

TENANTS: HELP IS HERE

NewQuest is providing tenants with the latest updates regarding the historic economic stimulus package pending final approval by Congress in response to the coronavirus pandemic affecting small businesses. We will continue bringing you the best tenant resources and information to help you navigate this challenging time.

Where We Are

COVID-19
SBA LOANS
AVAILABLE >

\$2 Trillion Stimulus Plan Passes March 27, 2020

Read the Articles

- [House Passes \\$2 Trillion Coronavirus Stimulus Package](#)
- [What's in the \\$2 trillion coronavirus stimulus bill](#)

Summary of Relevant Provisions in Coronavirus Aid, Relief and Economic Security Act (CARES Act)

Loan Program

Economic Stability Loan Program and Credit Facility

- \$500 billion for loans and loan subsidies and support for Federal Reserve credit facilities. **Not limited by size of business.**
 - \$50 billion in loans and loan guarantees for air carriers.
 - \$8 billion in loans and loan guarantees for cargo air carriers.
 - \$17 billion in loans and loan guarantees for businesses critical to maintaining national security.
 - **\$425 billion for loans, loan guarantees and investments in support of facilities established by the Federal Reserve to support lending to eligible businesses, States, or municipalities.**

Small Business “Paycheck Protection Program”

- New \$349 billion SBA lending program, modeled on existing 7(a) program, with 100% government guarantee (as opposed to 75% guarantee for 7(a) loans).

- Eligibility:
 - Small businesses as defined by SBA size standards (generally up to 500 employees, but up to 1,500 employees depending on the sector)
 - Businesses in the “Accommodation and Food Services” sector are eligible with up to 500 employees at each location
 - Sole proprietors, the self-employed, and independent contractors.
- Ceiling on loan amount is the lesser of \$10 M or a formula (2.5 x average monthly payroll costs for the year before the loan is made).
- No interest for 1 year.
- Deadline to apply is June 30, 2020.
- Portion of loan is forgiven outright in 8 weeks if \$ used for sum of ordinary business expenses from payroll, lease, rent mortgage interest (prior to February 15, 2020 AND employer doesn’t reduce # of employees or their wages). **Those businesses classified as a hotel, restaurant or bar get a waiver from these conditions.**
- Complicated rules addressing companies with multiple locations and how you determine the number of employees, intended to cover hotels and franchised locations.

Capital Market Capacity and Debt Flexibility for CRE

- Federal regulators and FASB agreed that short-term loan modifications tied to the pandemic do not immediately count as troubled-debt restructurings (TDR).
- FDIC Chairman has called on FASB to set aside Current Expected Credit Losses standard.
- The Fed reinstated the Term Asset-Backed Loan Facility (TALF) program from 2008.
 - Does not include adequate support for CMBS.

Other opportunities:

- State level efforts on risk-based capital requirements for life insurance companies.
- \$6.5 billion in Federal funding for CDBG, the Economic Development Administration, and other grants to help mitigate the local impacted industries.

Tax Provisions

Individual Tax Relief

- Provides up to \$1,200 for individuals; \$2,400 for married couples.

Business Tax Relief

- Employee Retention Tax Credit
- Qualified Improvement Property (QIP) technical correction
- Delay Payment of Employer Payroll Taxes
- 5-year Net Operating Loss (NOL) Carryback
- Suspension of the Limitation on Losses from Pass-through Businesses
- Relaxation of Business Interest Deduction Limits

Payroll Tax Credits for Employers Providing Paid Sick Leave for COVID-19

- Became law 3/18/2020
- Sick or quarantined employee: credit = employee's regular pay, up to \$511/day and \$5,110 over the benefit period.
- Employees caring for a family members: credit two-thirds of the employee's regular pay, up to \$200/day and \$2,000 over the benefit period.

Delay in Tax Payments

- Treasury guidance issued 3/18/2020
- Individuals owing federal income taxes of up to \$1 million and corporate taxpayers with up to \$10 million in federal income tax obligations can postpone payment until July 15.

Like-Kind Exchange Relief Requested

- ICSC has requested Treasury extend time to complete a 1031 Like-Kind Exchange.

What's Next

CARES

- House may elect to vote by unanimous consent under the circumstances. This is an expedited way to move legislation but all members must approve.
- President must sign. **Effective upon enactment.**

Packages 4, 5, etc.

- Broadly speaking, ICSC focused on short term liquidity and regulatory flexibility for lenders. We know much more is needed.
- No certainty when Congress will take up #4 – may be within the next month.

States: Public Policy Update

For a complete list visit <https://bit.ly/stateupdates>

Texas

- **March 24:** Gov. Greg Abbott declined to issue a statewide order. He said he preferred local governments decide for themselves. So far, many of Texas' largest cities and counties have already announced stay-at-home orders and many others have announced plans to follow suit.
- **March 19:** Governor Greg Abbott announced the executive order covering the shut down of restaurants and bars for all parts of the state, leaving no county in defiance of federal guidelines. The order is in effect at midnight tonight and will go on until April 3, with an extension pending



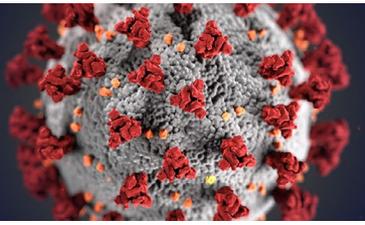
U.S. Small Business
Administration



SBA Disaster Assistance in Response to the Coronavirus

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities as well as updated on our website: [SBA.gov/disaster](https://www.sba.gov/disaster).
- SBA's Economic Injury Disaster Loans offer up to \$2 million in assistance per small business and can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.
- For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov.
- Visit [SBA.gov/disaster](https://www.sba.gov/disaster) for more information.

LATEST COVID-19 NEWS



- [**\\$2 Trillion Stimulus Plan PASSES**](#)
- [The Senate unanimously passed a \\$2 trillion stimulus plan](#)
- [Senate Plans Vote on \\$2 Trillion Stimulus Bill After Sealing Bipartisan Deal](#)
- [5 Key Things in the \\$2 Trillion Coronavirus Stimulus Package](#)

COVID-19 TENANT RESOURCES



- [How to Apply for SBA Disaster Aid](#)
- [Federal Government Guidance on COVID-19 Related Paid Leave and Tax Credits](#)
- [COVID-19 Small Business Resources: Protecting Your Business in the Coronavirus Economy](#)