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# Hughes Hubbard & Reed

## CARES Act Developments and Newly Proposed Fiscal Stimulus Legislation as of August 14, 2020

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**August 14, 2020** – This week, President Trump extended current stimulus programs by executive order as Democratic and Republican negotiators reached an impasse over the scope of another round of federal economic relief. The Federal Reserve Board revised the pricing of the Municipal Liquidity Facility and the Small Business Administration issued an interim final rule establishing a PPP loan review appeal process.

### Regulatory Developments Relating to the Pandemic

#### White House Acts to Extend Stimulus

On August 8, the White House issued memoranda and an executive order deferring the collection of certain payroll taxes, extending enhanced unemployment benefits, providing student loan repayment options, and addressing eviction protections.

- [Press release](#)
- [Press briefing statement](#)
- [Memoranda and Order](#)

#### Pricing for Municipal Liquidity Facility Revised

On August 11, the Federal Reserve Board revised the pricing of its Municipal Liquidity Facility (MLF). The revised pricing reduces the interest rate spread on tax-exempt notes for each credit rating category by 50 basis points and reduces the amount by which the interest rate for taxable notes is adjusted relative to tax-exempt notes.

- [Press release](#)

- [Revised MLF term sheet](#)

### **SBA Establishes PPP Loan Review Appeal Process**

On August 11, the Small Business Administration (SBA) issued an interim final rule (IFR) titled "Appeals of SBA Loan Review Decisions Under the PPP." The IFR establishes a process for PPP borrowers to appeal certain SBA loan review decisions to the SBA Office of Hearings and Appeals (OHA). The appeal process applies to an SBA decision that the PPP borrower (1) was ineligible for a PPP loan; (2) was ineligible for the PPP loan amount received or used the PPP loan proceeds for unauthorized uses; (3) is ineligible for PPP loan forgiveness in the amount determined by the lender; and/or (4) is ineligible for PPP loan forgiveness in any amount when the lender has issued a full denial of forgiveness decision to the SBA. The IFR also clarifies that "because a PPP borrower must begin making payments of principal and interest on the remaining balance of its PPP loan at the end of the loan payment deferral period or when SBA remits the loan forgiveness amount to the PPP lender (or notifies the lender that no loan forgiveness is allowed), an appeal by a PPP borrower of any SBA loan review decision does not extend the deferral period of the PPP loan." In addition, the IFR also notes that "if SBA remits to the lender the PPP loan forgiveness amount set forth in the decision issued by the lender to SBA (except for the deduction of any Economic Injury Disaster Loan advance), the borrower may not file an appeal with OHA, and the borrower must begin repayment of any remaining balance of its PPP loan."

- [Interim Final Rule](#)

### **Legislative Proposals**

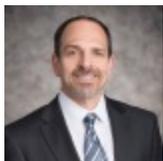
#### **S. 4490: The Make Billionaires Pay Act**

On August 6, Senators Bernie Sanders (I-VT), Ed Markey (D-MA), and Kirstin Gillibrand (D-NY), introduced legislation that would impose a 60% tax on the wealth accumulated by billionaires from March 18th through August 5th, in order to cover all out-of-pocket healthcare expenses for uninsured and underinsured individuals affected by the COVID-19 pandemic.

- [Press release](#)
- [Text of bill](#)

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