

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 64 – June 9 at 2:00 PM

1. Latest on the Main Street Lending Program

Yesterday, the Federal Reserve expanded its Main Street Lending Program to allow more small and medium-sized businesses to be able to receive support. The Fed lowered the minimum loan amount, raised the maximum loan limit, adjusted the principal repayment schedule to begin after two years, and extended the term to five years, providing borrowers with greater flexibility in repaying the loans. The Fed expects the Main Street program to be open for lender registration *soon* and to be actively buying loans shortly afterwards. Once they have successfully registered for the program, lenders are encouraged to begin making Main Street loans *immediately*.

The changes include:

- Lowering the minimum loan size for certain loans to \$250,000 from \$500,000;
- Increasing the maximum loan size for all facilities;
- Increasing the term of each loan option to five years, from four years;
- Extending the repayment period for all loans by delaying principal payments for two years, rather than one; and
- Raising the Reserve Bank's participation to 95% for all loans.

For more information on these changes, click [HERE](#).

2. Latest on Paycheck Protection Program Flexibility Act

As we reported yesterday, the Paycheck Protection Program Flexibility Act (“PPP Flex”) was enacted into law, amending key provisions of the Paycheck Protection Program (“PPP”). These latest provisions are by no means the last major change in store for the program. We will continue to monitor the SBA and Congress to provide you with any relevant and timely updates.

Foley & Lardner Law Firm has provided a detailed analysis of these key changes that you can view [HERE](#).

Senator Marco Rubio, along with others, argued that the bill's language makes that 60 percent requirement a "cliff" in which businesses would lose partial loan forgiveness if they spent a substantial amount on payroll but fell short of the threshold.

In a joint statement from Treasury Secretary Mnuchin and SBA Administrator Carrazona yesterday, they responded to this concern by saying that an employer who spends less than 60% of its loan on payroll will still be entitled to partial forgiveness. The statement reads:

If a borrower uses less than 60 percent of the loan amount for payroll costs during the forgiveness covered period, the borrower will continue to be eligible for partial loan forgiveness, subject to at least 60 percent of the loan forgiveness amount having been used for payroll costs.

To read the full press statement, click [HERE](#).

3. Latest on Economic Recovery and Re-Opening the Workplace

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars and seminars that you may find useful:

From **Littler Law Firm**:

[This Won't Hurt a Bit: Employee Temperature and Health Screenings – A List of Statewide Orders, as of June 5, 2020](#)

Governors and public health officials across the country have implemented stringent measures to help contain the spread of COVID-19, such as stay at home and face covering mandates. Some jurisdictions also require employers to screen the health of employees, often as they begin a shift. These health screening steps, including temperature checks, may become more common as states begin to reopen their economies. [This post](#) covers laws and orders that require employers to take employees' temperatures and/or conduct other employee health screening procedures, such as asking employees about any COVID-19-consistent symptoms using a questionnaire or checklist.

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation.

To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**.

To view their spreadsheet, go to:

https://docs.google.com/spreadsheets/d/e/2PACX-1vRIJWZJ7OkGUW57_rdA2n3xBJ3qjW6u4Z9N6K9Y5L4bM_6H7-S308qdKmJfpVstYWf300nyujvZPFsy/pubhtml?urp=gmail_link

[Click here](#) for links to Critical Updates sent previously.

Many thanks—

*Jade West, Chief Government Relations Officer
Blake Adami, Vice President-Government Relations
Seth Waugh, Associate Vice President-Government Relations
National Association of Wholesaler-Distributors*

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