recipient of unemployment insurance or pandemic employment insurance for up to four months.	Important to economic stability and consumer lending.	Ends on or before July 31, 2020.
2105	No waiting a week for unemployment benefits	Federal government will pay first week of unemployment benefits in states that require a one-week delay for application.	Important to economic stability and consumer lending.	Ends on or before December 31, 2020.
2107	Additional 13 weeks	After state unemployment is exhausted, an additional 13 weeks of benefits are provided.	Important to economic stability and consumer lending.	Ends on or before December 31, 2020.
2108-2111	Programs for reduced hours	For states with pro-rated unemployment compensation for reduced hours, 100% of those costs are covered by Federal government before December 31, 2020. Provides grants, technical assistance and other incentives for states that enact such programs.	Important to economic stability and consumer lending.	Varies.
Subtitle B – Rebates and other Individual Tax Provisions				
2201	Recovery rebates	Disbursements of up to $1,200 will be paid to taxpayers ($2,400 for joint filers), plus an additional $500 per qualifying child. This, however, is phased out for more affluent taxpayers based on the level of taxable income from 2019 (if return filed), or 2018. The rebate amount is reduced by $5 for each $100 that a taxpayer's income	Positive impact for individual bank customers. Potential implications for cash needs, fraud and processing procedures to the extent checks are used by the government for disbursements.	One-time payment in 2020.

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		exceeds $75,000 (or $150,000 married). The amount is completely phased-out for single filers with incomes exceeding $99,000, $146,500 for head of household filers with one child, and $198,000 for joint filers with no children.		
2202	Retirement funds	Waives 10% early withdrawal penalty, up to $100,000, and funds are taxable over 3-years, for those diagnosed with COVID-19, with a family member diagnosed, or those who have suffered an adverse financial consequence due to COVID-19.	Positive short-term liquidity impact for individual bank customers.	Applies to distributions made in 2020.
2203	Waiver of retirement required minimum distributions	Waiver of required minimum distributions (RMD) of retirement accounts in 2020.	Positive impact for individual bank customers. Enables consumers to avoid selling during a market downturn.	Applies to RMD's for 2020.
2204	Above-the-line charitable deductions	$300 in charitable deductions apply above-the-line, meaning taxpayers get benefit whether they itemize or not.	Encourages continued funding to churches and other not-for-profits that can assist in recovery.	No sunset.
2205	Waive limits on charitable deductions	Limits on charitable deductions for individuals and businesses either waived or expanded in 2020.	Encourages continued funding to nonprofits – both secular and religiously-affiliated – that can assist in recovery.	Applies to contributions in 2020.
2206	Exclusion of employer-provided benefits for student loans	Excludes employer-provided student loan payments from income of the employee.	Benefits banks as employers if they provide student loan repayment assistance through platforms such as Gradifi, an ABA-endorsed solution provider. Benefits borrowers who work for these employers.	Applies to payments made in 2020.
Subtitle C – Business Tax Provisions				
2301	Employee retention credit for employers significantly impacted by COVID-19	Allows for a tax credit against payroll taxes for 50% of wages paid (up to $10,000 per employee) for businesses that have either partially or completely suspended business or had a reduction of 50% of revenues relative to the prior year and applies until	Additional liquidity for customers in severe distress.	Applies to wages paid from March 13, 2020 to December 31, 2020.

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		revenues reach 80%. Importantly, the credit is not available if employer is taking advantage of loan forgiveness in other programs.		
2302	Delay of payment of employer payroll taxes	Delay employer-portion of payroll tax for employers and self-employed individuals. Tax to be paid over two years, with half of the amount by December 31, 2021 and the other half by December 31, 2022.	Additional near-term liquidity for banks and customers.	Applies to 2020 payroll taxes between date of enactment and December 31, 2020.
2303	Net operating losses (NOLs)	Allows for carryback of tax losses for five years and removes certain limitations on carryforwards.	Additional near-term liquidity for banks and customers due to recovering previously paid taxes. Also, should help in stress test calculations for banks.	Provisions apply to 2018 - 2020.
2304	Pass-through losses	Modifies the loss limitation applicable to pass-through businesses and sole proprietors, so they can utilize excess business losses and access critical cash flow to maintain operations and payroll for their employees.	Additional long-term liquidity for banks and customers.	For farm losses, applies through 2025. Other losses only 2020.
2305	Corporate AMT Credits	The corporate AMT was repealed as part of the 2017 tax bill, but corporate AMT credits were made available as refundable credits over several years, ending in 2021. The provision accelerates the recovery of those AMT credits.	Additional near-term liquidity for banks and customers due to recovering previously paid taxes.	Accelerates benefit to 2019.
2306	Business interest expense	Allows for less restrictive limitations on the deductibility of interest expense by customers -- 30% limitation is increased to 50% of taxable income (with adjustments) for 2019 and 2020.	Decreases economic borrowing costs for customers subject to the restrictions. Should help customers satisfy their obligations.	Applies to 2019 and 2020.
2307	Qualified improvement property	Allows the immediate write-off of investment property improvements, rather	Additional near-term liquidity for bank customers.	Retroactive to enactment of

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		than depreciating expenses over 39 years. Provides look back to 2017 tax law. Especially important for retail and hospitality industries.		tax reform act. No sunset.
Title III – Supporting American’s Health Care System in the Fight Against the Coronavirus				
Subtitle A – Health Provisions				
Part I – Addressing Supply Shortages				
3101-3121	Not applicable to banks	Addresses liability issues for medical device manufacturers, FDA issues, drug manufacturer supply chain issues, and reporting requirements during national emergencies.		
Part II – Access to Health Care for COVID-19 Patients				
3201-3226	Not applicable to banks	Addresses insurance issues for COVID-19 testing, provides that any COVID-19 vaccine will be free, provides funding for community health centers, telehealth centers, rural health centers, and establishes a ready reserve corps of medical professionals.		
Part III – Innovation				
3301-3302	Not applicable to banks	Addresses biomedical research issues.		
Part IV – Health Care Workforce				
3401-3404	Not applicable to banks	Addresses medical training issues.		
Subtitle B – Education Provisions				
3503	Campus-based aid waivers	Waives institutional matching requirements for financial aid and allows institutions to transfer unused work-study funds to be used for supplemental grants to students.	Will be important to banks that provide campus cards/campus products. Will positively contribute to consumer credit market.	End of 2021 academic year.
3504	Supplemental educational opportunity grants	Allows additional grant money to be awarded to students impacted by COVID-19.	Will be important to banks that provide campus cards/campus products. Will positively contribute to consumer credit market.	No sunset, but only applies to coronavirus.
3505	Continuing work-study payments during quarantine	Allows work-study funds to continue to be paid if a student is quarantined due to COVID-19.	Will be important to banks that provide campus cards/campus products. Will positively contribute to consumer credit market.	No sunset, but only applies to coronavirus.

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3506-3509	Adjustments to student aid for students that drop out due to COVID-19.	For students that drop out as a result of COVID-19, this term is excluded from lifetime subsidized loan caps, no requirement to return funds to government, and grades are not included in progress requirements.	Applies only to federal student loans, not private loans.	No sunset, but only applies to coronavirus.
3512	HBCU Capital Financing Program	Authorizes the Secretary of Education to defer payments on current HBCU Capital Financing loans during the national emergency period so HBCUs can devote financial resources to COVID-19 efforts.	Unknown how many banks participate in this program, but banks appear to be eligible to do so under the existing statute as "qualified bonding authorities."	No sunset, but only applies to coronavirus.
3513	Temporary relief for federal student loan borrowers	Allow the Department of Education to defer student loan payments, principal, and interest for 6 months without penalty to the student.	Applies only to federal student loans, not private loans.	September 30, 2020.
Subtitle C – Labor Provisions				
3601	Limitation on Paid Family and Medical Leave	Creates a limitation stating an employer shall not be required to pay more than $200 per day and $10,000 in the aggregate for each employee.	Matters to banks as employers. Matters to banks as lenders to small businesses and consumers.	Effective upon enactment.
3602	Limitation on Paid Sick Leave	Creates a limitation stating an employer shall not be required to pay more than $511 per day and $5,110 in the aggregate for sick leave or more than $200 per day and $2,000 in the aggregate to care for a quarantined individual or child for each employee under this section.	Matters to banks as employers. Matters to banks as lenders to small businesses and consumers.	Effective upon enactment.
3605	Paid leave for rehired employees	Allows an employee who was laid off by an employer March 1, 2020, or later to have access to paid family and medical leave if they are rehired. Employee would have had to work for the employer at least 30 days prior to being laid off.	Matters to banks as employers and as consumer lenders.	Effective upon enactment.

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3606	Advance refunding of credits	Allows employers to receive an advance on Paid Family Medical Leave tax credit instead of being reimbursed on the back end.	Promotes business liquidity.	Effective upon enactment.
3607	Expansion of DOL authority to postpone certain deadlines	Grants Department of Labor authority to postpone ERISA deadlines.		Effective upon enactment.
3608	Single-employer funding plan rules	Provides single employer pension plans with more time to meet their funding obligations by delaying the due date for any contribution otherwise due during 2020 until January 1, 2021. At that time, contributions due earlier would be due with interest.	Matters to individual banks that may have pension plans for their employees.	Effective upon enactment.
Subtitle D – Finance Committee (Health Tax Provisions)				
3701	HSA Telehealth Services	Allows high-deductible health plans with a health savings account to cover telehealth services prior to the deductible.	Makes Health Savings Accounts versatile and attractive to users (potentially leading to an increase in deposits for banks).	Effective for plan years beginning on or before December 31, 2021.
3702	HSA Coverage for Over-the-Counter Products	Restores the ability to use HSAs and FSAs to purchase OTC medical products, including those needed in quarantine and social distancing, and including feminine hygiene products for the first time, without a prescription from a physician	Makes Health Savings Accounts versatile and attractive to users (potentially leading to an increase in deposits for banks).	Effective for expenses incurred after December 31, 2019.
3703-3720	Not applicable to banks	Modifies tax provisions in the health care space, including definitions of qualified medical expense, rural telemedicine incentives, weighting factors in Medicare billing, and payment rates for medical supplies.		
Subtitle E – HHS Extenders				
Part I – Medicare Provisions				
3801-3803	Not applicable to banks	Addresses threshold Medicare requirements.		
Part II – Medicaid Provisions				

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
3811-3814	Not applicable to banks	Addresses threshold Medicaid requirements.		
Part III – Human Services and Other Health Programs				
3821-3824	Not applicable to banks	Addresses Temporary Assistance to Needy Families (TANF) program and extends authorization for three HHS education programs.		
Part IV – Public Health Provisions				
3831-3832	Not applicable to banks	Addresses community health centers and diabetes programs.		
Part V – Miscellaneous Provisions				
3841	Prevention of duplicate appropriations	Provides that any funds already appropriated addressing programs covered by CARES Act shall be charged to CARES Act, not to original appropriation.		
Subtitle F – Over the Counter Drugs				
3851-3862	Not applicable to banks	Addresses drug marketing requirements, misbranding, user fees, and other issues.		
Title IV – Economic Stabilization and Assistance to Severely Distressed Sectors of the United States Economy (most bank provisions)				
4002	Definitions	Covered loss – includes losses incurred directly or indirectly as a result of coronavirus, as determined by the Secretary. Eligible business – a United States business that has not otherwise received adequate economic relief in the form of loans or loan guarantees provided under this Act.	These are key definitions for eligibility purposes and provide significant flexibility as to the types of businesses that can apply for loans or investments.	
4003	Emergency Relief and Taxpayer Protections	A total of $500 billion is provided to the Secretary of the Treasury to provide sufficiently collateralized loans, loan guarantees, and other investments to eligible entities as follows: • Up to $25 billion for direct lending to passenger air carriers. • Up to $4 billion for direct lending to cargo air carriers.	Potential for banks to originate and service loans in this program.	Effective upon enactment.

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date

		• Up to $17 billion for direct lending to businesses critical to maintaining national security; and
		• Up to $454 billion to loans, loan guarantees, and investments in support of Federal Reserve 13(3) facilities established to aid the U.S. economy, plus any capacity not used for the three items above.
		  ○ This support is designed to cover the Fed's losses beyond collateral put up by borrowers, effectively leveraging the investment.
		  ○ Per White House, this is estimated to generate $4 trillion in projected lending.
		
		Entities eligible for loans or loan guarantees under the first three programs (airlines, air cargo, and national security) are those for whom credit is not otherwise reasonably available at the time of the transaction. An entity is only eligible for relief if Treasury determines its continued operations are jeopardized as a result of losses stemming directly from the coronavirus outbreak. Also, for loans under these three categories:
		
		• Interest rates on any loans extended by Treasury must reflect the risk of the loan and the current average yield on marketable Treasury		

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		obligations of comparable maturity and may be no less than the rate prior to the outbreak of COVID-19. • Loan terms are as short as possible and no longer than 5 years. • No stock buybacks or dividends until loans paid back, plus one year. • Loan recipients must try to maintain employment levels, to the extent practical, as of March 24, 2020 until September 30, 2020, and will not reduce employment by more than 10% prior to that date. • The Federal Government participates in the upside: To the extent feasible and practicable, Treasury must ensure that the Federal Government is compensated for the risk assumed in making loans and loan guarantees under this section. Treasury is authorized to include warrants, stock options, common or preferred stock, or other appropriate equity instruments. Interest rates on any loans extended by Treasury must reflect the risk of the loan and the current average yield on marketable Treasury obligations of comparable maturity.		

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		Government guaranteed debt will be respected as debt for tax purposes. Treasury must publish procedures for loans and guarantees to airlines, air cargo, and national security entities within 10 days of enactment. Treasury support for Federal Reserve facilities: If part of the $454 billion authority above is used to support direct lending by the Federal Reserve, the stock repurchase and dividend restrictions below will apply. Usual Federal Reserve restrictions under Section 13(3) programs, *e.g.*, collateral requirements, will apply. No loan forgiveness for any credit under Section 4003. Treasury must promote a program under this authority to provide financing to banks and other lenders to lend to eligible businesses and nonprofits with between 500 and 10,000 employees at a maximum rate of 2%, with no payments for at least the first six months. Funds must be used to maintain at least 90% of the borrower's workforce until September 30, 2020. Treasury and Fed have the ability to implement a "Main Street Lending Program" that supports small and mid-size businesses.		

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		A borrower must commit to restore 90% of its February 1, 2020 workforce at full compensation and benefits within four months of termination of the end of the public health emergency declared by the Secretary of Health and Human Services on January 31, 2020. Treasury/Fed programs or facilities that provide loans, guarantees, or other investments are limited to businesses organized under the laws of the United States and that have significant operations in, and a majority of its employees based in the United States. Stock repurchases, dividends, and opposition to union organizing are prohibited during the loan term, and job outsourcing, and abrogation of collective bargaining are prohibited for two years after repayment.		
4003(g)	Banks as financial agents of Secretary	Depositories, broker/dealers, and others as Treasury determines, may be designated as financial agents and perform all reasonable duties as the Secretary deems necessary and shall be paid for doing so using appropriations.	Authorizes Treasury to use banks and other entities to act as servicers for government-issued loans.	Effective upon enactment.
4004	Limits on Certain Employee Compensation	Certain limits are imposed on employee compensation for entities that receive funds from this program. These limits begin on the date the agreement is executed and end 1-	This provision is similar to compensation limits included in TARP.	Effective upon enactment.

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		year after the date on which the loan or loan guarantee is no longer outstanding. Total compensation cannot be increased for any employee that earned more than $425,000 in calendar year 2019 (except those covered by an existing collective bargaining agreement) and upon termination, severance pay, and other benefit cannot exceed twice total compensation for 2019. Any officer or employee whose compensation exceeded $3 million in 2019 cannot be paid more than $3 million and any bonus is capped at 50% of the excess over $3 million of total compensation received in 2019.		
4008	Debt Guarantee Program	Modifies DFA to give the FDIC authority to implement a temporary program that guarantees bank debt. Amount must be approved by Treasury. Funding for the program must come from additional fees/assessments. DIF may not be used. For this period, the NCUA, in coordination with the FDIC, may increase to an unlimited amount, or a lower amount, share insurance coverage on any noninterest bearing transaction account in any federally insured credit union.	The FDIC is granted discretion to guarantee bank liabilities, specifically including noninterest bearing transaction accounts. The FDIC will determine whether to exercise its authority and as to what liabilities.	Effective upon enactment and terminates no later than December 31, 2020.

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
4009	Temporary Government in the Sunshine Act Relief	Fed may conduct meetings without open meetings requirements.	May be important to allow Fed to take quick action.	Effective upon enactment and ends the earlier of the end of the emergency or December 31, 2020.
4011	Temporary lending limit waiver	During emergency, creates an exception from current loan limits for national banks to lend to certain nonbank financial companies. In addition, the OCC is authorized to exempt any transaction or series of transactions from the lending limits if the exemption is in the public interest.	Creates more flexibility for national bank lending to nonbanks for the OCC to approve individual transactions or a series of transactions from current lending limits. May impact state banks as well due to state "wildcard" statutes.	Effective upon enactment and ends the earlier of the end of the emergency or December 31, 2020.
4012	Temporary relief for community banks	Requires the federal banking agencies to issue an interim rule that reduces the 9% community bank leverage ratio to 8%. Any community bank that falls below the 8% leverage ratio must be given a reasonable grace period to come into compliance and during the grace period will continue to be treated as qualifying for the 8% leverage ratio.	There is no specific timeframe for the banking agencies to issue the interim rule and the effective period could be short.	Effective beginning on the date the interim rule is issued and ending on the earlier of the end of the emergency or December 31, 2020.
4013	Temporary relief from troubled debt restructurings	During the effective period a financial institution may elect to suspend the requirements under GAAP principles for loan modifications related to COVID-19 that would otherwise be categorized as TDRs and suspend any determination regarding loans modified as the result of COVID.	TDRs are an accounting definition when a bank modifies loan terms (such as a deferral, extension, etc.). TDR accounting is onerous and the designation has adverse regulatory capital and criticism implications. This suspends the process for TDR accounting for a period of time.	Effective beginning March 1, 2020 and ending on the earlier of December 31, 2020, or the

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		The Federal banking agencies and NCUA must defer to the financial institution's decision. For modified loans that are suspended, financial institutions should maintain records of the volume of loans and the Federal banking agencies may collect data about such loans for supervisory purposes. A suspension is applicable for the term of the loan modification, but solely with respect to any modification. This includes forbearance, interest rate modification, repayment plan or any similar deferral or delay of the payment of principal or interest that occurs during this period. Only loans that are not more than 30 days past due as of December 31, 2019 are eligible. Also, this does not apply to any adverse impact on the credit of a borrower that is not related to the COVID-19 emergency.	Although time limited, this could have a major impact for some banks because it appears to be applicable for the term of the modified loan, but only with respect to any modification that occurs during this period. This provision only applies to loans that were not already past due as of December 31, 2019. Modifications that are not COVID-related would not be in the scope of the suspension of TDR accounting. **Regulatory Guidance:** Interagency guidance provides relief on TDR designation for 6-month deferrals and other COVID-caused modifications. Many of the same bill provisions are included in the interagency statement.	date that is 60 days after the end of the emergency.
4014	Optional temporary relief from current expected credit losses (CECL)	During the "effective period" no insured depository institution, credit union, bank holding company, or any affiliate shall be required to comply with CECL.	CECL credit loss allowances are difficult to estimate and add to the volatility in capital. As a result, CECL implementation would be expected to severely suppress capital.	Effective period is from date of enactment and ends the earlier of the end of the emergency or Dec 31, 2020.

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
			This makes implementation optional. Banks will need to assess whether they can ramp back up to CECL once the temporary relief expires. **Regulatory Guidance:** On Friday, March 27, the Federal Reserve amended the optional CECL Transition Rule to allow banks to add back to regulatory capital the difference to retained earnings at adoption, plus 25% of additions to the credit loss allowance over the next two years. It will then allow a phase-in of that amount over the three years thereafter.	
4015	Backstop for Money Market Mutual Funds (MMMFs).	Section 131 of the Emergency Economic Stabilization Act of 2008 does not apply from the date of enactment to December 31, 2020. Limits guarantee to value of account on the close of business on the day before the announcement of the guarantee.	This is designed to stabilize MMMFs; this provision was narrowed during the legislative process from early drafts of the bill. There is some concern that this may disadvantage deposits, but the expansion of debt guarantees for banks and credit unions in section 4008 (above) offsets this to some extent.	Effective upon enactment and ends December 31, 2020.
4016	Temporary credit union provisions	NCUA Central Liquidity Facility (CLF) is allowed to lend to all credit unions, including corporate credit unions; increase leverage from 12x to 16x; and credit unions may borrow from CLF to expand their portfolio.	This could be a significant expansion of the CLF, and by extension the borrowing authority of all credit unions, but expires at the end of 2020.	Effective upon enactment and ends December 31, 2020.
4018	Special Inspector General for Pandemic Recovery	Creates the Treasury Special Inspector General for Pandemic Recovery (SIG-PR). The SIG-PR shall conduct, supervise, and coordinate audits and investigations of the making, purchase, management, and sale of	Similar to the Special Inspector General for TARP. Will be important for banks that make or service loans under Section 4003 lending	Effective upon enactments and ends five years after enactment.

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		loans, loan guarantees, and other investments made by the Treasury Secretary, and file quarterly reports with Congress including details of all such loans, guarantees, and investments.	programs and facilities to be aware that these loans may have an additional level of regulatory oversight.	
4019	Conflicts of Interest	Prohibition on loans or investments to businesses controlled by the President, Vice President, Members of Congress, heads of Executive Departments, and their immediate families.		Effective upon enactment.
4020	Congressional Oversight Commission	Establishes a five-member “Oversight Commission” chosen by Republican and Democratic Leadership in House and Senate to oversee implementation by Treasury and the Fed. Each of Republican and Democrat Majority and Minority Leaders choses one member each for a total of four. The Chairperson is chosen jointly by the Speaker of the House and Majority Leader of the Senate in consultation with their respective Minority Leaders. Reports are required to Congress every 30 days. The Commission has the power to hold hearings, hire staff, call witnesses and obtain data from agencies.		Effective upon enactment and ends September 30, 2025.
4021	Credit protection during COVID-19	Amends FCRA to provide that credit furnishers that agree to defer payments, forbear on any delinquent credit or account, or provide any other relief to consumers during the national emergency must report	The provision generally tracks current industry standards, but it may cause some technical difficulties. The long-term impact on the accuracy and predictiveness of credit reports is unclear.	Beginning on January 31, 2020 and ending on the later of 120

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		the account as current to consumer reporting agencies. If the credit or account was delinquent before the accommodation was made, the furnisher must continue to maintain the same delinquent status while it is in effect. If the consumer brings the credit or account current during the accommodation period the furnisher must report it as current. This does not apply to a credit or account that has been charged-off.		days after the date or enactment or 120 days after the end of the national emergency.
4022	Foreclosure moratorium and consumer right to request forbearance	The Act establishes forbearance requirements and terms for loans backed by federal government agencies or GSEs. Requires mortgage servicers of government-backed loans to grant up to 180 days of forbearance to borrowers who request and also make affirmation of financial hardship due to COVID-19. That initial period must be extended up to another 180 days if the borrower so requests. Act restricts servicers from assessing penalties, fees or extra interest during the forbearance period. Forbearance requirements are limited to guaranteed or insured loans and therefore pose no direct impact on pure portfolio lenders.	Forbearance requirements are limited to guaranteed or insured loans; and therefore, portfolio loans are not covered by the provisions of this section. The Act's provisions may differ from existing customized modification agreements that servicers currently utilize.	Effective upon enactment through the end of the national emergency. Foreclosure Moratorium applies to 60-day period beginning on March 18, 2020.

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
		Servicers may not initiate judicial or non-judicial foreclosure process or move for foreclosure judgments for not less than the 60-day period beginning on March 18, 2020.		
4023	Forbearance of residential mortgage loan payments for multifamily properties with federally backed mortgages	Provides that any multifamily (5+ units) borrower with a federal guaranteed or insured loan experiencing hardship due directly or indirectly to COVID 19 may request forbearance for a 30-day period with up to two 30-day extensions. Borrower must be current on its payments as of February 1, 2020. Servicers are required to document borrower’s hardship. Borrowers accepting such forbearance must agree to provide tenant protections (prohibitions on evictions for non-payment of rent during forbearance period; no late fees).	The forbearance requirements are limited to guaranteed or insured loans; and therefore, pose no direct impact on portfolio lenders. The Act’s provisions may differ from existing customized modification agreements that servicers currently utilize.	Effective upon enactment through the earlier of the end of the national emergency or December 31, 2020.
4024	Temporary moratorium on eviction filings	For 120 days post-enactments, landlords may not institute eviction proceedings for properties where the mortgage is insured, guaranteed, supplemented, protected, or assisted by GSEs or agencies.		120 days from enactment – approximately Saturday, July 25, 2020.
4026	Reports	Treasury must create real-time public reporting of transactions involving aviation or homeland security industries, including loan and investment terms. A GAO study is required.		

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
4029	Termination of authority	Authority to issue new loans terminates December 31, 2020.		December 31, 2020.
Title V – Budgetary Provisions				
5001	PAYGO and budget rules	Designated as an emergency exempt from Congressional pay-as-you-go and other requirements.		
Division B – Emergency Appropriations for Coronavirus Health Response and Other Agency Operations				
Top Line:	**$242 billion emergency appropriation across the government**			
Title I – Agriculture $48.9 billion		Provides $14 billion for the Commodity Credit Corporation and $9.5 billion for additional assistance to producers. Authorizes USDA to extend marketing assistance loans for 12 months. Provides $3,000,000 for the Farm Service Agency to hire temporary staff as needed.	The funds provided for the Commodity Credit Corporation and additional assistance will be used by agricultural customers to prevent funding shortfalls. This will allow banks to help customers through cash flow issues. Hiring of additional Farm Service Agency Staff will be crucial for faster loan approvals.	
Title II – Commerce/ Justice/Science $1.595 billion			No direct impact on banks.	
Title III – Defense $11.55 billion			No direct impact on banks.	
Title IV - Energy			No direct impact on banks.	

Section	Issue	Summary	Potential Bank Impact	Effective / Sunset Date
$3.221 billion				
Title V – Financial Services and General Government (FSGG) $1.728 billion		$562 million for administrative expenses and program subsidy for the SBA Disaster Loan Program.		
Title VI – Homeland Security $6.2 billion			No direct impact on banks.	
Title VII – Interior, Environment, and Related Agencies $735.4 million			No direct impact on banks.	
Title VIII – Labor, HHS, Education $119.365 billion			Largely not applicable to banks, although does have workforce training and dislocated worker initiatives.	
Title IX – Leg Branch $93.1 million			No direct impact on banks.	
Title X – Military Construction and Veterans Affairs $19.7 billion			No direct impact on banks.	
Title XI – State Department $1.15 billion			No direct impact on banks.	
Title XII- Transportation/HUD $48.5 billion		$10 billion for Community Development Block Grants. $1.25 billion for tenant-based rental assistance. $685 million for public housing operating fund. $1 billion for project-based rental housing assistance. $50 million for elderly housing. $15 million for disability housing. $2.5 million for additional fair housing enforcement.	This additional funding will help address housing issues, including reduced rent payments landlords mortgaged through banks may receive for their properties.	