The third stimulus package that Congress is considering has two primary implications for the financial services industry, writes AAF’s Director of Financial Services Policy Thomas Wade: It expands the scope of loans available to small businesses, and it gives the Treasury Department two powerful tools of financial intervention. In this new analysis, Wade surveys the proposals and provides some context and commentary.

His highlights of the bill include:

- Companies with fewer than 500 employees are eligible for a loan for as much as $10 million, with wide flexibility on use; the total cost of this provision is $300 billion, and businesses will be able to achieve loan forgiveness equal to the value of cost of payroll during the emergency, with loan forgiveness decreasing by the number of employees laid off;
- The Department of Treasury is authorized to extend a total of $208 billion in loans to businesses impacted by the coronavirus, but borrowers who take advantage of these loans must cap the salaries of individual employees who earned $425,000 in 2019; the total cost of this provision is $208 billion; and
- The Treasury regains the ability to guarantee money market mutual funds, a market intervention that has not been authorized since the previous financial crisis.

Read the Analysis