U.S. FEDERAL FINANCIAL RESPONSE TO COVID-19: EVERYTHING YOU NEED TO KNOW

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SUMMARY OF CARES ACT- $2T STIMULUS PACKAGE TO MITIGATE THE ECONOMIC IMPACT OF THE COVID-19 PANDEMIC

Table of Contents:
I. Direct Relief to Medium & Large Businesses
II. Direct Relief to Small Businesses
III. Direct Relief to Families & Individuals
IV. Other Programs and Policies
V. Analysis: what this means for Non-Profits
VI. What’s Next: Stimulus package 4.0
VII. Q&A
**CARES ACT: DIRECT RELIEF TO MEDIUM & LARGE BUSINESSES**

**sections 4003 and 4004 under title iv allocate a total of $500bn in loans, loan guarantees, and other investments for businesses not covered under the small business lending and aid provisions.**

<table>
<thead>
<tr>
<th>Targeted Relief</th>
<th>New UST Programs &amp; Federal Reserve Facilities</th>
<th>Other</th>
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<tbody>
<tr>
<td>• Up to $25bn in loans and loan guarantees for airlines, $4bn for cargo air carriers, and $17bn for businesses “critical for national security”</td>
<td>• Up to $454bn- plus any unused funds from targeted relief programs- for loans, loan guarantees, and other investments split across UST and Federal Reserve programs and facilities</td>
<td>• Leave and Unemployment Insurance</td>
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<td>• Required UST receipt of warrants, equity interest, or senior debt instrument to provide “reasonable” return for taxpayers</td>
<td>• Capital injection enables as much as ~$4T in lending via Federal Reserve; Treasury capital provides “cushion” for potential losses</td>
<td>• Employee Benefits Provisions</td>
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<td>• Treasury Secretary has broad discretion to determine business eligibility for the program, subject to general congressional oversight</td>
<td>• Firms that apply for existing Federal Reserve Programs are not eligible</td>
<td>• Tax Implications</td>
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<td>• Application and minimum requirements available within 10 days after the enactment of the Act</td>
<td>• States and municipalities are eligible to receive funds from these programs</td>
<td>• Other Business Tax Provisions</td>
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<td>• Language suggests a possible program that the UST will seek the implementation of a facility targeted at mid-size businesses, defined as 500 to 10k FTEs</td>
<td>• ~$100bn in direct aid to health systems, institutional providers, and Medicare/Medicaid suppliers</td>
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<td>• Federal Government Agencies starting to establish guidelines, etc., addressing how entities can access funds.</td>
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# CARES ACT DIRECT RELIEF TO SMALL BUSINESSES

## Small Business Lending
- $350bn allocation for expanded SBA loans to small businesses, including “Paycheck Protection Program” (PPP)
- PPP entails bridge financing for up to 2.5x payroll costs/employee based on prior-year payroll levels, maxed at $10mm/loan; can be used for payroll, mortgage, rent, utilities and interest
- PPP loans backed by full federal guarantee and funds used for eligible expenses are forgiven.

## Other
- Direct grants to qualifying small businesses, includes $10bn in disaster relief loans
- Relaxed regulatory standards for bank accounting of small-business loans
- Federal Government Agencies starting to establish guidelines, etc., addressing how entities can access funds.
DIRECT RELIEF TO FAMILIES & INDIVIDUALS

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<th>Unemployment Insurance and Paid Leave</th>
<th>Rebates</th>
<th>Other</th>
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<td>• Temporary expansion of unemployment insurance to an additional 13 weeks and larger payments</td>
<td>• All U.S. residents with adjusted gross income up to $75,000 ($150,000 for married couples) would get a $1,200 ($2,400 for couples) “rebate” payment. They are also eligible for an additional $500 per child.</td>
<td>• Increased flexibility and temporary relief around student loans</td>
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<td>• Required paid sick leave and 50 days of partially paid family leave for select workers and firms</td>
<td>• Payments start phasing out for earners above those income thresholds and would not go to single filers earning more than $99,000; head-of-household filers with one child, more than $146,500; and more than $198,000 for joint filers with no children.</td>
<td>• Mandatory coverage of COVID diagnostic testing; coverage of COVID-19 vaccine in Part B</td>
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Rebates

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OTHER PROGRAMS AND POLICIES

- Foreclosure moratorium on federally backed housing loans
- $150bn in direct state fiscal relief
- Medicare extenders and OTC drug review bill
- Foreclosure moratorium on federally backed housing loans
ANALYSIS: WHAT THIS MEANS FOR NON-PROFITS

- Emergency Small Business Loans
- Economic Injury Disaster Loans (EIDL)
- Self-Funded Nonprofits and Unemployment
- Charitable Giving Incentive
- Employee Retention Payroll Tax Credit
- Industry Stabilization Fund
WHAT WE CAN EXPECT FROM A STIMULUS PACKAGE 4.0

- Better definition of who qualified for family and medical leave
- Strong OSHA protections for workers
- Provisions for Pensions
- Increased SNAP
- More money for state and local governments
- Free doctors visits, tests and treatment
- Infrastructure
Q&A
THANK YOU!