

Publications

President Signs \$900 Billion Economic Aid Package

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UPDATE: President Trump on December 27, 2020 signed the \$900 billion relief package. The original alert regarding the legislation is below.

Late on December 20, 2020 Congressional leaders from both houses announced they had reached an agreement on a \$900 billion relief package that will provide aid to individuals and businesses still struggling with the economic impact of the ongoing COVID-19 pandemic. Both the House and the Senate are expected to vote on and pass the proposal today, and the President is expected to sign it shortly thereafter.

Although votes are projected to take place today, the full text of the bill has not yet been released. But the bill is expected to include aid to individuals in the form of both continued unemployment benefits and direct payments, aid to businesses through a continuation of the Paycheck Protection Program and targeted relief funds, and more funds for vaccine procurement and distribution. The bill will also reportedly eliminate certain lending programs created by the Federal Reserve. This update broadly summarizes the agreement as announced.

Aid to Individuals

Under the agreement as announced, economic relief to individuals would take several forms. There will be several continuations of enhanced unemployment benefits. Individuals receiving unemployment benefits will receive an additional \$300 per week from the federal government on top of their state benefits. The Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation programs will also be extended, which provide unemployment benefits to individuals in non-traditional employment (such as self employment and the “gig” economy) and to individuals whose traditional unemployment benefits have expired, respectively. These programs were set to expire soon. The agreement will also provide \$13 billion to the SNAP program to provide enhanced SNAP benefits.

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The moratorium on evictions will also be extended. Furthermore, the agreement provides \$25 billion for a federal emergency rental assistance program. Individuals and families who have difficulty making rent and utility payments due to COVID-19 effects will be eligible to receive funds that can be used to pay past and future rent payments, as well as utility and energy bills.

Finally, individuals making less than \$75,000 per year and couples making less than \$150,000 per year will receive another round of direct payments—\$600 for individuals and \$1,200 for couples, with an additional payment of \$600 per child dependent.

Aid to Businesses

Businesses of all sizes and types will also receive aid under the agreement as announced. The Paycheck Protection Program, providing aid to small businesses, will be funded with an additional \$284 billion for new loans. Businesses experiencing severe revenue reductions can now apply for a second PPP loan. There will also be an additional \$20 billion for new EIDL grants. The CARES Act's employee retention tax credit will be extended to help keep workers on payroll and keep businesses afloat.

Specific industries and businesses will also receive targeted relief. \$82 billion will be used for an emergency relief fund for K-12 schools and institutions of higher learning (including public and private universities as well as for-profit colleges) to assist with operating expenses and reopening plans. \$45 billion will go towards assisting transportation organizations—such as transit agencies, airlines, state DOTs, and Amtrak—whose revenues are dropping so they can continue to provide transportation services to essential workers. \$15 billion will go towards live event venues, movie theatres, and cultural institutions. And \$13 billion will be used for direct payments, purchases, and loans to farmers and ranchers and towards supporting the food distribution network.

The only notable restriction of assistance in the bill as announced is an agreement to end certain Federal Reserve lending facilities, such as the Main Street Lending Program, that were created by the CARES Act. These lending facilities will end on December 31, 2020 and the remaining \$429 billion in available funds will be repurposed. There will also be a ban on creating duplicate programs without congressional approval. However, the agreement as announced does not contain any more general restrictions on the Federal Reserve's lending powers, which had been a sticking point in the negotiations.

COVID-19 Mitigation

Finally, the agreement as announced includes over \$30 billion for the procurement and distribution of the Pfizer and Moderna approved COVID-19 vaccines, as well as over \$22 billion for ongoing testing and contact tracing efforts.

Vorys is actively monitoring these developments and will continue to analyze the situation and provide updates. We have also established a comprehensive Coronavirus Task Force, which includes attorneys with deep experience in the niche disciplines that we have been and expect to continue receiving questions regarding coronavirus. Learn more and see the latest updates from the task force at vorys.com/coronavirus. If you have questions regarding this news, please contact your Vorys attorney or a member of our [Coronavirus Task Force](#).