

Agreement Reportedly Reached on Newest Coronavirus Aid Package

April, 2020

On Tuesday, April 21, 2020, Senate Democratic Leader Chuck Schumer stated that an agreement had been reached regarding the newest coronavirus aid package. This package includes funding for small businesses, hospitals and coronavirus testing.

This announcement comes almost two weeks after Treasury Secretary Steven Mnuchin said that small businesses don't need to worry about not being able to receive funding from the U.S. government in the wake of the COVID-19 pandemic.

What is included in the new aid package?

A final draft of the aid package is still in the works, but is said to include the following funds.

The majority of the funding—more than \$300 billion—provided by the new aid package would replenish the federal small business loan program, the Paycheck Protection Program, which ran out of funds last week. The Paycheck Protection Program was initially created by the Coronavirus Aid, Relief and Economic Security (CARES) Act, and was designed to get cash in the hands of suffering small businesses quickly, with less stringent eligibility requirements than the existing SBA loan programs. Paycheck Protection Program loans are designed to incentivize business owners to keep employees on their payroll.

In addition, \$60 billion would be available for small businesses to obtain loans or grants from a program that was previously designed to help businesses after a natural disaster.

Finally, the proposed package includes \$75 billion in funding for hospitals and \$25 billion in COVID-19 testing.

What's next?

While an agreement has reportedly been reached, it hasn't been finalized. However, the proposed legislation is expected to pass during a Senate session on April 21, and a House vote is expected for later this week. At this time, it is still considered proposed legislation.

Acrisure LLC will continue to monitor this situation and provide updates as necessary.