

Subject Economic response to COVID-19 peacetime emergency

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Overview

Funds small business emergency loans in response to the COVID-19 peacetime emergency.

Allows financial institutions to open accounts for persons who have previously issued dishonored checks or been convicted of a crime related to checks.

Requires lenders to allow borrower to repay consumer small loans (a loan of \$350 or less due within 30 days) and consumer short-term loans (a loan of \$1,000 or less due within 60 days) in equal amounts over a period of 12-months during the COVID-19 peacetime emergency until February 15, 2021.

Summary

Section	Description
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1	Required information.
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Removes inoperative language.

Effective date. This section is effective the day following final enactment.

2	Confirmation.
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Allows a financial institution to open a transaction account, or allow signatory power over a transactional account, for a person who has previously issued dishonored checks or been convicted of a crime related to checks.

Effective date. This section is effective the day following final enactment.

3	Repayment of consumer small loans and consumer short-term loans during public health emergency.
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Subd. 1. Definitions. Provides definitions.

Section Description

Subd. 2. Repayment terms during public health emergency. (a) Requires lenders of consumer small loans and short-term loans issued during a public health emergency to allow the loans to be paid back in equal amounts over a 12-month period.

(b) Clarifies that a loan issued with the lengthened repayment period required by this section may not cost the consumer more than if the loan had been made outside of the peacetime emergency.

(c) Allows the attorney general and commissioner of commerce to oversee and enforce this section.

(d) States that a loan that does not comply with this section is void and unenforceable against the borrower.

(e) States that a lender who violates this section is subject to damages, a \$500 civil penalty, and attorney fees and court costs.

Effective date: This section is effective the day following final enactment and applies to loans issued between that date and February 15, 2021.

4 Small business emergency loan program; transfer.

Transfers \$5,000,000 from the loan guarantee trust fund account to the small business emergency loan account for making loans as set forth in governor's Executive Order No. 20-15.

Effective date: This section is effective the day following final enactment.

5 Small business emergency loan program; appropriations.

Appropriates \$50,000,000 from the federal coronavirus funding for small business emergency loans as set forth in governor's Executive Order No. 20-15, except that these loans are available to any business that can demonstrate a financial impact from COVID-19 and are not limited to businesses in industries specifically mentioned in the governor's executive orders. Allocates \$11,000,000 for loans to businesses with six or less employees; those loans are limited to \$15,000, have 12 months of deferred payments, and are 100 percent forgivable after two years. Allocates \$8,000,000 for loans to businesses with seven to 20 employees; those loans are limited to \$20,000, have 12 months of deferred payments, and are 75 percent forgivable over three years. Allocated \$10,000,000 for loans to either minority business enterprises or operators of permanent indoor retail space that has a strong ethnic cultural orientation and is leased primarily to very small businesses; those loans that go to the operators of permanent indoor retail space have no maximum amount, have 12 months of deferred payments, are 75 percent forgivable over three

Section **Description**

years under certain conditions, and must be used primarily for maintaining existing vendors as tenants, such as through forgiveness of rent.

Effective date: This section is effective the day following final enactment.



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