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# Hughes Hubbard & Reed

## Pandemic Economic Stimulus: Legislative and Regulatory Developments as of March 1, 2021

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**March 1, 2021** – Last week, the Small Business Administration expanded the Paycheck Protection Program to provide greater access to small business owners. Over the weekend, the U.S. House of Representatives used the budget reconciliation process to pass a \$1.9 trillion coronavirus relief budget package without Republican support.

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

#### **Paycheck Protection Program Made More Accessible to Small Business Owners**

On February 22, the Small Business Administration announced changes to the Paycheck Protection Program (PPP) designed to increase access to PPP loans for underserved borrowers. The changes include the establishment of a 14-day, exclusive PPP loan application period for businesses and nonprofits with fewer than 20 employees, starting February 24. Other changes become effective during the first week of March, including:

- revisions to the PPP's funding formula that allow sole proprietors, independent contractors, and self-employed individuals greater access to PPP loans;
- elimination of PPP access restrictions on small business owners with prior non-fraud felony convictions;
- elimination of certain PPP loan disqualifiers, such as federal student loan debt delinquency and default; and
- clarification that non-citizen small business owners may use an Individual Taxpayer Identification Number to apply for a PPP loan.
- [Press Release](#)

### **Fiscal Stimulus Legislative Proposals**

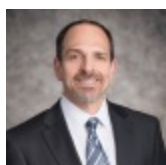
#### **American Rescue Plan Act of 2021**

On February 27, the House of Representatives voted along party lines to approve a \$1.9 trillion COVID-19 relief budget package that the Biden Administration plans to enact through the budget reconciliation process. The bill now moves to the Senate, where a vote is possible as early as this week. In addition to implementing a national vaccination program, the proposed legislation would allocate an additional \$7.5 billion to the Paycheck Protection Program and expand program eligibility for nonprofits and digital media companies. It would also allocate \$15 billion toward the Economic Injury Disaster Loan program and \$25 billion toward a new Restaurant Revitalization Fund. The bill would provide another round of relief payments of \$1,400 per person to individuals meeting certain income criteria, increase supplemental unemployment benefits to \$400 and extend them through August 29, and allocate \$350 billion to state and local governments. It would also raise the federal minimum wage to \$15 per hour over the next four years. However, the Senate Parliamentarian has opined that the minimum wage proposal is not eligible for enactment using the budget reconciliation process, raising a substantial roadblock to its approval by the Senate.

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

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

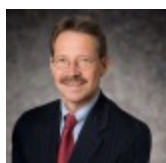
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