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# Hughes Hubbard & Reed

## Pandemic Economic Stimulus: Legislative and Regulatory Developments as of February 5, 2021

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**February 5, 2021** – This week the Small Business Administration and the Internal Revenue Service both updated FAQs relating to federal pandemic economic relief programs, and Senate Republicans proposed a \$618 billion COVID-19 relief package.

### **Regulatory Developments Relating to the Pandemic**

#### **Paycheck Protection Program FAQ Revisions and Additions**

On January 29, the Small Business Administration announced that it is in the process of revising its Paycheck Protection Program (PPP) FAQs to reflect changes made by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, which was enacted on December 27, 2020. It also added FAQ 54 addressing the applicability to Second Draw PPP Loans of FinCEN's PPP FAQs of April 2020. Newly added FAQ No. 55 addresses the extent to which a PPP lender may rely on information provided to it by a PPP applicant for purposes of Bank Secrecy Act and anti-money laundering compliance.

- [FAQs & Announcement](#)
- [FinCEN Republication of Certain PPP FAQs](#)

#### **IRS Updates FAQs on Paid Sick Leave Credit and Family Leave Credit**

On January 29, the Internal Revenue Service published updated FAQs regarding recent legislation that extended and amended tax relief to certain small- and mid-sized employers under the Families First Coronavirus Response Act (FFCRA). The updates to the FAQs cover how the COVID-related Tax Relief Act of 2020, enacted December 27,

2020, extends the availability of the tax credits created by the FFCRA to eligible employers for paid sick and family leave provided through March 31, 2021, as well as other amendments to the credits.

- [Press release](#)
- [FAQs](#)

### **Fiscal Stimulus Legislative Proposals**

#### **Republican COVID-19 Relief Proposal**

On February 1, ten Republican senators led by Senator Susan Collins (R-ME) released highlights of their \$618 billion COVID-19 relief proposal, which would allocate \$40 billion to the Paycheck Protection Program (including \$5 million for audits and investigations) and \$10 billion for the Economic Injury Disaster Loan (EIDL) Program, and provide an extension of unemployment benefits of \$300 per week through June 30. The proposal would also provide another round of relief payments of \$1,000 per person to individuals meeting certain income criteria. The Republican senators proposed the plan as an alternative to President Biden's \$1.9 trillion relief plan.

- [Press release](#)
- [Summary of Proposal](#)

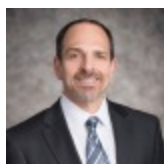
#### **S. 174: Small Business Access to Recovery Capital Act**

On February 2, Senators Marco Rubio (R-FL), Jim Risch (R-ID), and Susan Collins (R-ME) reintroduced legislation that would expand access for small businesses to the Small Business Administration's 7(a) Loan Guaranty program for one year to help businesses cope with challenges posed by the COVID-19 pandemic. The legislation waives borrower and lender fees, increases the government guarantee to 95%, and increases the maximum loan value from \$5 million to \$10 million.

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

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

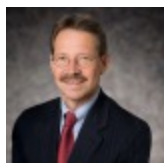
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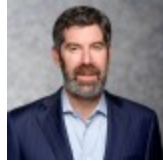
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