

Treasury Concludes Loans to Seven Major Airlines, Supports Additional Relief for Aviation Industry Workers

September 29, 2020

WASHINGTON – Today, the U.S. Department of the Treasury announced that it has closed loans to seven large passenger air carriers under Division A, Title IV, Subtitle A of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The seven air carriers are Alaska Airlines, American Airlines, Frontier Airlines, JetBlue Airways, Hawaiian Airlines, SkyWest Airlines, and United Airlines. Treasury expects, subject to certain conditions and satisfactory documentation, that the initial loan amounts will be increased as a result of some major airlines determining not to move forward with loans from Treasury due to the availability of financing in the private markets. The reallocation of funds will be subject to a loan concentration limit of \$7.5 billion per passenger air carrier, or 30% of the \$25 billion available for passenger air carriers.

“The payroll support and loan programs created by the CARES Act have saved a large number of aviation industry jobs, and kept workers employed and connected to their healthcare, during an unprecedented time,” said Secretary Steven T. Mnuchin. “We are pleased to conclude loans that will support this critical industry while ensuring appropriate taxpayer compensation. We call on Congress to extend the Payroll Support Program so we can continue to support aviation industry workers as our economy reopens and we continue on the path to recovery.”

The CARES Act authorizes the Treasury Department to make loans to provide liquidity to eligible businesses related to losses incurred as a result of the coronavirus pandemic. It requires borrowers to provide warrants, equity interests, or senior debt instruments as appropriate taxpayer compensation. Participating borrowers must also commit to certain requirements under the CARES Act regarding the maintenance of employment levels and limiting employee compensation, dividends, and share repurchases. The loan agreements are published on Treasury’s website within 72 hours of each closing.

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