

December 2020

December 31, 2020 | On Wednesday, Jan. 30, Senate Majority Leader Mitch McConnell closed off chances that the Senate would pass a House bill that would give most Americans \$2,000 stimulus payments. [\[read more\]](#)

December 29, 2020 | Senate Majority Leader Mitch McConnell (R-KY) blocked a vote to unanimously pass the House bill (H.R. 9051) to increase stimulus check amounts to \$2,000 today. He later introduced a bill that increases the size of the stimulus checks, repeal section 230 liability protections for internet platforms and create a commission to study election issues. The Senate will likely vote on these measures later this week. [\[read more\]](#)

Main Street Lending Program

In order to allow more time to process and fund loans that were initially submitted to the Main Street lender portal on or before December 14, 2020, the Federal Reserve Board and Sec. of the Treasury extended the termination date of the Main Street Lending Program to January 8, 2021. The extension does not apply to loans initially submitted after December 14, 2020.

December 28, 2020 | The U.S. House of Representatives passed a bill ([H.R.9051](#)) to increase the dollar-amount of stimulus checks included in the new Coronavirus relief package, from \$600 to \$2,000 per taxpayer and per dependent (including adult dependents). The bill needs to be approved by the Senate, where it will face a challenge from fiscally-conservative GOP senators.

December 27, 2020 | President Trump signed the Consolidated Appropriations Act, 2021 into law tonight, which includes funding for the new \$900 billion Coronavirus stimulus package approved by Congress on Dec. 21. [\[read more\]](#)

December 26, 2020 | President Trump is refusing to sign the appropriations bill passed by Congress on Dec. 22, which includes \$900 billion in new Coronavirus relief, unless stimulus payments are increased from \$600 to \$2,000 and other non-COVID-19 related spending provisions are revised. Compounding this problem, a number of CARES Act unemployment assistance programs are set to expire today and an interim spending bill preventing a government shutdown is set to expire on Monday. If the President still refuses to sign the bill before the current Congressional session adjourns on January 3, 2021, then the next Congress will have to restart the legislative process and introduce a new appropriations and Coronavirus relief bill. [\[read more\]](#)

December 23, 2020 | Last night, President Trump called on Congress to increase the "ridiculously low" stimulus check payments for Americans from \$600 to \$2,000 and "immediately get rid of the wasteful and unnecessary items from this legislation." It is unclear whether President Trump will sign the legislation into law if the current funding for stimulus checks is not increased. [\[read more\]](#)

December 22, 2020 | After months of negotiations, the U.S. House of Representatives and the U.S. Senate voted last night to *approve a new \$900 billion stimulus package*, as part of a larger \$1.4 trillion consolidated appropriations bill to fund the Federal Government for fiscal year 2021. The new stimulus package will provide much-needed relief to millions of Americans, whose businesses and personal finances continue to be affected by the Coronavirus pandemic.

President Trump is expected to sign the bill into law today. At that time, the Treasury Department, SBA, and other Federal agencies will start drafting rules and regulations to implement the new stimulus provisions, including the second round of the Paycheck Protection Program, within the next week to ten days. [Click here](#) to read the text of 5,593-page appropriations and stimulus bill.

Our COVID-19 Response Team has prepared a high-level summary of key stimulus provisions for businesses and individuals. The team will be posting additional details on the stimulus on our website and will be scheduling webinars to share the latest developments. [\[read more\]](#)

December 16, 2020 | Lawmakers in Washington are continuing to work on a nearly \$900 billion pandemic relief package, and are optimistic about unveiling the details on Thursday. Based on various news reports, it now appears the package will include \$600 stimulus payments for millions of Americans, but will omit state and local government aid and the liability shield for businesses, the two issues which have impeded negotiations for several months. [\[read more\]](#)

December 14, 2020 | The bipartisan group of lawmakers behind the \$908 billion stimulus proposal released summaries of two bills late this afternoon. The \$748 billion [Bipartisan-COVID-19-Emergency-Relief-Act-of-2020](#) includes the extension of supplemental unemployment assistance (\$300 per week) for an additional 16 weeks, a new Paycheck Protection Program for small businesses and funding for other programs, that the majority of Congress supports. The \$160 billion [bipartisan-state-and-local-support-and-small-business-protection-act-of-2020](#) provides funding for state and local governments and liability protections for businesses. The bipartisan group of lawmakers believe that splitting the legislation into two bills, provides a better chance to pass a stimulus package before the end of the year, by removing the most divisive issues - funding for state and local governments and the liability protections - from the larger bill, that contains much needed pandemic relief to Americans.

December 9, 2020 | A six-page summary of the \$908 billion bipartisan Senate stimulus package that was introduced last week, made its way to various media outlets today. The [document](#) provides more details about the proposals included in this last-ditch effort by some members of Congress, to push through new pandemic relief legislation before the end of the year. Even though there is growing support for this proposed legislation, it still appears that the lawmakers behind this effort have little more than an "agreement in principle" on financial aid for state and local governments and the liability shield for businesses; the two-hot button issues dividing Republicans and Democrats in Congress. Additionally, the document outlines the details of the new \$300 billion paycheck protection program for small businesses. As expected, this stimulus package does not include funding for another round of stimulus checks for millions of Americans. [\[read more\]](#)

December 8, 2020 | On behalf of the President, Treasury Secretary Mnuchin presented a \$916 billion stimulus proposal to House Speaker Pelosi this evening. The proposal includes financial assistance for state and local governments, liability protections for businesses and schools, as well as (\$600) stimulus checks, but cuts funding for supplemental unemployment benefits. In a joint statement, House Speaker Pelosi and Senate Minority Leader Schumer said "the President's proposal starts by cutting the unemployment insurance proposal being discussed by bipartisan Members of the House and Senate from \$180 billion to \$40 billion. That is unacceptable." [\[read more\]](#)

December 2, 2020 | Yesterday, the U.S. Small Business Administration (SBA) released detailed PPP and EIDL borrower information for all loans pursuant to a court order, after a Federal judge ruled against the SBA last month, in a freedom-of-information-act case brought by various national media organizations. Detailed information on all PPP and EIDL loans, including the borrower's name, address, lender and loan amount can be downloaded by the public [here](#).

December 1, 2020 | A bipartisan group of senators introduced a \$900 billion coronavirus stimulus package today, that includes \$288 billion for new Paycheck Protection Program loans, \$160 billion in state and local government aid and \$180 billion for supplemental unemployment benefits of \$300 per week through March 2021. The package also includes funding for vaccine distribution, education, transportation and rental assistance. [\[read more\]](#)

The proposed stimulus package was quickly rejected by Senate Majority Leader Mitch McConnell (R-KY), who indicated that any stimulus or relief package will likely be added to a larger spending bill that Congress needs to pass by December 11, to avoid a government shutdown. McConnell told reporters this afternoon that "we just don't have time to waste time" and the spending bill and new pandemic relief will "all likely come in one package." [\[read more\]](#)

President-Elect Biden also expressed his support today for Congress to "come together and pass a robust package for relief." He added that any relief measures passed by Congress this month will likely be "at best just a start." [\[read more\]](#)

November 2020

November 25, 2020 | The Main Street Lending Program is scheduled to terminate on Dec. 31, 2020. In light of this scheduled termination date, eligible lenders should submit loan requests to the Main Street SPV on or before Dec. 14, 2020, in order to provide time for review of the loan documentation. The Federal Reserve will make efforts to process loans submitted to the Main Street Portal by this deadline, in order to affect the purchase of eligible participation interests in advance of the termination date. It is unlikely that any loan submitted after this date, will be processed in time for purchase by the Main Street SPV.

November 24, 2020 | The U.S District Court lifted the temporary stay it granted to the U.S. Small Business Administration (SBA) on Nov. 13, after it lost its court case to various national media organizations, over the release of detailed PPP and EIDL borrower information. The Court has

ordered that SBA now release this information by December 1, 2020. The agency will likely seek an administrative stay from the U.S. Court of Appeals pending their appeal.

November 18, 2020 | The U.S. Treasury Department and IRS released guidance today clarifying the tax treatment of expenses where a PPP loan has not been forgiven by the end of 2020. The IRS issued guidance earlier this year, stating that since businesses are not taxed on the proceeds of a forgiven PPP loan, the expenses paid with that loan are not deductible for Federal income tax purposes. [\[Notice 2020-32\]](#) If a business reasonably believes that their PPP loan will be forgiven in the future, expenses related to the loan are not deductible, whether the business has filed for forgiveness or not in 2020. [\[Rev. Rul. 2020-27\]](#) In the case where a PPP loan was expected to be forgiven, and it is not, businesses will be able to deduct those expenses pursuant to safe harbor procedures. [\[Rev. Proc 2020-51\]](#)

November 13, 2020 | The U.S. Small Business Administration (SBA) was granted a temporary stay today by the Federal judge who ordered the agency to release detailed information on PPP and EIDL borrowers earlier this month. The temporary stay means that SBA will not have to release this information by November 19, as the judge originally ordered. The plaintiffs in this case were given until November 27 to respond to SBA's request for a full stay pending appeal.

November 5, 2020 | A Federal judge in the District of Columbia [ruled](#) today that the U.S. Small Business Administration (SBA) must release detailed information (i.e., names, addresses and precise loan amounts) about all individuals and entities that obtained COVID-related PPP and EIDL loans by November 19, 2020. This includes the names and addresses of PPP borrowers whose loans were less than \$150,000, as well as those sole proprietors and independent contractors receiving EIDL loans. This ruling comes after a number of lawsuits were filed by various news agencies and public-interest groups earlier this year, after SBA declined to release detailed information about all PPP borrowers in response to FOIA requests. It is unclear at this time whether SBA will appeal this ruling. [\[read more\]](#)

November 2, 2020 | On Friday, October 30, the Federal Reserve Board [adjusted the terms](#) of the Main Street Lending Program in two key areas, to better target support to smaller businesses that are facing continued revenue shortfalls due to the pandemic. In particular, the minimum loan size for three Main Street loan facilities available to for-profit and non-profit borrowers has been reduced from \$250,000 to \$100,000, and the fees have been adjusted to encourage the provision of these smaller loans. The Board also issued a new [FAQ](#) clarifying that PPP loans of up to \$2 million may be excluded for purposes of determining the maximum loan under the program. See our MSLP [webpage](#) for more information.

October 2020

October 30, 2020 | The Main Street Lending Program (MSLP) has reduced the minimum loan amount for the MSNLF, MSPLF (for-profit) and NONLF (non-profit) loans from \$250,000 to \$100,000, in accordance with the terms announced on [October 30, 2020](#) by the Federal Reserve.

Links to the Participation Agreement Transaction Specific Terms, Servicing Agreement, and Lender Transaction Specific Certifications and Covenants for each Main Street facility have now been updated and are available, together with comparisons showing changes on our [MSLP webpage](#).

October 27, 2020 | President Trump announced today that it is not likely that his administration and Speaker Pelosi will reach a deal on a new stimulus package before the election next week. The President is confident however, that both sides will reach an agreement on "the best stimulus package you have ever seen" after the election.

October 21, 2020 | The Senate voted again today on a Republican-sponsored \$500 billion targeted stimulus bill, that is less than a third of the size of the stimulus package currently being proposed by the White House. As expected, the vote (51-44, along party lines) fell short of the 60 votes needed for the measure to advance. [\[read more\]](#)

Talks are still ongoing between the White House and Speaker Pelosi on a stimulus package ranging between \$1.8 and \$2.2 trillion, and both sides hope to reach a deal within the next 48 hours. Any agreed-upon deal between the President and Speaker Pelosi will still face considerable opposition in the Senate, where Republicans are adamantly opposed to passing another high-priced stimulus package, as we're inching ever closer to the election in less than two weeks.

October 20, 2020 | The U.S. Senate voted today on a standalone Paycheck Protection Program bill that would restart the loan program, and allow small businesses to take another loan, utilizing \$137 billion in unused funds from the first PPP and additional funding. The 57-40 vote to approve the new PPP (with 5 Democratic Senators voting in favor of the bill) failed to get the 60 votes needed for the measure to advance. [\[read more\]](#)

October 13, 2020 | The SBA posted a new FAQ to their list of [Frequently Asked Questions \(FAQs\) on PPP Loan Forgiveness](#). FAQ #4 under the "General Loan Forgiveness FAQs" subheading on page 2 answers a question borrowers had about an expiration date of 10/31/2020 that is printed in the top-right corner of the different PPP loan forgiveness application forms (3508, 3508EZ, 3508S). This expiration date has nothing to do with the timing of submitting loan forgiveness application forms to lenders; it is displayed for purposes of SBA's compliance with the Paperwork Reduction Act and reflects the temporary expiration date for approved use of the forms, which will be extended. Borrowers may submit a loan forgiveness application any time before the maturity date of their PPP loan, which is either two or five years from the date of loan origination.

October 8, 2020 | The SBA issued a new [interim final rule](#) today, rolling out a new PPP loan forgiveness application form and making additional revisions to loan forgiveness and loan review procedures, specifically for PPP loans of \$50,000 or less. Borrowers with PPP loans of \$50,000 or less can use the simplified [Form 3508S](#) to apply for loan forgiveness with their lender, and they are now exempt from any reductions in their loan forgiveness amount due to reductions in FTE employee headcount or reductions in employee salary or wages. [\[read more\]](#)

October 7, 2020 | The SBA posted a new FAQ added to their list of [Frequently Asked Questions \(FAQs\) on Paycheck Protection Program Loans](#). FAQ #52 indicates that the extension of the deferral period under the PPP Flexibility Act of 2020 *automatically* applies to all PPP loans, and that lenders are required to give immediate effect to the statutory extension and should notify borrowers of the change to the deferral period. The Flexibility Act extends the deferral period to the date that SBA remits the borrower's loan forgiveness amount to the lender (or, if the borrower does not apply for loan forgiveness, ten months after the end of the borrower's covered period). Previously the deferral period could end after six months.

October 6, 2020 | The President tweeted this afternoon that he has instructed his representatives to stop negotiating with the Speaker of the House over a new stimulus deal, and that "we will pass a major Stimulus Bill that focuses on hardworking Americans and Small Business" after he wins reelection in November. This is a significant change of direction from the President, considering his tweets this past weekend, urging both sides to work together to get a deal done.

The President tweeted again later this evening urging Congress to approve \$25 billion for airline payroll support and \$135 billion for the paycheck protection program, to be paid for with unused funds from the CARES Act. He also tweeted that he is ready to sign a stand-alone bill for stimulus checks (\$1,200) for the American people. We will continue to monitor this situation and provide further updates as needed.

October 5, 2020 | Negotiations are ongoing between the Treasury Secretary and the Speaker of the House over a new stimulus deal as both sides continue to speak and exchange proposals. This past weekend, the President tweeted his support for a new deal while receiving treatment for COVID-19 at Walter Reed Medical Center saying, "OUR GREAT USA WANTS & NEEDS STIMULUS. WORK TOGETHER AND GET IT DONE. Thank you!"

October 2, 2020 | The U.S. Small Business Administration issued a new [Procedural Notice](#) to provide guidance on the required procedures a borrower that received Paycheck Protection Program funds must follow if they are selling their business and there is a change of ownership. [\[read more\]](#)

October 1, 2020 | Negotiations between the White House and Congressional Democratic leaders over a new stimulus package remain at an impasse after both sides failed to agree to any compromises over their latest proposals. With urging from the President, the Administration has reportedly increased their [latest proposal](#) to \$1.6 trillion, however it is still far away from the \$2.2 trillion updated [HEROES Act](#) proposal released by House Democrats this week.

Despite the ongoing negotiations, the Democrat-controlled House of Representatives symbolically passed the updated HEROES Act legislation, mostly along party lines. According to Speaker Pelosi, she expects to continue negotiations with Treasury Secretary Mnuchin on a bipartisan deal for new stimulus legislation before the November election.

Any deal reached by the White House and the Democrats, will still need to be approved by the Republican-controlled Senate, where many Senate Republicans are generally opposed to another large stimulus plan.

September 2020

September 10, 2020 | The Senate voted today on a "skinny" version of the HEALS act introduced by Republican senators on Wednesday. Even though the vote was 52-47 in favor of the bill, it fell short of the 60 votes needed for the measure to advance. The vote followed party lines, with all Republican senators except Sen. Rand Paul of Kentucky voting in favor of the bill, and all Democratic senators voting against it. The [legislation](#) included liability protections for businesses, schools and healthcare providers, a second round of Paycheck Protection Program loans for small businesses, an extension of Federal pandemic unemployment insurance benefits through December 27, and funding for the U.S. Postal Service, schools and COVID-19 testing and vaccine development. [\[read more\]](#)

At this point, it is very unlikely another round of pandemic relief legislation will be passed prior to the election in November, as negotiations between the White House and Democratic leaders are at an impasse, and there is seemingly no chance for bipartisan-support of any new legislation in Congress.

September 7, 2020 | The Centers for Disease Control and Prevention (CDC) issued an [order](#) effective Friday, September 4, 2020, banning landlords from evicting tenants that can no longer afford to pay rent due to a pandemic-related expense or hardship through the end of 2020 pursuant to the authority granted to the CDC by the President's *Executive Order on Fighting the Spread of COVID-19 by Providing Assistance to Renters and Homeowners*. [\[read more\]](#)

September 1, 2020 | The Department of Treasury and Internal Revenue Service issued [Notice 2020-65](#) on August 28, implementing the [Presidential Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster](#) issued on August 8, 2020, allowing employers to defer withholding and payment of the employee's portion of the Social Security tax for the period September 1, 2020 thru December 31, 2020, if the employee's wages are less than \$4,000 during a bi-weekly pay period. [\[read more\]](#)

August 2020

August 24, 2020 | The SBA issued a new [Interim Final Rule on Treatment of Owners and Forgiveness of Certain Nonpayroll Costs](#), providing guidance on the owner-employee compensation rule for PPP loan forgiveness purposes, as well as limitations on the eligibility of certain nonpayroll costs (including rent payments to a related party) for forgiveness. You can read our post discussing this Interim Final Rule. [\[read more\]](#)

The President's executive action extending pandemic unemployment assistance of \$400 per week has drawn criticism from many states, largely because the program is funded using a 75% Federal cost share, requiring states to match 25% of the \$400 weekly benefit using amounts allocated to them from the Coronavirus Relief Fund or other state funding. It was not until the Department of Labor issued a [program letter](#) on August 12 indicating that states may count funds that are already used to provide regular state unemployment insurance payments toward the state match that states like New York applied to participate in the Lost Wages Assistance program. New York State was [approved](#) for a FEMA grant on August 23, and this funding will allow the State to provide \$300 per week – in addition to their regular unemployment benefit – to those unemployed due to COVID-19.

August 18, 2020 | Senate Republicans released a proposed “skinny” version of their HEALS Act legislation. The “Delivering Immediate Relief to America’s Families, Schools and Small Businesses Act” stimulus bill provides for liability protections for businesses, schools and healthcare providers; an extension of pandemic unemployment assistance of \$300 per week thru the end of 2020; a “second-draw” Paycheck Protection Program with a 35% revenue-loss threshold and emergency funding for schools, the United States Postal Service (USPS) and COVID-19 testing and vaccine development. Funding for the USPS has become a major political issue in recent weeks due to concerns over mail-in voting ahead of the upcoming Presidential election in November.

August 11, 2020 | The SBA posted new PPP guidance today in the form of Frequently Asked Questions (FAQs) and a new Interim Final Rule. Two new FAQs (#50-51) were added to the list of [Frequently Asked Questions \(FAQs\) on Paycheck Protection Program Loans](#). Specifically, FAQ #51 indicates that group healthcare benefits do include insurance premiums for dental and vision benefits for employees. This has been a common question that many borrowers have asked related to payroll costs. In addition, SBA also added three Economic Injury Disaster Loan (EIDL) FAQs to their list of [Frequently Asked Questions \(FAQs\) on PPP Loan Forgiveness](#). These FAQs relate to EIDL advances and how they will reduce a PPP borrower’s loan forgiveness amount. You can read our post discussing the PPP loan forgiveness FAQs. [\[read more\]](#)

SBA also issued a new [Interim Final Rule on Appeals of SBA Loan Review Decisions Under the PPP](#) for the first time in over a month. The purpose of this interim final rule is to inform PPP borrowers and lenders of the process for a borrower to appeal certain SBA loan review decisions to the SBA Office of Hearings and Appeals. You can read our post discussing the appeal procedures outlined in this new interim final rule [\[read more\]](#)

August 10, 2020 | The SBA launched their Paycheck Protection Forgiveness Platform on August 10 allowing lenders to begin submitting their PPP forgiveness decisions to the SBA. Many lenders are not accepting borrower forgiveness applications yet; and we recommend that borrowers wait to submit their forgiveness application until there is some agreement on new pandemic relief legislation, as this legislation may include new provisions that impact PPP loan forgiveness for borrowers.

August 9, 2020 | The Paycheck Protection Program (PPP) closed at 11:59pm on August 8. As such, the U.S. Small Business Administration (SBA) is no longer accepting new PPP applications from participating lenders.

August 8, 2020 | There have been no meaningful negotiations over the next round of Federal pandemic relief legislation since yesterday, as the White House and Democratic Congressional leaders cannot find common ground on the size of the relief package or on a number of key issues.

Given the stalemate, President Trump signed four executive orders today extending pandemic relief provisions to millions of Americans. The four executive actions relate to payroll taxes, student loans, evictions and foreclosures and unemployment benefits. You can read our post on these executive orders. [\[read more\]](#)

Our COVID-19 Response Team is following updates and developments related to the new coronavirus stimulus package, including PPP 2.0 and other Federal and State relief measures. If you have any questions about how these measures may impact you or your business, please email your questions to COVID19team@tsacpa.com.