
Hughes Hubbard & Reed

Pandemic Economic Stimulus: Legislative and Regulatory Developments as of February 12, 2021

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

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February 12, 2021 – At the end of last week Congress invoked the budget reconciliation process that will allow the Biden Administration to pass its proposed \$1.9 trillion coronavirus relief package without Republican support. This week the Federal Reserve Board extended a rule expanding access to Paycheck Protection Program loans.

Regulatory Developments Relating to the Pandemic

Federal Reserve Extends Rule Expanding Access to Paycheck Protection Program Loans

On February 9, the Federal Reserve Board announced the second extension of a rule allowing certain bank directors and shareholders to apply to their banks for Paycheck Protection Program (PPP) loans for their small businesses. To prevent favoritism, the Board limits the types and quantity of loans that bank directors, shareholders, officers, and businesses owned by these persons can receive from their affiliated banks. However, these limits have prevented some small business owners from accessing PPP loans, especially in rural areas. The rule extension is effective immediately and applies to PPP loans made through March 31, 2021.

- [Press Release](#)

Fiscal Stimulus Legislative Proposals

S.Con.Res.5: Concurrent Resolution on the Budget for Fiscal Year 2021

On February 5, both houses of Congress passed a concurrent budget resolution invoking the use of a budget reconciliation procedure that will enable the Biden Administration to pass a coronavirus relief package without

Republican support. The 2021 budget resolution directs certain House and Senate committees to draft legislation by February 16 specifying up to \$1.9 trillion in pandemic stimulus and relief. Congressional leaders have signaled they plan to ask Congress to approve the relief bill by mid-March.

- [Text of bill](#)

H.R. 890: Gym Mitigation and Survival (GYMS) Act

On February 5, Representative Mike Quigley (D-IL) introduced legislation that would provide \$30 billion to the Small Business Administration to distribute grants to eligible fitness facilities. The legislation would allow eligible fitness facilities to use the grants for payroll, rent and mortgage obligations, and utility payments.

- [Press release](#)

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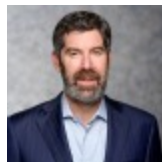
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