

December Advocacy Update

ON THE HILL

12/27/20

The President signed the \$2.3 trillion package this evening despite his threats of not signing due to the amount for personal direct payments. The signing came after millions of Americans ran out of unemployment benefits and his signature avoids a government shutdown at midnight on Monday.

[Here](#) you will find some Advocacy wins that you can share with your chapters.

12/20/20

They have struck a deal on an approximately \$900 billion economic relief package.

We have still not seen language because they are still writing the bill, but according to Senator John Thune (R-SD), the #2 Republican Senator, businesses that received PPP loans and had them forgiven will be able to deduct the costs covered by those loans on their federal tax returns.

Other expected highlights include:

- \$284 billion for first and second forgivable Paycheck Protection Program (PPP) loans with expanded eligibility
 - PPP set-asides for very small businesses and lending through Communication Development Financial Institutions (CDFIs) and Minority Depository Institutions
- Dedicated \$15 billion in funding for live venues, movie theatres
- \$20 billion in Economic Injury Disaster Loan (EIDL) grants
- Tax credit to support employers offering paid sick leave
- Extends and improves Employee Retention Tax Credit
- Stimulus checks up to \$600/person (the size of the benefit would be reduced for people who earned more than \$75,000 in 2019)
- Extending federal jobless benefits at \$300/week for up to 11 weeks of unemployment (At least through March 14)
- Unemployment for contract and gig workers would be extended 11 weeks as well
- Extend a one-month moratorium on evictions
- \$7 billion to increase access to broadband, including a new Emergency Broadband benefit to help millions of students, families, and unemployed workers afford broadband

Again, **we have not seen text**, but this is what we are hearing. I will keep you posted once we see final text of the bill.

12/17

Below are the Emergency COVID Relief Act of 2020 and Bipartisan State and Local Support and Small Business Protection Act of 2020, as released recently in the Senate. The Problem Solvers Caucus led this effort and helped to craft the bills and support the legislative text for all provisions but the liability section. Now, the conflict is with the liability section. Members still hope to reach a compromise and combine the bills into a single bill.

[Click here](#) bill text of the Bipartisan COVID-19 Emergency Relief Act of 2020

[Click here](#) for a summary of the Bipartisan COVID-19 Emergency Relief Act of 2020

[Click here](#) for bill text of the Bipartisan State and Local Support and Small Business Protection Act of 2020

12/8/2020

Attached you will find the framework summary for the Bipartisan Emergency COVID Relief Act of 2020 that is being discussed in the media. Unfortunately, there is still all a lot of talking over each other, and there are only about nine days left for them to get anything done.

As NAWBO continues to advocate on your behalf, we signed on to a [letter](#) regarding PPP and tax concerns. Also, if you didn't have a chance to reach out to your own legislator, I've also attached a template you could use to send to your own legislators.

ADMINISTRATION UPDATES

UPDATES FROM FEDERAL RESERVE SYSTEM

UPDATES FROM SMALL BUSINESS ADMINISTRATION

SBA also shared its most recent document addressing misconceptions about the Paycheck Protection Program. Here is there [PPP Myth vs. Fact](#) sheet.

Paycheck Protection Program (PPP) Policy Update – Tuesday, December 9, 2020

SBA & Treasury have recently released additional guidance:

[Frequently Asked Questions](#) – Forgiveness FAQ # 53 (*page 19*) has been added (*Released 12/9/20*)

Question: *Why are some PPP borrowers receiving a Loan Necessity Questionnaire (SBA Form 3509 or 3510)?*

Answer: *As previously announced, SBA is reviewing all loans of \$2 million or more, and other loans as appropriate, for eligibility, fraud or abuse, and compliance with loan forgiveness requirements. As part of this process, SBA is providing a Loan Necessity Questionnaire to lenders for them to provide to PPP borrowers that, together with their affiliates, received loans of \$2 million or more. Upon request from their lender, borrowers should return the completed questionnaire to their lender within 10 business days of receipt.*

The information that borrowers provide on the questionnaire will help SBA assess those borrowers' certification in their loan application that "[c]urrent economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant," as required by the CARES Act.

A request to complete the Loan Necessity Questionnaire does not mean that SBA is challenging a borrower's certification that is required by the CARES Act. SBA's assessment of a borrower's certification will be based on the totality of the borrower's circumstances through a multi-factor analysis. As described in FAQ #46, SBA will assess whether the borrower had adequate basis for making the required good-faith certification, based on its individual circumstances in light of the language of the certification and SBA guidance. This certification is required to have been made in good faith at the time of the loan application, even if subsequent developments resulted in the loan no longer being necessary. In its review, SBA may take into account the borrower's circumstances and actions both before and after the borrower's certification to the extent that doing so will

assist SBA in determining whether the borrower made the statutorily required certification in good faith at the time of its loan application.

After a borrower submits its completed questionnaire, SBA may request additional information, if necessary, to complete its review. When additional information is requested, borrowers will have an opportunity to provide a narrative response to SBA explaining the circumstances that provided the basis for their good-faith loan necessity certification. SBA will make a final determination that a borrower lacked an adequate basis for its loan necessity certification after reviewing any additional information that a borrower chooses to submit. This targeted, multi-step approach will ensure the integrity of the evaluation process and expeditious processing, as well as properly allocate SBA's finite resources to those loans that require additional review.

Want to hear more about NAWBO Advocacy efforts or get involved? Contact Elle Patout via email at epatout@nawbo.org.