

# CARES Act 2020

The CARES Act is the third Congressional response to the COVID-19 pandemic. The emergency relief package provides tax rebates, expanded unemployment benefits, and numerous tax-relief provisions aimed at shoring up individual, family, and business finances, among other provisions.

Highlights Include:

- Direct payments to qualified individuals with checks of \$1,200 for individuals, \$2,400 for couples, and \$500 for children available for those with incomes at or below \$75,000 individual/\$112,500 head of household/\$150,000 filing jointly. Payments are phased out above those thresholds until it is phased out completely for single taxpayers with incomes exceeding \$99,000 and \$198,000 for joint filers.
- Significantly boosts unemployment insurance benefits, expanding eligibility and offering workers an additional \$600 a week for four months, on top of what state unemployment programs pay, and will give Americans four months-worth of their income if they are furloughed or lose their job due to COVID-19. And creates an employee retention tax credit to incentivize businesses to keep workers on payroll during the crisis.
- \$500 billion for a major corporate liquidity program through the Federal Reserve, which will be overseen by an inspector general and an oversight board.
- \$150 billion through a Coronavirus Relief Fund for making payments to States, Tribal governments, and units of local government.
- \$100 billion for hospitals and providers.
- \$16 billion for the Strategic National Stockpile to procure personal protective equipment (PPE), ventilators, and other medical supplies for federal and state response efforts.
- \$11 billion for the Public Health and Social Services Emergency Fund for the manufacturing, production, and purchase of vaccines, therapeutics, diagnostics, and other medical or preparedness needs.
- \$4.3 billion for the Centers for Disease Control and Prevention (CDC).
- \$1 billion for the Indian Health Service.
- \$80 million for the Food and Drug Administration (FDA).
- \$706 million for the National Institute of Allergy and Infectious Diseases (NIAID).
- \$425 million to the Substance Abuse and Mental Health Services Administration (SAMHSA).
- \$367 billion in federally guaranteed loans for small businesses.
- \$25 billion in direct financial aid to struggling airlines and \$4 billion for air cargo carriers.
- \$30 billion in emergency education funding.
  - ▪ \$25 billion in transit funding.
  - ▪ \$30 billion for the Disaster Relief fund.

Other Provisions include:

- \$200 million to the FCC for telehealth services and devices in a separate fund from the existing Rural Health Care program.



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- Clarification that all testing and vaccines for COVID-19 is to be covered by private insurance plans without cost sharing, including those tests without an EUA by the FDA.
- Provides permanent eligibility for PREP Act liability protections for manufacturers of personal respiratory protective equipment. The package makes clear that doctors who provide volunteer medical services during the public health emergency related to COVID-19 have liability protections for the period of the public health crisis.
- Temporarily lifts the Medicare sequester, which reduces payments to providers by 2 percent, from May 1 through December 31, 2020, boosting payments for hospital, physician, nursing home, home health, and other care. The Medicare sequester would be extended by one-year beyond current law to provide immediate relief without worsening Medicare's long-term financial outlook.
- Inpatient Medicare payments would be increased to a hospital for treating a patient admitted with COVID-19 by 20 percent. This add-on payment would be available through the duration of the COVID-19 emergency period.
- \$250 million for nutrition services to older adults.
- Labs would see relief in providing additional time in their mandated reporting period to allow more time to collect data from a larger selection of applicable labs, labs would also be protected from any payment reductions for 2021.
- Medicare Telehealth waiver for Federally Qualified Health Centers and hospices.
- Community health centers on the front lines of testing and treating patients for COVID-19 would be eligible to receive \$1.32 billion in supplemental funding.
- \$1.5 million to EPA to expedite the registration of disinfectants for the coronavirus. This will help get disinfectants to market more quickly to protect the public from COVID-19 and prevent its further spread.
- \$99.5 million dollars for DOE to facilitate access to its facilities and resources (including the National Labs) for research and analysis related to the COVID-19 virus, e.g. supercomputing. This type of research is critical to better understanding the COVID-19 virus and finding treatments for it.
- \$25 million under the Rural Utility Service for distance learning, telemedicine, and broadband initiatives in rural areas.
- \$100 million to provide grants for the costs of construction, improvements, or acquisition of facilities and equipment needed to provide broadband service in eligible rural areas
- Provides \$350 billion in federally guaranteed loans through the Paycheck Protection Program. This will provide eight weeks of cash-flow assistance to small businesses who maintain their payroll during this emergency. If employers maintain their payroll, these loans will be forgiven.
- The Paycheck Protection Program can be used to cover payroll costs, paid sick leave, supply chain disruptions, employee salaries, health insurance premiums, mortgage payments, and other debt obligations to provide immediate access to capital.

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- Provides \$17 billion in small business debt relief by requiring the Small Business Administration to pay all principal, interest, and fees on all existing SBA loan products for six months.
- Provides \$10 billion for expanded eligibility for SBA Economic Injury Disaster Loans, including emergency grants, an advance of \$10,000 within three days to maintain payroll, provide paid sick leave, and to service other debt obligations.
- Provides grants and funding to offer training, counseling, and assistance to small businesses affected by COVID-19:
  - \$240 million in grants to SBA resource partners, including Small Business Development Centers and Women’s Business Centers
  - \$25 million in grants for resource partner associations to provide online information and training
  - \$10 million in funding for the Department of Commerce Minority Business Development Agency’s Minority Business Centers
  - \$8.8 billion provided for food purchases and demonstration projects to increase flexibility for schools under the child nutrition programs
  - \$15.51 billion for Supplemental Nutrition Assistance Program (SNAP)
  - \$450 million for the Emergency Food Assistance Program (TEFAP) for commodities and distribution of emergency food assistance through community partners, including food banks
  - \$100 million to the Bureau of Prisons for Correctional Officer overtime, personal protective equipment and supplies related to COVID, clean work and living environments.
  - \$1.5 billion for emergency deployments of National Guard personnel
  - \$45.4 billion to continue FEMA’s response and recovery activities and reimbursements provided to states and localities
  - Includes \$400 million for grants that can be disbursed for firefighters, emergency managers, and providers of emergency food and shelter
  - \$75 million to the Corporation for Public Broadcasting for stabilization grants to maintain programming services and to preserve small and rural public telecommunication stations.
  - \$2.15 billion to the Department of Veterans Affairs for Information Technology to increase telework, telehealth, and call center capabilities to deliver healthcare services directly related to coronavirus and mitigate the risk of virus transmission.
  - The VA has also been authorized to expand mental health services delivered via telehealth and enter into short-term agreements with telecommunication companies to provide veterans with temporary broadband services.
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- Provides necessary assistance to various housing initiatives, including:
  - \$5 billion for the Community Development Block Grant.
  - \$1 billion for Project Based Rental Assistance.
  - \$1.25 billion for Tenant Based Rental Assistance programs and housing choice vouchers.



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- Takes steps to keep paychecks flowing to our nation's workers, but also helps those who may experience a loss of income keep a roof over their head.
- Prohibits foreclosures on any federally backed mortgages for 60-days.
- Allows borrowers affected by COVID-19 to shift any missed payments to the end of their mortgage, with no added penalties or interest, for 180 days.
- Halts evictions for renters in properties with federally backed mortgages for 120 days.
- Gives relief to multifamily property owners through forbearance on any federally backed.
- FHFA directed Fannie Mae and Freddie Mac to offer mortgage forbearance to multifamily property owners as long as the owners suspend evictions for residents who are unable to pay rent because of the coronavirus. This option is open to all multifamily properties who have mortgages backed by Fannie and Freddie.
- FHFA announced Fannie Mae and Freddie Mac would provide payment forbearances to borrowers impacted by COVID-19. This direction allows mortgage payments to be suspended for up to 12 months.
- FHFA directed Fannie Mae and Freddie Mac to suspend foreclosures and evictions for 60 days for all Fannie and Freddie backed single family mortgages.
- What these actions mean for renters and homeowners: As Americans are prevented from working or are otherwise impacted because of the coronavirus, their ability to meet their rent or their mortgage obligations is severely diminished. In addition, consumers may be on the brink of or in foreclosure. FHFA's forbearance actions provide renters, single family and multi-family property owners with relief from their obligations. FHFA's actions also ensure that individuals or families who may be on the brink of eviction will not be turned away from their homes.
- FHFA directed Fannie Mae and Freddie Mac to provide alternatives to satisfy appraisal requirements and employment verification requirements through May 17, 2020.
- What this means for consumers: Providing Fannie and Freddie with greater flexibility as it relates to appraisals and employment verification helps expedite the approval process for consumers who may want to purchase, refinance, or otherwise leverage equity in their home.
- \$5 BILLION for Community Development Block Grants with additional flexibility to meet the needs of individual communities fighting this virus.
- \$1.25 BILLION in additional funding for Tenant Based Rental Assistance programs to assist more families in securing stable housing during this emergency and help assisted households who may lose income during the outbreak.
- \$1 BILLION for Project Based Rental Assistance to assist PHAs and property owners in preventing the spread of COVID-19 and helping residents who lose income due to the outbreak.
- \$300 MILLION for Native American Housing Programs to help our tribes provide housing for more individuals and prevent overcrowding in their existing housing stock.
- Protecting Our Nation's Most Vulnerable:

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- \$4 BILLION for Emergency Homeless Assistance Grants that go directly to local governments to help provide shelter and basic facilities.
- \$685 MILLION in emergency funding for local Public Housing Agencies (PHAs) to help prevent the spread of this disease in public housing.
- \$65 MILLION to help prevent outbreaks for those who may be most impacted by this virus, our nation's elderly (Section 202) and disabled (Section 811).
- \$65 MILLION in additional funding for the Housing Opportunities for Persons with AIDS program, and the flexibility to use that funding and those units to assist families affected by COVID-19.
- \$31 billion for K-12 schools, colleges, and universities.
- \$1.1 billion for grants to emergency managers, firefighters, and state and local law enforcement.
- \$250 million for the Internal Revenue Service to implement tax credits and other tax changes.
- \$5 billion for Community Development Block Grants.
- \$3.5 billion for childcare services.
- Older Americans. Provides additional flexibility for the Secretary of Health and Human Services (HHS) to ensure vital services are provided to our nation's seniors.
- Allows full transfer between congregate and home-delivered meal funding and provides additional flexibility in the type of food that can be served.
- Permits state agencies to determine that homebound individuals include those who are self-quarantining due to the emergency so that those individuals are prioritized for purposes of home-delivered meals.
- Provides additional flexibilities in the Senior Community Service Employment Program designed to ensure participants are not harmed because their program was closed as a result of the qualifying emergency.
- Provides needed relief to college students to ensure they are not harmed by colleges' decisions to switch to online delivery models or close outright in the middle of the semester. Specifically, the bill:
  - Provides direct financial relief to many student loan borrowers by pausing their monthly repayment requirements for six months with no penalty.
  - Codifies the Trump administration's decision to pause collections on defaulted student loans through September 20, 2020.
  - Gives colleges and universities the flexibility needed to direct federal resources through the Supplemental Educational Opportunity Grant program to students struggling the most in this environment.
  - Provides schools the flexibility to ensure this interrupted or unfinished semester does not stop their students' ability to continue class in the future. Students will not be on the hook for financial aid distributed to them when the pandemic forced them to drop out mid-term.
  - Frees institutional grants from restrictions that prevent minority serving institutions from better serving students in need.



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- Provides the Secretary of Education additional waiver authority to ensure school districts can focus on addressing students' needs during this pandemic.
- Codifies the Trump administration's offer to waive the requirement that states test their students in reading, math, and science, and identify low-performing schools, as well as reporting requirements that rely on that data.
- Allows schools to use any remaining funds from Title I – the largest program in the Every Student Succeeds Act that aims to provide all children with the opportunity to receive a high-quality education – for next year.
- Gives school districts increased flexibility in how they use block grant funds, allowing more funds to be used for technology and other activities related to coronavirus recovery.
- Clarifies that waivers issued under ESEA are also applied to charter schools ensuring that the lack of performance data resulting from a waiver is not an excuse to close a charter school.

