

Congress has passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which will provide an over \$2 trillion stimulus package. I wanted to take a moment to provide you with information on a few important aspects of the CARES Act.

The package provides for direct payments to individuals to be made as soon as possible. [The CARES Act allocates:](#)

- \$1,200 to every adult who filed taxes and earned less than \$99,000 according to their Gross Adjusted 2018 tax return. The benefit begins to phase out at \$75,000.
- \$2,400 to a married couple filing jointly who earned less than \$199,000. The benefit begins to phase out at \$150,000.
- \$500 for each child age 17 and under.

The IRS will attempt to use the most recent banking information on file for taxpayers to distribute funds electronically. Failing that, they will issue paper checks. [You can find the latest from the IRS on these checks by clicking here.](#)

Unemployment Benefits

For those who find themselves unemployed the bill adds an additional \$600 per week for the unemployed for up to four months.

Funding to states will be provided to pay the cost of the first week of unemployment benefits through December 31, 2020 to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive benefits.

It also provides an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed due to COVID-19 if state unemployment benefits are no longer available.

Additionally, self-employed people typically can't apply for unemployment. This CARES Act creates a new, temporary Pandemic Unemployment Assistance program through the end of 2020 to help people who lose work as a direct result of the COVID-19 crisis.

[Find detailed instructions on how to apply for unemployment assistance at this link.](#)

Homeowners and Renters

Many are concerned about paying their mortgage or rent during the COVID-19 crisis. The federal CARES Act prohibits foreclosures on all federally-backed mortgage loans for a 60-day period and provides up to 180 days of forbearance for federally-backed borrowers who have experienced a financial hardship related to the COVID-19 emergency.

The bill also provides up to 90 days of forbearance for borrowers with a federally backed multifamily (apartment complex) mortgage loan who have experienced financial hardship. Borrowers receiving forbearance may not evict or charge late fees to tenants for the duration of the forbearance period.

Further, for 120 days, landlords will be prohibited from initiating legal action to evict or charge fees and penalties to the tenant if the landlord's mortgage on the property is in any way assisted by Housing and Urban Development (HUD), Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994.

[Find information from Fannie Mae here.](#)

[Find information from Freddie Mac here.](#)

Small Business

The CARES Act provided a number of tools for companies with 500 or fewer employees to take care of immediate operational needs and help keep employees employed during the COVID-19 crisis. The CARES Act provides:

- ~\$350 billion in Small Business Administration (SBA) loans to provide potentially forgivable loans of up to \$10 million per business. Any portion of the loan that is used for various operational expenses (rent, retain employees, etc.) could be forgiven if employees are employed through the end of June.
- \$10 billion for grants of up to \$10,000 to provide emergency funds for small businesses to cover immediate operating costs.
- \$17 billion for loan relief forgiveness for small businesses already using SBA loans. The money will be used to help cover six months of small business loans.

[Find more information how this will impact your business here, or to begin a loan application.](#)

The CARES Act also defers payroll taxes. This will allow employers to pay half of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022.

The CARES Act has a number of provisions that are intended to help individuals, families, small and large businesses, and our overall economy during the COVID-19 crisis. The full text of the bill can be found [HERE](#).

My office continues to monitor the situation in Virginia closely and will keep you advised as we learn more.

In the meantime, if you have questions or concerns, please do not hesitate to call or email my office at (276) 690-4504 or DeITKilgore@house.virginia.gov.

Sincerely,

Terry G. Kilgore