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DATE: MARCH 20, 2020

RE: SMALL BUSINESS CALL WITH PRESIDENT TRUMP

On March 20, 2020, President Trump and senior White House officials held a conference call to outline their small business relief priorities during the COVID-19 outbreak.

President Trump stated his Administration is working with Congress to give direct payments to small businesses to help alleviate the economic burden of COVID-19. This would include a dramatic immediate expansion of favorable loans. The White House, along with bipartisan members of Congress, are looking to pass an economic relief package as soon as possible.

Under the National Emergency Declaration, the SBA has already been approved to allow small businesses to access low-interest disaster relief loans (Economic Injury Disaster Loans, or EIDL). The SBA also has \$18 billion available for 7(a) loans, which the Administration making it easier and faster to get. The White House is also encouraging banks to lend to small businesses in underserved areas by offering banks credit under the Community Reinvestment Act (CRA).

The White House has also moved Tax Day to July 15. Small businesses can file immediately if they want to get a refund, but they can also wait to file and make payments until July with no interests or penalties.

This week, the President signed a critical support measure (H.R. 6201) for small businesses that provides paid sick leave. It is critical that those who are ill or caring for sick family members stay home. Under H.R. 6201, small businesses will receive dollar-for-dollar tax credits for providing paid leave. The Treasury will accelerate tax credit payments as well. Businesses with 50 employees or less will be exempted from certain paid leave requirements if their businesses are vulnerable.

Small Business Administration Administrator Jovita Carranza stated that the SBA is meeting this challenge head-on, and they're here for the nation's 30 million small businesses. They have cut red tape to make it easier for small businesses to apply for Economic Injury Disaster Loans of up to 2 million dollars. Disaster declarations will be made for all 50 states, DC, and the territories. This week they have done stakeholder calls with more than 5,000 small business owners. Additionally, they are continuing to look out for more ways to simplify processes, break down bureaucratic barriers, and cut red tape.

Labor Secretary Eugene Scalia stated that his Department has also put out a rule on joint employment which gives small businesses better clarity of joint employment for purposes of minimum wage and overtime. That rule will decrease compliance cost. DOL has been speaking with several business groups on what they can do to keep workers on their payroll if they can. Small businesses must have access to paid leave and dollar-for-dollar reimbursement through tax credits. Seeking public input and public guidance to implement new laws and bill is also critical.

National Economic Council Chair Larry Kudlow stated that the President Trump's policies to cut taxes, roll back regulations, reopen the energy sector, and make better trade deals have made the U.S. economy strong. The Administration is developing a fund to guarantee loans to small businesses so that they can overcome the next couple of months. The deferred tax payments for small businesses will be extremely helpful.