How to Access Treasury Department Funding Under the CARES Act

March 29, 2020

Authors
Matthew B. Kulkin, Micah S. Green, John T. Collins, Scott A. Sinder, James D. Barnette, Luis G. Fortuño, Jason Abel, George Callas, Kate Jensen, Josh Oppenheimer, Anna M. Stressenger

Overview
For additional guidance, please refer to Steptoe’s COVID-19 Resource Center.

The “Coronavirus Aid, Relief, and Economic Security Act” (the CARES Act) provides more than $2 trillion in relief across all sectors of the economy through additional healthcare funding, increased unemployment insurance, direct payments to individuals, and loan and loan guarantees to businesses – both large and small.

This alert focuses on those CARES Act relief programs the US Department of the Treasury will establish, with the help of the Federal Reserve, specifically loan and loan guarantee programs for states, municipalities, and eligible businesses.

To review Steptoe’s comprehensive CARES Act analysis, please click here.

About Title IV of the CARES Act

The CARES Act provides $454 billion to Treasury’s Exchange Stabilization Fund for loans, loan guarantees, and investments through the Federal Reserve’s lending programs and facilities to support states, municipalities, and “eligible businesses.” The CARES Act also sets aside $46 billion for loans and loan guarantees to air carriers, air cargo carriers, and businesses critical to maintaining national security.

Breakdown of Allocation:

- $25 billion in loans and loan guarantees for air carriers
- $4 billion in loans and loan guarantees for cargo air carriers
- $17 billion in loans and loan guarantees for businesses critical to maintaining national security
- $454 billion for loans, loan guarantees, and investments in support of facilities established by the Federal Reserve to support lending to eligible businesses, states, and municipalities

The CARES Act requires the Treasury Secretary to publish procedures for application and minimum requirements by April 6, 2020.

About the Main Street Loan Facility

Click here to read more about the Federal Reserve’s Main Street Loan Facility.

Fact Sheets About the Direct Loan Programs

Click here to read more about the direct loan program for eligible businesses.
Click here to read more about the direct loan program for mid-size (500-10,000 employees) businesses.

Click here to read more about the direct loan program for air carriers, cargo air carriers, and businesses critical to maintaining national security.

**Additional COVID-19 Financing Resources**

To learn about Stafford Act assistance available in response to the COVID-19 pandemic click here.

For more information about how to sell or pledge commercial paper, asset-backed securities, or corporate bonds to the already-established Federal Reserve liquidity facilities, click here to read Steptoe’s alert *Federal Reserve Establishes, Expands Emergency Capital Liquidity Facilities.*

Steptoe is also deeply involved in helping clients understand how the CARES Act helps businesses with fewer than 500 employees and funding opportunities through the Small Business Administration. Please contact any of the authors of this alert for more information.