

ALERTS

CARES Act Provides Loans, Expands Employment Benefits and Revises Tax Provisions for Small Businesses

March 30, 2020

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), a \$2-trillion stimulus bill, with the most significant impact for small businesses resulting from the allocation of \$349 billion for small-business loans. Under the “Paycheck Protection Program” created by the CARES Act, eligible small businesses will have access to government-backed forgivable loans (“Loan(s)”) through an expansion of Section 7(a) of the Small Business Act, which is administered by the Small Business Administration (“SBA”). The Loans are available until June 30, 2020.

This *Alert* addresses the Loans and changes to other government-supported loans available to small businesses through the SBA, as well as certain employment issues and tax law changes that affect such small businesses. The SBA is expected to issue regulations to govern the implementation of the Paycheck Protection Program. The Secretary of the Treasury will be releasing additional guidance and additional *Alerts* will be published as regulations or additional guidance is released.

Read full *Alert* [here](#).

For more information on the CARES Act and emerging legal issues on the COVID-19 crisis, visit our COVID-19 Resource Center [here](#).

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If you have any questions concerning this *Alert*, please contact your attorney at Schulte Roth & Zabel or one of the authors.

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