



Q&A on COVID-19 Relief Programs with Rep. Harry Arora

WEDNESDAY, APRIL 15TH

3PM



Elements of government Response to the COVID19 Crisis

1. Containment Measures – social distancing guidelines and constraints on various activities
2. Healthcare response – testing, treatment, preparing our hospitals and healthcare system
3. **Economic Response – Providing economic compensation for those impacted by COVID19**

Today's call is about the economic response and programs. I would kindly ask and very much appreciate if we stay focused on this topic today. I will hold a separate virtual discussion for the other aspects of our government's response.

Top four programs to deliver economic aid to individuals impacted by COVID19

1. Pandemic Unemployment Assistance (PUA)
2. Paycheck Protection Program (PPP)
3. Economic Impact Payment: Direct cash payments
4. Mortgage forbearance and increased grace periods for rents

Objective of all of these programs is to substantially replace income for all individuals (up to a maximum of \$100,000/year)

Expansion of Unemployment Assistance

- Normal unemployment assistance provides a maximum of \$649 per week for up to 26 weeks to those who have worked for certain amount of times in last five quarter and is not available to self employed and independent contractors

Program: The Pandemic Unemployment Assistance

- Expands availability of unemployment to those who are self employed and independent contractors
- Relaxes work sufficiency requirements
- Increases overall time period from 26 weeks to 39 weeks
- Add an additional \$600 a week to the maximum of \$649 (**so the new maximum is \$1249 a week**) for up to four months

Program Administration

- It is administered by the CT state Department of Labor (existing UI system being expanded)
- Payments made through direct deposit or debit card
- <http://www.ctdol.state.ct.us/DOLCOVIDFAQ.PDF>

Top Challenges & questions:

- Backlog for w2 employees filing for unemployment
- System for independent contractors
- Timing of the payment of the additional \$600 per week ?
- Lack of clarity regarding the reduced work sufficiency requirements

All payments will be made retroactively – from time you applied for those who are on W2 and from March 29th or date of impact for self employed and independent contractors.

Paycheck Protection Program (and Economic Injury Disaster Loans)

This is a program under the Federal stimulus act to help small businesses to survive in these difficult times.

The Program: PPP + EIDL

- Loans are being provided to small businesses with less than 500 employees
- Also available to one-person businesses and non-profits
- The amount of loans is equal to 2.5 months of the payroll
- Some or all of the loan will be forgiven – depends on the number of employees who have been retained on payroll
- Economic Injury Disaster Loan is a quick advance of up to \$10,000 to small businesses, part of which will also be forgiven together with PPP loan

Program Administration

- SBA along with commercial banks
- Loans will be made by banks who participate in SBA lending program
- The SBA provides the funding to the banks
- Rules of how much loans and how much will be forgiven set by the SBA
- EIDL is directly administered by SBA

Top challenges being faced by constituents

- My bank is not helping me with this loan because I do not have a credit relationship
- Independent contractor – PUA vs. PPP
- What happens if this lasts longer and I cannot retain my employees beyond 2.5 months
- Delays and will this program run out of money

If you are eligible, please get your loan application in through your banks ASAP.

Economic Impact payment

The Program

- Direct payments to individuals under CARES Act
- Cash payment of \$1200 to every individual making under \$75,000 and \$1200 for couple filing jointly up to \$150,000. Additional \$600 per child.
- Cash payment is reduced for singles making higher than \$75,000 but up to \$99,000 and couples making more than \$150,000 and up to \$198,000
- This is the only program for seniors and retired people living on fixed incomes

Administration

- Federal Government through Department of Treasury (IRS)
- Based on information of 2019 or 2018 tax filing or SSA information
- IRS will send direct deposit into your account and follow up with a letter within 15 days
- <https://www.irs.gov/coronavirus/get-my-payment>

Top questions being asked by constituents

- What do I do to get this payment ? <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>
- When do I get this payment ?
- Scam alerts

Mortgage Relief and Rental grace periods

The Program

- Executive Order 7X – which mandates landlords provide renters with extra grace period and do not issue eviction orders until July 1. (this is NOT rent forgiveness but offers extra time)
- CARES Act mortgage 180-day forbearance (which can be extended by another 180 days), foreclosure moratorium and credit protection if your mortgage is federally backed by Fannie Mae, Freddie Mac or FHA
- Agreement between CT Governor and 50 private banks and institutions - providing similar 90-day mortgage forbearance, foreclosure moratorium and credit protection and no / fees during this period.
- <https://portal.ct.gov/DOB/Consumer/Consumer-Help/COVID-19-Mortgage-Relief>

Administration

- Mortgage banks and Servicers
- Govt. mortgage institutions backing these mortgages

Questions

- Is my mortgage federally backed ?
- Do I have to pay lump sum at end of 90 or 180 days
- Fees, interest and penalties

My Role as your Rep – I take it seriously

What can I do for you ?

- Provide you information and clarify things
- Connect with you the right resources and people
- Advocate for you, bat for you

You can reach me:

- By email harry.arora@cga.ct.gov
- By Phone or text 203-571-9325

Other issues I am working on where you may want to participate

- Evolving the containment measures
- School closing decisions
- How and when do we re-open our economy

Healthcare

- Testing system going forward
- PPE guidelines

Helping our kids and seniors

- Virtual classes for kids on government with Rep. Arora
- Volunteer to help our seniors with Rep. Arora