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# Hughes Hubbard & Reed

## Pandemic Economic Stimulus: Legislative and Regulatory Developments as of January 22, 2021

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**January 22, 2021** – This week the Treasury Department announced approval of more than \$12 billion in payroll support for major U.S. passenger air carriers and the Small Business Administration announced that it had approved over \$5 billion in loans under the reopened Paycheck Protection Program so far. President Biden announced a \$1.9 trillion economic stimulus plan, although it has not yet been introduced in Congress.

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

#### **Payroll Support Approved for Airline Industry Under Consolidated Appropriations Act**

On January 15, the Treasury Department announced that it had approved more than \$12 billion in a recent round of payroll support for major U.S. passenger air carriers. Title IV, Subtitle A, Division N of the Consolidated Appropriations Act, 2021 (the PSP Extension Law) provides for up to \$16 billion in such payroll support. Treasury had previously concluded Payroll Support Program Extension agreements with Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Hawaiian Airlines, JetBlue Airways, Republic Airways, SkyWest Airlines, Southwest Airlines, Spirit Airlines, and United Airlines.

- [Press release](#)

#### **\$5 Billion in Paycheck Protection Program Loans Approved Under Reopened Program**

On January 19, the Small Business Administration (SBA) announced that since reopening the Paycheck Protection Program (PPP) last week, it had approved approximately 60,000 PPP loan applications submitted by nearly 3,000 lenders through January 17, representing over \$5 billion in loans. The SBA initially authorized only community

financial institutions, i.e. those with \$1 billion or less in assets, to make PPP loans. The SBA opened the PPP to all participating lenders on January 19.

- [Press release](#)

## **Fiscal Stimulus Legislative Proposals**

### **\$1.9 Trillion American Rescue Plan**

On January 14, then-President-elect Biden announced a \$1.9 trillion American Rescue Plan to fund a national vaccination program, provide relief directly to struggling households, and provide support to small businesses, among other things. Its many proposals include raising the federal minimum wage to \$15/hour, payment of back hazard pay by private employers such as those in the retail and grocery sectors, \$15 billion for small business grants, and \$35 billion for state, local, tribal and non-profit small business financing programs. Legislation to enact the plan's proposals has not yet been introduced in Congress.

- [Plan announcement](#)

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