



STAGE THREE PROPOSAL Key Terms

I. APPROPRIATION TO THE EXCHANGE STABILIZATION FUND FOR SPECIFIED USES

A. Airline Industry Secured Lending Facility (\$50 billion)

- This provision would appropriate an additional \$50 billion to the ESF and authorize use of those funds for secured lending to U.S. passenger and cargo air carriers
- Treasury Department to determine appropriate interest rate and other terms and conditions
- Secured by collateral specified by the Treasury Department
- Requirements on borrowers would include:
 - Specified continuation of service requirements
 - Limits on increases in executive compensation until repayment of the loans

B. Other Severely Distressed Sectors of the U.S. Economy (\$150 billion)

- This provision would appropriate an additional \$150 billion and authorize use of those funds for secured lending or loan guarantees to assist other critical sectors of the U.S. economy experiencing severe financial distress due to the COVID-19 outbreak.

II. TEMPORARILY PERMIT USE OF THE EXCHANGE STABILIZATION FUND TO GUARANTEE MONEY MARKET MUTUAL FUNDS

- Temporarily suspend the statutory limitation on the use of the Exchange Stabilization Fund (Section 131 of the Emergency Economic Stabilization Act of 2008) for guarantee programs for the United States money market mutual fund industry.
- Sunset date: Terminate authority to establish any new MMMF guarantee program upon the conclusion of the National Emergency Concerning the Coronavirus Disease 2019 (COVID-19) Outbreak declared by the President on March 13, 2020.

III. ECONOMIC IMPACT PAYMENTS

- This provision would authorize and appropriate funds for two rounds of direct payments to individual taxpayers, to be administered by the IRS and Bureau of the Fiscal Service.
 - \$250 billion to be issued beginning April 6
 - \$250 billion to be issued beginning May 18
- Payment amounts would be fixed and tiered based on income level and family size. Treasury is modeling specific options.
- Each round of payments would be identical in amount.

IV. SMALL BUSINESS INTERRUPTION LOANS

- To provide continuity of employment through business interruptions, this provision would authorize the creation of a small business interruption loan program and appropriate \$300 billion for the program.
- The U.S. government would provide a 100% guarantee on any qualifying small business interruption loan.
- Qualifying loan terms:
 - Eligible borrowers: Employers with 500 employees or less (phased out)
 - Loan amounts: 100% of 6 weeks of payroll, capped at \$1540 per week per employee (approx. \$80,000 annualized)
 - Borrower requirement: Employee compensation must be sustained for all employees for 8 weeks from the date the loan is disbursed.
 - Lender: U.S. financial institutions
 - Streamlined underwriting process: Lender verifies the previous 6-week payroll amount and later verifies that the borrower has paid 8 weeks of payroll from date of disbursement.
 - Authority for the Treasury Department to issue regulations establishing appropriate interest rate, loan maturity, and other relevant terms and conditions