Note 29. Subsequent Events

Enactment of New COVID-19 Relief Legislation

On December 27, 2020, the President signed into law the *Consolidated Appropriations Act, 2021*, which, as of the date of enactment, rescinded $429.0 billion of the $500.0 billion appropriation provided to Treasury under Section 4027 of the CARES Act. The remaining unobligated appropriation as of January 9, 2021 was rescinded other than with respect to those funds made available for administrative expenses for the Special Inspector General for Pandemic Recovery and for the Congressional Oversight Commission. The amount rescinded in January was $49.8 billion. In addition, $146.5 billion that was appropriated to SBA under the SBA-Business Loans Program Account, CARES Act was rescinded under the *Consolidated Appropriations Act, 2021.*

Consistent with the *Consolidated Appropriations Act, 2021*, on December 29, 2020, Treasury and the Federal Reserve amended the SPV LLC Agreements for each of the SPVs funded under the CARES Act. The amended agreements provided that Treasury's investment in excess of the amount equivalent to the purchased asset amount within each of the SPVs were returned to Treasury between December 31, 2020 and January 8, 2021, and canceled Treasury's additional commitments to those SPVs. The amount of Treasury's canceled commitments were de-obligated and rescinded as of January 9, 2021. Treasury funds remaining in the SPVs cannot be used for further lending or extensions of credit after that date.

On March 11, 2021, the President signed into law the *American Rescue Plan Act, 2021,* a $1,900.0 billion economic relief package. This bill provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. This legislation also creates a special financial assistance program for financially troubled multi-employer pension plans insured by PBGC. Management is currently assessing the effect of this legislation on PBGC's liabilities and contingency disclosures (including the estimated insolvency date for the multi-employer program), but the effect is not currently reasonably estimable.

The effects of the *Consolidated Appropriations Act, 2021*, and the *American Rescue Plan Act, 2021*, on the sustainability financial statements is not currently reasonably estimable.

Please refer to Note 4—Direct Loans and Loan Guarantees Receivable, Net and Loan Guarantees Liability, Note 8—Investments in Special Purpose Vehicles, Note 16—Insurance and Guarantee Program Liabilities, Note 20—Contingencies, Note 23—Social Insurance, Note 24—Long-Term Fiscal Projections, and Note 28—COVID-19 Activity for additional information.

Amendments to GSE Senior Preferred Stock Purchase Agreements

On January 14, 2021, Treasury and FHFA agreed to amend the SPSPAs between Treasury and the GSEs to replace the variable dividend (i.e., net worth sweep) with alternative compensation to permit the GSEs to continue their recapitalization efforts and to codify several existing FHFA conservatorship practices, among other changes generally supportive of the eventual termination of the conservatorships. Under the amended SPSPAs, each GSE will be permitted to retain capital until the GSE has achieved its regulatory minimum capital, including buffers, as prescribed by the capital rule finalized by FHFA in December 2020, at which point its cash dividend obligations will resume along with the obligation to pay a periodic commitment fee. As compensation to Treasury for the replacement of the variable dividend, the liquidation preference of Treasury's senior preferred stock in each GSE will increase by the amount of retained capital until the GSE has achieved its regulatory minimum capital, including buffers. Please refer to Note 9—Investments in Government-Sponsored Enterprises for additional information.