
Hughes Hubbard & Reed

CARES Act Developments and Deadlines as of April 3, 2020

Client Advisories

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notices-methodologies>.

On **March 23**, the Federal Reserve announced a range of actions to support the stability of the financial system, promote maximum employment and stabilize prices. These actions include establishing a number of facilities, including the Primary Market Corporate Credit Facility (PMCCF) for new bond and loan issuance, the Secondary Market Corporate Credit Facility (SMCCF) to provide liquidity for outstanding corporate bonds, and the Term Asset-Backed Securities Loan Facility (TALF), to support the flow of credit to consumers and businesses. The Federal Reserve also said that it expects to announce soon the establishment of a Main Street Business Lending Program (MSBLP) to support lending to eligible small-and-medium sized businesses. The MSBLP is billed as complementing efforts by the SBA, which suggests it will target medium size business, i.e. business with more than 500 employees. See <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200323b.htm>.

On **March 30**, the Treasury Department released guidelines and application procedures for payroll support to air carriers and air carrier contractors provided by Division A, Title IV, Subtitle B of the CARES Act. The Act appropriates \$32 billion for this purpose. The initial deadline for applications is 5 pm on April 3; applications submitted by April 27 will be considered; the Secretary of the Treasury has discretion to consider applications submitted thereafter. See <https://home.treasury.gov/news/press-releases/sm960>.

On **March 30**, the Treasury Department and the IRS announced that distribution of economic impact payments to individuals under the CARES Act will begin in the next three weeks. See <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>.

On **March 31**, the Treasury Department and Small Business Administration announced that they have initiated an effort to mobilize banks to provide small business with loans guaranteed by the SBA. Under the CARES Act's Paycheck Protection Program, all SBA loan repayments are deferred for six months, and the SBA will forgive the portion of the loan proceeds that are used to cover the first eight weeks of payroll costs, rent, utilities, and mortgage interest. Loan applications are to be accepted starting this week. See <https://home.treasury.gov/news/press-releases/sm961>.

On **March 31**, the Treasury Department and the IRS launched the Employee Retention Tax Credit program established by the CARES Act. The amount of the refundable tax credit is 50 percent of qualifying wages paid up to \$10,000 in total per employee. The credit is available to all employers regardless of size, including tax exempt organizations, although state and local governments, their instrumentalities, and small businesses that take SBA loans do not qualify. Employers may take the credit by reducing their required deposits of payroll taxes. See <https://home.treasury.gov/news/press-releases/sm962>.

On **April 1**, the Treasury Department and the IRS published guidance and FAQs regarding refundable tax credits for business with fewer than 500 employees, which are available under the Families First Coronavirus Response Act (FFCRA). The credits cover the cost of providing paid sick and family leave wages. Employers may take the credit by reducing their required deposits of payroll taxes. See <https://home.treasury.gov/news/press-releases/sm965>.

On **April 1**, the Department of Labor promulgated temporary regulations under FFCRA regarding reimbursement to private employers for paid leave expenses related to absences due to the coronavirus. The reimbursements are available only to employers with fewer than 500 employees. See <https://www.dol.gov/newsroom/releases/whd/whd20200401>.

Upcoming deadlines

April 6 - Treasury Dept. must publish procedures for application and minimum requirements for making loans and loan guarantees using the \$500 billion in Treasury's Exchange Stabilization Fund for states, municipalities, and "eligible businesses" (Sec. 4003)

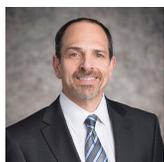
April 11 - SBA must publish regulations implementing CARES Act enhancements to the SBA loan program, without regard to notice requirements (Sec. 1114)

April 26 - SBA must publish (a) guidance to SBA section 7A lenders on the borrower payment deferment process (Sec. 1102); and (b) guidance and regulations on CARES Act SBA loan forgiveness provisions (Sec. 1106)

September 23 - HHS must publish guidance on the sharing of patients' protected health information pursuant to 45 CFR section 160.103 during the coronavirus crisis (Sec. 3224)

[Click here to go to our COVID-19 Resource Center for more advisories, articles and other content related to the coronavirus pandemic.](#)

Related People



Philip A. Giordano



Andrew H. Braiterman



Spencer L. Harrison



Alan Kravitz



Alexandra Poe



Charles A. Samuelson

Related Areas of Focus

Corporate

Tax

Employee Benefits & Executive Compensation

Employment & Unfair Competition