
Hughes Hubbard & Reed

Pandemic Economic Stimulus: Legislative and Regulatory Developments as of January 28, 2021

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January 28, 2021 – This week the Small Business Administration (SBA) announced loan processing procedures under the Paycheck Protection Program, and legislation was introduced in Congress regarding an increase in the federal minimum wage and the SBA’s microloan program.

Regulatory Developments Relating to the Pandemic

SBA Announces Loan Processing Procedures for Second Draw PPP Loans

On January 26, the Small Business Administration announced procedures to address loan processing for second draw Paycheck Protection Program (PPP) loan guarantee applications where there is an unresolved issue on the loan applicant’s first draw PPP loan. The procedures detail how the SBA will notify a lender that an applicant’s first draw loan is unresolved, how the lender and applicant can obtain resolution of the first draw loan, and how the SBA will handle the applicant’s second draw application in the interim.

- [Press release](#)
- [SBA Procedural Notice](#)

Fiscal Stimulus Legislative Proposals

S. 53: Raise the Wage Act of 2021

On January 26, Senators Bernie Sanders (I-VT) and Patty Murray (D-WA), along with Representatives Bobby Scott (D-VA), Pramila Jayapal (D-WA), and Stephanie Murphy (D-FL), introduced legislation that would raise the federal

minimum wage to \$15 by 2025. Beginning in 2026, the federal minimum wage would be indexed to median wage growth.

- [Press release](#)

S. 63: Unlocking Opportunities in Emerging Markets Act

On January 27, Senators Ben Cardin (D-MD), Mazie Hirono (D-HI), and Tammy Duckworth (D-IL) introduced legislation that would establish an Office of Emerging Markets (OEM) within the Office of Capital Access of the Small Business Administration (SBA). The OEM would develop strategies for addressing small business concerns, propose policies concerning the SBA's microloan program, and review the effectiveness and impact of the microloan program.

- [Press release](#)

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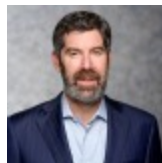
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