The Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act

This **$325 billion** title would provide additional assistance to the hardest-hit small businesses, nonprofits, and venues that are struggling to recover from the impact of the COVID-19 pandemic. The title would provide funding for a second round of forgivable loans through the Paycheck Protection Program for small businesses and nonprofits experiencing significant revenue losses, make programmatic improvements to PPP, fund grants to shuttered venues, and enact emergency enhancements to other SBA lending programs. This critical assistance will provide small business owners with the capital they need to survive the pandemic and includes critical resources for the smallest businesses.

Paycheck Protection Program Second Draw Loans:

- Creates a second round of PPP loans for eligible businesses.
- Defines eligibility for the PPP second draw as small businesses that have no more than 300 employees and demonstrate at least a 25 percent reduction in gross revenues between comparable quarters in 2019 and 2020.
- Establishes a maximum loan size of 2.5X average monthly payroll costs, up to $2 million.
    - Allows small businesses assigned to the industry NAICS code 72 (Accommodation and Food Services) to receive PPP second draw loans equal to 3.5X average monthly payroll costs in order to helps these businesses combat onerous State and local restrictions.
    - Maintains existing expansions in eligibility for businesses assigned to the industry NAICS code 72 (Accommodation and Food Services).
- Borrowers receive full loan forgiveness if they spend at least 60 percent of their PPP second draw loan on payroll costs over a time period of their choosing between 8 weeks and 24 weeks.
- Affirms the eligibility of churches and religious organizations and prohibits a future administration from making them ineligible.
    - Preserves the application of affiliation rules to nonprofits, which makes Planned Parenthood ineligible.
- Includes set-asides to support first-time PPP borrowers with 10 or fewer employees, second-time PPP borrowers with 10 or fewer employees, first-time PPP borrowers who have been made newly eligible, and second-time returning PPP borrowers. Additionally, provides for a set-aside for loans made by community lenders.

Paycheck Protection Program Improvements:

- Expands PPP allowable and forgivable expenses to include supplier costs on existing contracts and purchase orders, including the cost for perishable goods at any time, costs relating to worker protective equipment and adaptive costs, and technology operations expenditures.
- Provides needed assurances to PPP lenders that no enforcement action could be taken against a lender who originated the loan in good faith, complied with all regulations, and relied in good faith on a borrower's certification and documentation.
- Enhances borrower flexibility by allowing borrowers to select their loan forgiveness covered period between 8 weeks and 24 weeks.
- Simplifies the forgiveness application process for smaller loans up to $150,000 while increasing SBA's ability to audit and review forgiven loans.
- Allows PPP borrowers to include additional group insurance payments when calculating their PPP payroll costs. This would cover insurance plans such as vision, dental, disability and life insurance.
- Allows borrowers who returned all or part of their PPP loan to reapply for the maximum amount applicable. It also allows lenders to recalculate borrower's loan amounts due to changes in regulations regardless of whether SBA Form 1502 has been submitted.
- Establishes the loan amount calculation for farmers and ranchers to better align with recent years' income.
- Provides Farm Credit System Institutions with greater certainty and equity in PPP lending participation.
- Defines "seasonal employer."
- Expands PPP eligibility for certain 501(c)(6) nonprofits and Destination Marketing Organizations with 300 or fewer employees that do not receive more than 15 percent of their revenue from lobbying.
- Expands PPP eligibility to local newspapers and T.V., and radio stations previously made ineligible by their affiliation with other stations.

- Establishes a procedure in the bankruptcy process if the Administrator determines certain small business debtors in Chapter 11 are eligible for PPP loans.
- Eliminates the requirement that EIDL advances be subtracted from PPP forgiveness.

Emergency Enhancements to SBA's Lending Programs

- Temporarily enhances the terms of the 7(a) loan program by increasing the loan guarantee to 90 percent and offering reduced or no fees for the borrower and the lender. Additionally, it would temporarily increase the 7(a) express loan limit and loan guarantee to provide access to needed working capital.
- Temporarily eliminates fees for the 504 loan program and favorable terms for refinancing loans.
- Increases the aggregate loan limit for microloan intermediaries in order to ensure intermediaries have increased capacity to make loans to underserved and underbanked borrowers.
- Extends the Small Business Debt Relief program, Section 1112 of the CARES Act, which would defer payments of principal and interest on new and existing SBA 7(a), 504, and Microloan programs for eligible entities.

Increased Transparency and Accountability in SBA Programs:

- Mitigates fraud by requiring new measures for the SBA to verify eligibility for EIDL Advance grants.
- Appropriates $20 million to the SBA Inspector General to prevent fraud, waste, and abuse in the Targeted EIDL Advance grant program.
- Increases transparency of SBA's PPP forgiveness audit and review process by requiring the SBA to submit a detailed forgiveness audit plan to Congress within 30 days of enactment. Appropriates $50 million to support SBA's PPP audit authority.
- Requires the SBA Administrator and the Secretary of the Treasury to testify within 120 days of enactment and twice a year for two years to the Senate and House Small Business Committees.
- Requires the SBA to comply with GAO requests within 15 days unless the Administrator provides the Senate and House Small Business Committees with a detailed justification for the inability of the Administrator to comply.
- Codifies the list of ineligible businesses for PPP, which includes: publicly-traded businesses; entities listed in 13 C.F.R. 120.110 except for entities from that regulation which have otherwise been made eligible by statute or guidance; entities affiliated with entities in the People's Republic of China; registrants under the Foreign Agents Registration Act; and entities that are receiving a grant under the live venues grant program.
- Prohibits PPP loan proceeds to be used for lobbying activities.
- Requires the President, Vice President, the head of an Executive department, or a Member of Congress as well as their spouse to disclose this status when receiving forgiveness on a Paycheck Protection Program initial loan. Prohibits these individuals from obtaining a future PPP loan.

Support for Venues:

- Establishes a $15 billion grant program to support **shuttered live venues, theaters, museums, and zoos** that have experienced significant revenue losses.
- Provides enhanced verification and requires increased transparency of SBA's oversight plans to ensure funds are directly benefiting eligible entities.

Increased Appropriations: $325 billion

- $284.45 billion for Paycheck Protection Program Second Draw Loans.
    - $25 million for Minority Business Development Centers under the Minority Business Development Agency (MBDA) to assist minority business enterprises with technical assistance, such as applying for PPP.
    - $50 million to SBA for PPP auditing and fraud mitigation purposes.
- $15 billion for grants for shuttered live venues, theaters, museums, and zoos.
- $20 billion for the EIDL Advance program, of which $20 million is for the SBA Inspector General.
- $3.5 billion for continuing the Section 7(a) Debt Relief program.
- $2 billion to carry out SBA lending enhancements.

- Of this amount, $57 million for the Microloan program for technical assistance and direct lending to underserved borrowers.

Rescission of Unobligated Funds: $146 billion

- Rescinds $137.5 billion in unobligated funds from PPP.
- Rescinds $9 billion in unobligated funds from Section 1112 of the CARES Act.

"Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues"

SECTION-BY-SECTION

Title I: Continuing the Paycheck Protection Program and Other Small Business Support

Section 01; 02: Short Title; Definitions.

Section 03: Emergency Rulemaking Authority.

- Requires the SBA Administrator to establish regulations to carry out this title no later than 10 days after enactment of this title.

Section 04: Additional Eligible Expenses.

- Makes the following expenses allowable and forgivable uses for Paycheck Protection Program funds:
  - Covered operations expenditures. Payment for any software, cloud computing, and other human resources and accounting needs.
  - Covered property damage costs. Costs related to property damage due to public disturbances that occurred during 2020 that are not covered by insurance.
  - Covered supplier costs. Expenditures to a supplier pursuant to a contract, purchase order, or order for goods in effect prior to taking out the loan that are essential to the recipient's operations at the time at which the expenditure was made. Supplier costs of perishable goods can be made before or during the life of the loan.
  - Covered worker protection expenditure. Personal protective equipment and adaptive investments to help a loan recipient comply with federal health and safety guidelines or any equivalent State and local guidance related to COVID-19 during the period between March 1, 2020, and the end of the national emergency declaration.
- Redesignates Section 1106 of the CARES Act and other subsequent conforming amendments as section 7A. This would transfer section 104 of this title to the end of section 7 of the Small Business Act (15 U.S.C. 631 et seq.). Relevant sections to follow contain this technical redesignation.
- Allows loans made under PPP before, on, or after the enactment of this act to be eligible to utilize the expanded forgivable expenses except for borrowers who have already had their loans forgiven.

Section 05: Hold Harmless.

- Provides that a lender may rely on any certification or documentation submitted by a borrower for an initial or second draw PPP loan and that no enforcement action may be taken against the lender and the lender shall not be subject to any penalties relating to loan origination or forgiveness if (1) the lender acts in good faith relating to loan origination or forgiveness; and (2) all relevant federal, state, local and other statutory and regulatory requirements are satisfied.

Section 06: Selection of Covered Period for Forgiveness.

- Allows the borrower to elect a covered period ending at the point of the borrower's choosing between 8 and 24 weeks after origination.

Section 07: Simplified Application.

- Creates a simplified application process for loans under $150,000 such that:
  - A borrower shall receive forgiveness if a borrower signs and submits to the lender a certification that is not more than one page in length, includes a description of the number of employees the borrower was able to retain because of the covered loan, the estimated total amount of the loan spent on payroll costs, and the total loan amount. The borrower must also attest that borrower accurately provided the required certification and complied with Paycheck Protection Program loan

requirements. SBA must establish this form within 24 days of enactment and may not require additional materials unless necessary to substantiate revenue loss requirements or satisfy relevant statutory or regulatory requirements. Additionally, borrowers are required to retain relevant records related to employment for four years and other records for three years. The Administrator may review and audit these loans to ensure against fraud.
  - At the discretion of the borrower, the borrowers may complete and submit demographic information for all PPP loans.
  - The SBA must submit to the Senate and House Small Business Committees a report 45 days after enactment detailing their review and forgiveness audit plan to mitigate risk of fraud and provide monthly reviews and audit updates thereafter.
  - Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

Section 08: Specific Group Insurance Payments as Payroll Costs.

- Clarifies that other employer-provided group insurance benefits are included in payroll costs. This includes, group life, disability, vision, or dental insurance.
- Applies to loans made before, on, or after the date of enactment, including the forgiveness of the loan.

Section 09: Demographic Information.

- Requires the SBA to include a voluntary demographic information section on the loan origination application for initial PPP loans and second draw PPP loans. All PPP loan applications after enactment must include this section.

Section 10: Clarification of and Additional Limitations on Eligibility.

- Clarifies that a business or organization that was not in operation on February 15, 2020 shall not be eligible for an initial PPP loan and a second draw PPP loan.
- Prohibits eligible entities that receive a grant under the Shuttered Venue Operator Grants from obtaining a PPP loan.

Section 11: Paycheck Protection Program Second Draw Loans.

- Creates a second loan from the Paycheck Protection Program, called a "PPP second draw" loan for smaller and harder-hit businesses, with a maximum amount of $2 million.
- <u>Eligibility.</u> In order to receive a Paycheck Protection Program loan under this section, eligible entities must:
  - Employ not more than 300 employees;
  - Have used or will use the full amount of their first PPP; and
  - Demonstrate at least a 25 percent reduction in gross receipts in the first, second, or third quarter of 2020 relative to the same 2019 quarter. Provides applicable timelines for businesses that were not in operation in Q1, Q2, and Q3, and Q4 of 2019. Applications submitted on or after January 1, 2021 are eligible to utilize the gross receipts from the fourth quarter of 2020.
- Eligible entities must be businesses, certain non-profit organizations, housing cooperatives, veterans' organizations, tribal businesses, self-employed individuals, sole proprietors, independent contractors, and small agricultural co-operatives.
- Ineligible entities include: entities listed in 13 C.F.R. 120.110 and subsequent regulations except for entities from that regulation which have otherwise been made eligible by statute or guidance, and except for nonprofits and religious organizations; entities involved in political and lobbying activities including engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public document, entities affiliated with entities in the People's Republic of China; registrants under the Foreign Agents Registration Act; and entities that receive a grant under the Shuttered Venue Operator Grant program.

- Loan terms. In general, borrowers may receive a loan amount of up to 2.5X the average monthly payroll costs in the one year prior to the loan or the calendar year. No loan can be greater than $2 million.
    - Seasonal employers may calculate their maximum loan amount based on a 12-week period beginning February 15, 2019 through February 15, 2020.
    - New entities may receive loans of up to 2.5X of average monthly payroll costs.
    - Entities in industries assigned to NAICS code 72 (Accommodation and Food Services) may receive loans of up to 3.5X average monthly payroll costs.
    - Businesses with multiple locations that are eligible entities under the initial PPP requirements may employ not more than 300 employees per physical location.
    - Waivers of affiliation rules that applied during initial PPP loans apply to a second loan.
    - An eligible entity may only receive one PPP second draw loan.
    - Fees are waived for both borrowers and lenders to encourage participation.
    - For loans of not more than $150,000, the entity may submit a certification attesting that the entity meets the revenue loss requirements on or before the date the entity submits their loan forgiveness application and non-profit and veterans organizations may utilize gross receipts to calculate their revenue loss standard.
- Loan forgiveness. Borrowers of a PPP second draw loan would be eligible for loan forgiveness equal to the sum of their payroll costs, as well as covered mortgage, rent, and utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures incurred during the covered period. The 60/40 cost allocation between payroll and non-payroll costs in order to receive full forgiveness will continue to apply.
- Lender eligibility. A lender approved to make loans under initial PPP loans may make covered loans under the same terms and conditions as the initial loans.
- Lender compensation. The Administrator is authorized to reimburse a lender by a tiered structure: For loans up to $50,000, the lender processing fee will be the lesser of 50 percent of the principal amount or $2,500. For loans between $50,000 and $350,000, the lender fee will be five percent. For loans $350,000 and above, the lender fee will be three percent.
- Guidance to prioritize underserved communities. Directs the Administrator to issue guidance addressing barriers to access to capital for underserved communities no later than 10 days after enactment.
- Standard Procedures. Directs the SBA to allow lenders to approve loans made under this paragraph utilizing existing program guidance and standard operating procedure, to the maximum extent possible, as the standard SBA 7(a) program.
- Churches and religion organizations. Expresses the sense of Congress that the Administrator's guidance clarifying the eligibility of churches and religious organizations was proper and prohibits the application of regulations otherwise rendering ineligible businesses principally engaged in teaching, instructing, counseling, or indoctrinating religion or religious beliefs. Codifies that the prohibition on eligibility in 13 CRF 120.110(k) shall not apply for initial and second draw loans.
- Application of Exemption Based on Employee. Extends existing safe harbors on restoring FTE and salaries and wages. Specifically, applies the rule of reducing loan forgiveness for the borrower reducing the number of employees retained and reducing employees' salaries in excess of 25 percent. Allows the SBA and Treasury Department to jointly modify any date in section 7A(d) consistent with the purposes of the Paycheck Protection Program.

Section 12: Increased Ability for Paycheck Protection Program Borrowers to Request an Increase in Loan Amount Due to Updated Regulations.

- Requires the Administrator to release guidance to lenders within 17 days of enactment that allows borrowers who returned all or part of their PPP loan to reapply for the maximum amount applicable so long that they have not received forgiveness. Additionally, this section allows borrowers whose loan calculations have increased due to changes in interim final rules to work with lenders to modify their loan

value regardless of whether the loan has been fully disbursed, or if Form 1502 has already been submitted.

Section 13: Calculation of Maximum Loan Amount for Farmers and Ranchers under the Paycheck Protection Program.

- Establishes a specific loan calculation for the first round of Paycheck Protection Program loans for farmers and ranchers who operate as a sole proprietor, independent contractor, self-employed individual, who report income and expenses on a Schedule F, and were in business as of February 15, 2020. These entities may utilize their gross income in 2019 as reported on a Schedule F. Lenders may recalculate loans that have been previously approved to these entities if they would result in a larger loan.
- Applies to PPP loans before, on, or after the date of enactment, except for loans that have already been forgiven.

Section 14: Farm Credit System Institutions.

- Allows Farm Credit System Institutions to be eligible to make loans under the Paycheck Protection Program. It also allows for a zero risk weight for Paycheck Protection Program loans and aligns eased requirements for Farm Credit System Institutions with those of other Paycheck Protection Program lenders.
- Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Section 15: Definition of a Seasonal Employer.

- Defines a seasonal employer to be an eligible recipient which: (1) operates for no more than seven months in a year, or (2) earned no more than 1/3 of its receipts in any six months in the prior calendar year.
- Applies to any loan made before, on or after enactment including the forgiveness of the loan.

Section 16: Housing Cooperatives.

- Extends PPP eligibility to housing cooperatives defined in section 216(b) of the Internal Revenue Code of 1986 and which employ no more than 300 employees.

Section 17: Eligibility of News Organizations for Loans under the Paycheck Protection Program.

- Makes eligible FCC broadcast station license holders and newspapers with more than one physical location, as long as the business has no more than 500 employees per physical location or the applicable SBA size standard; and makes eligible nonprofit or tax-exempt private and public colleges and universities that have a public broadcasting station if:
    - The organization certifies that the loan will support locally focused or emergency information.
- Waives affiliation rules for newspapers, TV and radio broadcasters, as long as the organization has no more than 500 employees per physical location or the applicable SBA size standard, as well as for nonprofit public broadcasters.
- Provides that, for the purposes of determining whether an applicant is an eligible affiliated entity, the Administrator shall not consider whether an affiliated entity is an issuer.

Section 18: Eligibility of 501(c)(6) and Destination Marketing Organizations for Loan Under the Paycheck Protection Program.

- Expands eligibility to receive a Paycheck Protection Program loan to include the following organizations:
    - 501(c)(6) organizations if:
        - The organization does not receive more than 15 percent of receipts from lobbying;
        - The lobbying activities do not comprise more than 15 percent of activities;
        - The cost of lobbying activities of the organization did not exceed $1,000,000 during the most recent tax year that ended prior to February 15, 2020 and

        - The organization has 300 or fewer employees.
        - Professional sports leagues and organizations with the purpose of promoting or participating in a political campaign or other political activities are not eligible under this section.
    - Destination Marketing Organizations if:
        - The organization does not receive more than 15 percent of receipts from lobbying;
        - The lobbying activities do not comprise more than 15 percent of activities;
        - The organization has 300 or fewer employees; and
        - That destination marketing organization is registered as a 501(c) organization, a quasi-government entity, or a political subdivision of a state or local government.

Section 19: Prohibition on Use of Loan Proceeds for Lobbying Activities.

- Prohibits any eligible entity from using proceeds of the covered loan for lobbying activities, as defined by the Lobbying Disclosure Act, lobbying expenditures related to state or local campaigns, and expenditures to influence the enactment of legislation, appropriations, or regulations.

Section 20: Bankruptcy Provisions.

- Establishes a special procedure in the bankruptcy process if the Administrator determines certain small business debtors are eligible for Paycheck Protection Program loans. It requires court approval for Paycheck Protection Program loans to these debtors and requires any such loan be given a superpriority claim in the bankruptcy process, providing additional protection to taxpayers and participating banks. The provisions in this section would take effect only upon a written determination by the Administrator that certain small business debtors are eligible for Paycheck Protection Program loans and would sunset two years from the date of enactment.

Section 21: Oversight.

- Requires the SBA to comply with GAO requests no later than 15 days, and requires the SBA to submit a detailed justification to Senate and House Small Business Committees if they are unable to comply with the request. It also would require the Secretary of the Treasury and SBA Administrator to testify within 120 days of enactment of this Act and not less than twice per year for the next two years to the Senate and House Small Business Committees.

Section 22: Conflicts of Interest.

- Requires the President, Vice President, the head of an Executive department, or a Member of Congress as well as their spouse that has received a PPP loan to disclose this status at forgiveness or 30 days thereafter. It would also prohibit the covered individuals from receiving a loan in the future.

Section 23: Commitment Authority and Appropriations.

- Extends the time of the program to March 31, 2021.
- Sets the authorization level for PPP at $806.5 billion.
- Separates regular 7(a) and PPP loans to ensure the continued operation of the 7(a) program by setting an authorization level of $75 billion and clarifies the 7(a) program level and secondary market cap.
- Direct appropriations:
    - $284.45 billion for PPP, including the following set-asides:
        - Lenders:
            - $15 billion for PPP loans (initial and second draw) issued by community financial institutions, including community development financial institutions (CDFIs) and minority depository intuitions (MDIs);

        - $15 billion for PPP loans (initial and second draw) issued by certain small depository institutions.
    - Borrowers:
        - $35 billion for first-time borrowers, $15 billion of which for smaller, first-time borrowers with 10 or fewer employees, or loans less than $250,000 in low-income areas;
        - $25 billion for second draw PPP loans for smaller borrowers with 10 or fewer employees, or loans less than $250,000 in low-income areas.
    - After 25 days, the SBA Administrator may adjust the set-asides as necessary.
- $25 million for the Minority Business Development Centers program under the Minority Business Development Agency (MBDA);
- $50 million for PPP auditing and fraud mitigation purposes;
- $20 billion for the Targeted EIDL Advance program, of which $20 million for the Inspector General;
- $57 million for the Microloan program as described in section 29;
- $1.9 billion to carry out sections 26, 27, and 28;
- $3.5 billion for the Debt Relief program as described in section 25;
- $15 billion for grants for live venues as described in section 24.

Section 24: Grants for Shuttered Venue Operators.

- Authorizes $15 billion for the SBA to make grants to eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, or talent representatives who demonstrate at least a 25 percent reduction in revenues.
- There is a set-aside of $2 billion for eligible entities that employ not more than 50 full-time employees, and any amounts from this set-aside remaining after sixty days from the date of implementation of this program shall become available to all eligible applicants under this section.
- The SBA may make an initial grant of up to $10 million dollars to an eligible person or entity and a supplemental grant that is equal to 50 percent of the initial grant.
- In the initial 14-day period of implementation of the program, grants shall only be awarded to eligible entities that have faced 90 percent or greater revenue loss. In the 14-day period following the initial 14-day period, grants shall only be awarded to eligible entities that have faced 70 percent or greater revenue loss. After these two periods, grants shall be awarded to all other eligible entities.
- Such grants shall be used for specified expenses such as payroll costs, rent, utilities, and personal protective equipment.
- Requires the Administrator to conduct increased oversight of eligible persons and entities receiving these grants.
- Requires the SBA to submit a report to the Senate and House Small Business Committees 45 days after enactment detailing their oversight and audit plan for shuttered venue grants and to provide monthly updates on the oversight and audit activities conducted by the Administrator.

Section 25: Extension of the debt relief program.

- Resumes the payment of principal and interest (P&I) on small business loans guaranteed by the SBA under the 7(a), 504 and microloan programs, established under the CARES Act.
- All borrowers with qualifying loans approved by the SBA prior to the CARES Act will receive an additional three months of P&I, starting in February 2021. Going forward, those payments will be capped at $9,000 per borrower per month.

- After the three-month period described above, borrowers considered to be underserved—namely the smallest or hardest-hit by the pandemic—will receive an additional five months of P&I payments, also capped at $9,000 per borrower per month. They include:
    - Borrowers with SBA microloans or 7(a) Community Advantage loans
    - Borrowers with any 7(a) or 504 loan in the hardest-hit sectors, as measured by the severity of sector-wide job losses since the start of the pandemic. They include food service and accommodation; arts, entertainment and recreation; education; and laundry and personal care services.
- SBA payments of P&I on the first 6 months of newly approved loans will resume for all loans approved between February 1 and September 30, 2021, also capped at $9,000 per month.
- If the SBA projects that appropriations provided for the debt relief program are insufficient to fund the extensions provided, the Administrator may proportionally reduce the number of months provided in each extension.
- Clarifies eligibility and increases program integrity:
    - SBA payments should be made on any loan approved before the applicable deadline, and debt relief payments should be made only once the loan is fully disbursed.
    - SBA may establish a minimum loan maturity period for each loan product covered under this section to prevent program abuse.
    - Any business or applicant may only receive P&I payments for only one loan approved after CARES Act enactment.
- Requires that SBA place program information on its website, conduct outreach to all borrowers, report monthly to Congress on program spending, and educate lenders, borrowers, SBA district offices, and resources partners about the program.

Section 26: Modifications to 7(a) Loan Programs.

- Increases to 90 percent the loan guarantee amount on 7(a) loans, including for Community Advantage loans, until October 1, 2021.
- Increases the Express Loan amount from $350,000 to $1 million on January 1, 2021, and then reverts permanently to a lower amount of $500,000 on October 1, 2021.
- The Express Loan guaranty amount for loans of $350,000 and less is temporarily increased from 50 percent to 75 percent, and for loans above $350,000 the guarantee remains at 50 percent. On October 1, 2021, the guarantee reverts to 50 percent for all Express Loans.

Section 27: Temporary Fee Reductions.

- Waives lender and borrower fees for both the 7(a) and 504 loan programs.

Section 28: Low-Interest Refinancing.

- Enhances the 504 refinancing rules in order to create reciprocity for refinancing between 504 and 7(a) programs.
- Grants authority through September 30, 2023 for SBA to establish a 504 Express Loan Program for the most experienced successful 504 lenders to expedite 504 loans of less than $500,000.

Section 29: Recovery Assistance under the Microloan Program.

- Enhances the microloan program to increase access to micro capital and technical assistance under the program for businesses impacted by the COVID-19 pandemic.
- Temporarily increases the amount of time that borrowers can repay their loans from 6 to 8 years.
- Temporarily increases the outstanding aggregate amount each intermediary may borrow from $6 million to $10 million to expand their capacity to deploy more capital to small businesses.
- Allows intermediaries to access more technical assistance funding if they serve rural areas.

- Maximizes flexibility and reduces red tape for intermediaries by temporarily waiving the limitations for the technical assistance grants and the 50 percent limitation on pre-loan technical assistance.
- Provides $50 million in additional funding for Microloan Technical Assistance funding for lenders and $7 million to leverage about $64 million more in microloans to businesses.

Section 30: Extension of Participation in 8(a) Program.

- Requires Administrator to allow businesses in the 8(a) program to seek an enrollment extension of 1 year.
- Requires rules to be drafted to carry out this section within 15 days.

Section 31: Targeted EIDL Advance for Small Business Continuity, Adaptation, and Resiliency.

- Provides additional targeted funding for eligible entities located in low-income communities through the EIDL Advance program from Section 1110 of the CARES Act.
- Makes entities in low-income communities that received an EIDL Advance under Section 1110 of the CARES Act eligible to receive an amount equal to the difference of what the entity received under the CARES Act and $10,000.
- Provides $10,000 grants to eligible applicants in low-income communities that did not secure grants because funding had run out.

Section 32: Emergency EIDL Grants.

- Extends covered period for Emergency EIDL grants through December 31, 2021.
- Allows more flexibility for the SBA to verify that Emergency EIDL grant applicants have submitted accurate information.
- Extends time for SBA to approve and disburse Emergency EIDL grants from 3 to 21 days.

Section 33: Repeal of EIDL Advance Deduction.

- Repeals section 1110(e)(6) of the CARES Act, which requires PPP borrowers to deduct the amount of their EIDL advance from their PPP forgiveness amount.
- Establishes the Sense of Congress that EIDL Advance borrowers should be made whole without regard to whether those borrowers are eligible for PPP forgiveness.
- The Administrator shall issue rules that ensure borrowers are made whole if they received forgiveness and their EIDL was deducted from that amount.

Section 34: Flexibility in Deferral of Payments of 7(a) Loans.

- Creates parity between bank-held and secondary market-owned 7(a) loans to seek up to a 1-year deferral.
- Requires SBA to buy back loans if investors refuse to provide the extend deferral unless the SBA determines the extended deferral would cause a positive subsidy for the Secondary Market Guarantee Program.

Section 35: Documentation Required for Certain Eligible Recipients.

- Allows more flexibility for the Administration to accept documentation beyond those enumerated in the CARES Act to determine eligibility for sole proprietors and the self-employed.

Section 36: Election of 12-week Period by Seasonal Employers.

- Expands the seasonal period to any 12-weeks between February 15, 2019 and February 15, 2020.
- Applies to loans before, on, or after the date of enactment, except for loan for which the borrower has already received forgiveness.

Section 37: Inclusion of Certain Refinancing in Nonrecourse Requirements.

- Ensures applicants cannot be held liable if they didn't understand they had recourse against them at the time they took the PPP and EIDL loans after a refinancing.

Section 38: Application of Certain Terms through Life of Covered Loan.

- Clarifies that (1) fee waivers; (2) personal guarantee waiver; and (3) deferral eligibility continues past the covered period and attaches for the life of the PPP loan.

Section 39: Interest Calculation on Covered Loans.

- Clarifies the interest rate on PPP loans is non-compounding and non-adjustable for all new initial Paycheck Protection Program loans and second draw loans.

Section 40: Reimbursement for Processing.

- Provides for PPP lender reimbursement by SBA for new PPP loans.
- Establishes a tiered reimbursement rate for PPP loans: (1) Loans of less than $50,000 that is equal to the lesser of 50 percent of the loan principal or $2,500; (2) loans of more than $50,000 and not more than $350,000 equal to five percent of the loan principal; (3) loans of more than $350,000 and less than $2,00,000 equal to three percent of the loan principal; and (4) loans of more than $2,000,000 equal to one percent.
- Clarifies lender reimbursement by SBA may be made no later than 5 days post-disbursement.
- Clarifies PPP borrowers who knowingly retained a loan agent may not pay agent fees out of the PPP proceeds. This applies to PPP loan before, on, or after the date of enactment, including during forgiveness of such loan.

Section 41: Duplication Requirements for Economic Injury Disaster Loan Recipients.

- Permits certain EIDL borrowers to also apply for a PPP loan.

Section 42: Prohibition of Eligibility for Publicly Traded Companies.

- Excludes publicly traded companies from PPP eligibility.

Section 43: Covered Period for New PPP Loans.

- Extends the covered period for all PPP loans through March 31, 2021.
- Applies to loans made before, on, or after the date of enactment, including the forgiveness of such loan.

Section 44: Covered Period for Other Purposes.

- Clarifies the applicable period for employee's salaries of $100,000 on an annualized basis as prorated during the period in which compensation is paid or incurred.

Section 45: Extension of Waiver of Matching Funds Requirement under the Women's Business Center (WBC).

- Extends CARES Act waiver of WBC matching funds requirement through June 30, 2021.

Section 46: Clarification of Use of CARES Act Funds for Small Business Development Centers (SBDCs).

- Clarifies that any awards made under this bill are in addition to and separate from any amounts appropriated under section 21 of the Small Business Act, and any award made under this bill may be used to complement and support such grant. CARES Act funds and annually appropriated funds can be used and tracked together as one funding stream.

- Prioritizes SBDCs impacted by this accounting issue.

Section 47: GAO Report

- Requires the GAO to report to the House and Senate Small Business Committees no later than 120 days on the SBA's use of administrative funds made through supplemental appropriations during FY 2020.

Section 48: Effective Date; Applicability.

- Clarifies the amendments made by this bill shall take effect on the date of enactment and apply to loans and grants made on or after the date of enactment.