

SEC. 304. ADDITIONAL ELIGIBLE EXPENSES.

(a) ALLOWABLE USE OF PPP LOAN.—Section 7(a)(36)(F)(i) of the Small Business Act (15 U.S.C. 636(a)(36)(F)(i)) is amended—

(1) in subclause (VI), by striking “and” at the end;

(2) in subclause (VII), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(VIII) covered operations expenditures, as defined in section 7A(a);

“(IX) covered property damage costs, as defined in section 7A(a);

“(X) covered supplier costs, as defined in section 7A(a); and

“(XI) covered worker protection expenditures, as defined in section 7A(a).”.

(b) **LOAN FORGIVENESS.**—

(1) TRANSFER OF SECTION TO SMALL BUSINESS ACT.—

(A) IN GENERAL.—Section 1106 of the CARES Act (15 U.S.C. 9005) is redesignated as section 7A, transferred to the Small Business Act (15 U.S.C. 631 et seq.), and inserted so as to appear after section 7 of the Small Business Act (15 U.S.C. 636).

(B) CONFORMING AMENDMENTS TO TRANSFERRED SECTION.—Section 7A of the Small Business Act, as redesignated and transferred by subparagraph (A) of this paragraph, is amended—

(i) in subsection (a)(1), by striking “under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by section 1102” and inserting “under section 7(a)(36)”; and

(ii) in subsection (c), by striking “of the Small Business Act (15 U.S.C. 636(a))” each place it appears.

(C) OTHER CONFORMING AMENDMENTS.—

(i) Section 1109(d)(2)(D) of the CARES Act (15 U.S.C. 9008(d)(2)(D)) is amended by striking “section 1106 of this Act” and inserting “section 7A of the Small Business Act”.

(ii) Section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) is amended—

(I) in subparagraph (K), by striking “section 1106 of the CARES Act” and inserting “section 7A”; and

(II) in subparagraph (M)—

(aa) by striking “section 1106 of the CARES Act” each place it appears and inserting “section 7A”; and

(bb) in clause (v), by striking “section 1106(a) of the CARES Act” and inserting “section 7A(a)”.

(2) **ADDITIONAL ELIGIBLE EXPENSES**.—Section 7A of the Small Business Act, as redesignated and transferred by paragraph (1) of this subsection, is amended—

(A) in subsection (a)—

(i) by redesignating paragraphs (6), (7), and (8) as paragraphs (10), (11), and (12), respectively;

(ii) by redesignating paragraph (5) as paragraph (8);

(iii) by redesignating paragraph (4) as paragraph (6);

(iv) by redesignating paragraph (3) as paragraph (4);

(v) by inserting after paragraph (2) the following:

“(3) the term ‘covered operations expenditure’ means a payment for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting or tracking of supplies, inventory, records and expenses;”;

(vi) by inserting after paragraph (4), as so redesignated, the following:

“(5) the term ‘covered property damage cost’ means a cost related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that was not covered by insurance or other compensation;”;

(vii) by inserting after paragraph (6), as so redesignated, the following:

“(7) the term ‘covered supplier cost’ means an expenditure made by an entity to a supplier of goods for the supply of goods that—

“(A) are essential to the operations of the entity at the time at which the expenditure is made; and

“(B) is made pursuant to a contract, order, or purchase order—

“(i) in effect at any time before the covered period with respect to the applicable covered loan; or

“(ii) with respect to perishable goods, in effect before or at any time during the covered period with respect to the applicable covered loan;”;

(viii) by inserting after paragraph (8), as so redesignated, the following:

“(9) the term ‘covered worker protection expenditure’—

“(A) means an operating or a capital expenditure to facilitate the adaptation of the business activities of an entity to comply with requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period beginning on March 1, 2020 and ending the date on which the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID-19) expires related to the maintenance of standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19;

“(B) may include—

“(i) the purchase, maintenance, or renovation of assets that create or expand—

“(I) a drive-through window facility;

“(II) an indoor, outdoor, or combined air or air pressure ventilation or filtration system;

“(III) a physical barrier such as a sneeze guard;

“(IV) an expansion of additional indoor, outdoor, or combined business space;

“(V) an onsite or offsite health screening capability; or

“(VI) other assets relating to the compliance with the requirements or guidance described in subparagraph

(A), as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and

“(ii) the purchase of—

“(I) covered materials described in section 328.103(a) of title 44, Code of Federal Regulations, or any successor regulation;

“(II) particulate filtering facepiece respirators approved by the National Institute for Occupational Safety and Health, including those approved only for emergency use authorization; or

“(III) other kinds of personal protective equipment, as determined by the Administrator in consultation with the Secretary of Health and Human Services and the Secretary of Labor; and
“(C) does not include residential real property or intangible property;”; and
(ix) in paragraph (11), as so redesignated—
(I) in subparagraph (C), by striking “and” at the end;
(II) in subparagraph (D), by striking “and” at the end; and
(III) by adding at the end the following:
“(E) covered operations expenditures;
“(F) covered property damage costs;
“(G) covered supplier costs; and
“(H) covered worker protection expenditures; and”;
(B) in subsection (b), by adding at the end the following:
“(5) Any covered operations expenditure.
“(6) Any covered property damage cost.
“(7) Any covered supplier cost.
“(8) Any covered worker protection expenditure.”;
(C) in subsection (d)(8), by inserting “any payment on any covered operations expenditure, any payment on any covered property damage cost, any payment on any covered supplier cost, any payment on any covered worker protection expenditure,” after “rent obligation,”; and
(D) in subsection (e)—
(i) in paragraph (2)—
(I) by inserting “purchase orders, orders, invoices,” before “or other documents”; and
(II) by striking “covered lease obligations,” and inserting “covered rent obligations, payments on covered operations expenditures, payments on covered property damage costs, payments on covered supplier costs, payments on covered worker protection expenditures,”; and
(ii) in paragraph (3)(B), by inserting “make payments on covered operations expenditures, make payments on covered property damage costs, make payments on covered supplier costs, make payments on covered worker protection expenditures,” after “rent obligation,”.

SEC. 306. SELECTION OF COVERED PERIOD FOR FORGIVENESS.

Section 7A of the Small Business Act, as redesignated and transferred by section 304 of this Act, is amended—

(A) by amending paragraph (4) of subsection (a), as so redesignated by section 304(b) of this Act, to read as follows:

“(4) the term ‘covered period’ means the period—

“(A) beginning on the date of the origination of a covered loan; and

“(B) ending on a date selected by the eligible recipient of the covered loan that occurs during the period—

“(i) beginning on the date that is 8 weeks after such date of origination; and

“(ii) ending on the date that is 24 weeks after such date of origination;”); and

(1) by striking subsection (l).

SEC. 307. SIMPLIFIED FORGIVENESS APPLICATION.

(a) IN GENERAL.—Section 7A of the Small Business Act, as redesignated and transferred by section 304 of this Act, and as amended by section 306 of this Act, is amended—

(1) in subsection (e), in the matter preceding paragraph (1), by striking “An eligible” and inserting “Except as provided in subsection (l), an eligible”;

(2) in subsection (f), by inserting “or the certification required under subsection (l), as applicable” after “subsection (e)”; and

(3) by adding at the end the following:

“(l) SIMPLIFIED APPLICATION.—

“(1) COVERED LOANS UP TO \$150,000.—

“(A) IN GENERAL.—With respect to a covered loan made to an eligible recipient that is not more than \$150,000, the covered loan amount shall be forgiven under this section if the eligible recipient—

“(i) signs and submits to the lender a certification, to be established by the Administrator not later than 24 days after the date of enactment of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, which—

“(l) shall be not more than 1 page in length; and

“(ll) shall only require the eligible recipient to provide—

“(aa) a description of the number of employees the eligible recipient was able to retain because of the covered loan;

“(bb) the estimated amount of the covered loan amount spent by the eligible recipient on payroll costs; and

“(cc) the total loan value;

“(ii) attests that the eligible recipient has—

“(I) accurately provided the required certification; and

“(II) complied with the requirements under section 7(a)(36); and

“(iii) retains records relevant to the form that prove compliance with such requirements—

“(I) with respect to employment records, for the 4-year period following submission of the form; and

“(II) with respect to other records, for the 3-year period following submission of the form.

“(B) **LIMITATION ON REQUIRING ADDITIONAL MATERIALS.**—An eligible recipient of a covered loan that is not more than \$150,000 shall not, at the time of the application for forgiveness, be required to submit any application or documentation in addition to the certification and information required to substantiate forgiveness.

“(C) **RECORDS FOR OTHER REQUIREMENTS.**—

Nothing in subparagraph (A) or (B) shall be construed to exempt an eligible recipient from having to provide documentation independently to a lender to satisfy relevant Federal, State, local, or other statutory or regulatory requirements, or in connection with an audit as authorized under subparagraph (E).

“(D) **DEMOGRAPHIC INFORMATION.**—The certification established by the Administrator under subparagraph (A) shall include a means by which an eligible recipient may, at the discretion of the eligible recipient, submit demographic information of the owner of the eligible recipient, including the sex, race, ethnicity, and veteran status of the owner.

“(E) **AUDIT AUTHORITY.**—The Administrator may—

“(i) review and audit covered loans described in subparagraph (A);

“(ii) access any records described in subparagraph (A)(iii); and

“(iii) in the case of fraud, ineligibility, or other material noncompliance with applicable loan or loan forgiveness requirements, modify—

“(I) the amount of a covered loan described in subparagraph (A); or

“(II) the loan forgiveness amount with respect to a covered loan described in subparagraph (A).

“(2) COVERED LOANS OF MORE THAN \$150,000.—

“(A) IN GENERAL.—With respect to a covered loan in an amount that is more than \$150,000, the eligible recipient shall submit to the lender that is servicing the covered loan the documentation described in subsection (e).

“(B) DEMOGRAPHIC INFORMATION.—The process for submitting the documentation described in subsection (e) shall include a means by which an eligible recipient may, at the discretion of the eligible recipient, submit demographic information of the owner of the eligible recipient, including the sex, race, ethnicity, and veteran status of the owner.

SEC. 311. PAYCHECK PROTECTION PROGRAM SECOND DRAW LOANS.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(37) PAYCHECK PROTECTION PROGRAM SECOND DRAW LOANS.—

“(A) DEFINITIONS.—In this paragraph—

“(i) the terms ‘eligible self-employed individual’, ‘housing cooperative’, ‘nonprofit organization’, ‘payroll costs’, ‘seasonal employer’, and ‘veterans organization’ have the meanings given those terms in paragraph (36), except that ‘eligible entity’ shall be substituted for ‘eligible recipient’ each place it appears in the definitions of those terms;

“(ii) the term ‘covered loan’ means a loan made under this paragraph;

“(iii) the terms ‘covered mortgage obligation’, ‘covered operating expenditure’, ‘covered property damage cost’, ‘covered rent obligation’, ‘covered supplier cost’, ‘covered utility payment’, and ‘covered worker protection expenditure’ have the meanings given those terms in section 7A(a);

“(iv) the term ‘eligible entity’—

“(i) means any business concern, nonprofit organization, housing cooperative, veterans organization, Tribal business concern, eligible self-employed individual, sole proprietor, independent contractor, or small agricultural cooperative that—

“(aa) employs not more than 300 employees; and

“(bb)(AA) except as provided in subitems (BB), (CC), and (DD), had gross receipts during the first, second, third, or, only with respect to an application submitted on or after January 1, 2021, fourth quarter in 2020 that demonstrate not less than a 25 percent reduction from the gross receipts of the entity during the same quarter in 2019;

“(BB) if the entity was not in business during the first or second quarter of 2019, but was in business during the third and fourth quarter of 2019, had gross receipts during the first, second,

third, or, only with respect to an application submitted on or after January 1, 2021, fourth quarter of 2020 that demonstrate not less than a 25 percent reduction from the gross receipts of the entity during the third or fourth quarter of 2019;

“(CC) if the entity was not in business during the first, second, or third quarter of 2019, but was in business during the fourth quarter of 2019, had gross receipts during the first, second, third, or, only with respect to an application submitted on or after January 1, 2021, fourth quarter of 2020 that demonstrate not less than a 25 percent reduction from the gross receipts of the entity during the fourth quarter of 2019; or

“(DD) if the entity was not in business during 2019, but was in operation on February 15, 2020, had gross receipts during the second, third, or, only with respect to an application submitted on or after January 1, 2021, fourth quarter of 2020 that demonstrate not less than a 25 percent reduction from the gross receipts of the entity during the first quarter of 2020;

“(II) includes a business concern or organization made eligible for a loan under paragraph (36) under clause (iii)(II), (iv)(IV), or (vii) of subparagraph (D) of paragraph (36) and that meets the requirements described in items (aa) and (bb) of subclause (I); and

“(III) does not include—

“(aa) any entity that is a type of business concern (or would be, if such entity were a business concern) described in section 120.110 of title 13, Code of Federal Regulations (or in any successor regulation or other related guidance or rule that may be issued by the Administrator) other than a business concern described in subsection (a) or (k) of such section; or

“(bb) any business concern or entity primarily engaged in political or lobbying activities, which shall include any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents;

“(cc) any business concern or entity—

“(AA) for which an entity created in or organized under the laws of the People’s Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People’s Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly,

not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or “(BB) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People’s Republic of China;

“(dd) any person required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612); or

“(ee) an eligible person or entity (as defined under section 24 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act) that receives a grant under such section 24; and

“(v) the term ‘Tribal business concern’ means a Tribal business concern described in section 31(b)(2)(C).

“(B) LOANS.—Except as otherwise provided in this paragraph, the Administrator may guarantee covered loans to eligible entities under the same terms, conditions, and processes as a loan made under paragraph (36).

“(C) MAXIMUM LOAN AMOUNT.—

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“(D) BUSINESS CONCERNS WITH MORE THAN 1 PHYSICAL LOCATION.—

“(i) IN GENERAL.—For a business concern with more than 1 physical location, the business concern shall be an eligible entity if the business concern would be eligible for a loan under paragraph (36) pursuant to clause (iii) of subparagraph (D) of such paragraph, as applied in accordance with clause (ii) of this subparagraph, and meets the revenue reduction requirements described in item (bb) of subparagraph (A)(iv)(I).

“(ii) SIZE LIMIT.—For purposes of applying clause (i), the Administrator shall substitute ‘not more than 300 employees’ for ‘not more than 500 employees’ in paragraph (36)(D)(iii).

“(E) WAIVER OF AFFILIATION RULES.—

“(i) IN GENERAL.—The waiver described in paragraph (36)(D)(iv) shall apply for purposes of determining eligibility under this paragraph.

“(ii) SIZE LIMIT.—For purposes of applying clause (i), the Administrator shall substitute ‘not more than 300 employees’ for ‘not more than 500 employees’ in subclause (I) and (IV) of paragraph (36)(D)(iv).

“(F) LOAN NUMBER LIMITATION.—An eligible entity may only receive 1 covered loan.

“(G) EXCEPTION FROM CERTAIN CERTIFICATION REQUIREMENTS.—An eligible entity applying for a covered loan shall not be required to make the certification described in clause (iii) or (iv) of paragraph (36)(G).

“(H) FEE WAIVER.—

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“(K) LENDER ELIGIBILITY.—Except as otherwise provided in this paragraph, a lender approved to make loans under paragraph (36) may make covered loans under the same terms and conditions as in paragraph (36).

“(N) STANDARD OPERATING PROCEDURE.—

The Administrator shall, to the maximum extent practicable, allow a lender approved to make covered loans to use existing program guidance and standard operating procedures for loans made under this subsection.

“(O) SUPPLEMENTAL COVERED LOANS.—

A covered loan under this paragraph may only be made to an eligible entity that—

“(i) has received a loan under paragraph (36); and

“(ii) on or before the expected date on which the covered loan under this paragraph is disbursed to the eligible entity, has used, or will use, the full amount of the loan received under paragraph (36).”.

SEC. 322. CONFLICTS OF INTEREST.

(a) DEFINITIONS.—In this section:

(1) CONTROLLING INTEREST.—The term “controlling interest” means owning, controlling, or holding not less than 20 percent, by vote or value, of the outstanding amount of any class of equity interest in an entity.

(2) COVERED ENTITY.—

(A) DEFINITION.—The term “covered entity” means an entity in which a covered individual directly or indirectly holds a controlling interest.

(B) TREATMENT OF SECURITIES.—For the purpose of determining whether an entity is a covered entity, the securities owned, controlled, or held by 2 or more individuals who are related as described in paragraph (3)(B) shall be aggregated.

(3) COVERED INDIVIDUAL.—The term “covered individual” means—

(A) the President, the Vice President, the head of an Executive department, or a Member of Congress; and

(B) the spouse, as determined under applicable common law, of an individual described in subparagraph (A).

(4) EXECUTIVE DEPARTMENT.—The term “Executive department” has the meaning given the term in section 101 of title 5, United States Code.

(5) MEMBER OF CONGRESS.—The term “Member of Congress” means a Member of the Senate or House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.

(6) EQUITY INTEREST.—The term “equity interest” means—

(A) a share in an entity, without regard to whether the share is—

(i) transferable; or

(ii) classified as stock or anything similar;

(B) a capital or profit interest in a limited liability company or partnership; or

(C) a warrant or right, other than a right to convert, to purchase, sell, or subscribe to a share or interest described in subparagraph (A) or (B), respectively.

(b) REQUIREMENT FOR DISCLOSURE REGARDING EXISTING LOANS.—For any loan under paragraph (36) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)) made to a covered entity before the date of enactment of this Act—

(1) if, before the date of enactment of this Act, the covered entity submitted an application for forgiveness under section 1106 of the CARES Act (15 U.S.C. 9005) (as such section was in effect on the day before the date of enactment of this Act) with respect to such loan, not later than 30 days after

the date of enactment of this Act, the principal executive officer, or individual performing a similar function, of the covered entity shall disclose to the Administrator that the entity is a covered entity; and

(2) if, on or after the date of enactment of this Act, the covered entity submits an application for forgiveness under section 7A of the Small Business Act, as redesignated and transferred by section 304 of this Act, with respect to such loan, not later than 30 days after submitting the application, the principal executive officer, or individual performing a similar function, of the covered entity shall disclose to the Administrator that the entity is a covered entity.

(c) BAN ON NEW LOANS.—On and after the date of enactment of this Act, a loan under paragraph (36) or (37) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added and amended by this Act, may not be made to a covered entity

SEC. 333. REPEAL OF EIDL ADVANCE DEDUCTION.

(a) DEFINITIONS.—In this section—

(1) the term “covered entity” means an entity that receives an advance under section 1110(e) of the CARES Act (15 U.S.C. 9009(e)), including an entity that received such an advance before the date of enactment of this Act; and

(2) the term “covered period” has the meaning given the term in section 1110(a)(1) of the CARES Act (15 U.S.C. 9009(a)(1)), as amended by section 332 of this Act.

(b) SENSE OF CONGRESS.—It is the sense of Congress that borrowers of loans made under section 7(b)(2) of the Small Business Act (15 U.S.C. 636(b)(2)) in response to COVID-19 during the covered period should be made whole, without regard to whether those borrowers are eligible for forgiveness with respect to those loans.

(c) REPEAL.—Section 1110(e)(6) of the CARES Act (15 U.S.C. 9009(e)(6)) is repealed.

(d) EFFECTIVE DATE; APPLICABILITY.—The amendment made by subsection (c) shall be effective as if included in the CARES Act (Public Law 116-136; 134 Stat.