
Lender Liability and Obligations Under the CARES Act

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The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act” or the “Act”)—which provides for the distribution of over \$2 trillion in forgivable and low-interest loans to qualifying individuals, small businesses, non-profits and larger corporations—includes several consumer protection provisions applicable to lenders. Although the CARES Act was adopted only twelve weeks ago, numerous court decisions have already provided guidance about what lenders may (and may not) do under the Act. Lenders are advised to monitor the rapidly-evolving legal and regulatory framework concerning the CARES Act due to the absence of explicit regulatory guidance regarding many of the Act’s terms and provisions. This memorandum reviews some recent noteworthy judicial decisions and government actions regarding administration of funds under the CARES Act.

Attorney

- Helene R. Banks