

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 53 – May 19 at 3:30 PM

1. Latest on the Main Street Lending Program

There is still no official guidance from the Fed on when the MSLP will be operational.

Treasury Secretary Mnuchin and Fed Chairman Powell testified before a virtual hearing of the Senate Banking Committee today. In his prepared testimony, Chairman Powell briefly addressed the MSLP, noting that the Fed is “preparing to launch” the program and that they “will continue to adjust facilities as we learn more.”

To read Chairman Powell’s written testimony, go to:

[Testimony by Chair Powell on the Federal Reserve's response to the coronavirus and the CARES Act](#)

In the hearing today, Senator Pat Toomey (R-PA) asked Chairman Powell when the MSLP will be operational. Chairman Powell replied that the program should be stood up and ready to go by the end of May, perhaps a few days into June, with funds flowing shortly thereafter. He further commented on how complicated that particular facility is. The Chairman also acknowledged in response to a question that the Fed’s larger lending facilities are just coming online so the infusion of resources into the economy to date has been modest.

(Note: Transcripts of Congressional hearings are not available for some time after the hearing.)

2. Latest on the Paycheck Protection Program

There has been no new guidance released by the SBA or Treasury on the PPP. We are still waiting for their official response to the comments that were submitted on their Interim Final Rule.

In the Senate Banking Committee hearing today, Senator Chris Van Hollen (D-MD) asked Secretary Mnuchin to comment on the House Heroes Act proposed changes to

the PPP, and particularly to the SBA IG report criticizing the SBA Administrator's imposition of the requirement that 75% of a PPP loan must be spent on payroll in order to be forgiven. Secretary Mnuchin defended the imposition of the payroll ratio and noted that the SBA has sent a letter to the IG in response to his report. As of this writing, the SBA letter to the SBA IG is not available.

The House-passed HEROES Act contained significant reforms of the PPP program to provide more flexibility for employers. While no legislation has yet been introduced in the Senate, there is growing bi-partisan support for changes to the PPP. A story in *The Hill* today goes into detail about the different types of "fixes" being discussed among lawmakers.

To read the full article, go to:

<https://thehill.com/homenews/senate/498417-congress-eyes-changes-to-small-business-pandemic-aid>

3. Latest Congressional Action on the Next Coronavirus Relief Package

In a meeting this morning, Senate Majority Leader McConnell, Vice President Pence, and House Minority Leader McCarthy agreed they were comfortable continuing to assess how existing funds are being spent before crafting the next coronavirus relief package. They are looking to see how state re-openings go and will calibrate the next package to economic data. President Trump also attended the Senate Republican Policy Committee lunch meeting this afternoon to discuss the progress on re-opening the economy. Following the lunch, Leader McConnell said they will "discuss the way forward over the next couple of weeks" as they consider possible coronavirus legislation.

The Senate is back in session this week working on nominations to the federal courts and the Trump administration. The House is expected to remain away from the Capitol until after Memorial Day.

4. Resources for Employers

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW has provided information about webinars and seminars that you may find useful:

U.S. Department of Labor to Hold Background Briefing on Final Rule to Expand American Workers' Access to Bonuses:

On Wednesday May 20, 2020, at 10:30 a.m. EDT, U.S. Department of Labor senior officials will hold a background briefing via conference call regarding a final rule that allows employers to offer bonuses or other incentive-based pay to employees whose hours vary from week to week.

Participant Dial-In: 1-800-857-6647

Participant Code: 3840657

5. Latest on Re-Opening the Economy

With state and local governments gearing back up to re-open the economy, many employers are seeking answers to the challenging issues they will face as they resume their business operations amidst COVID-19.

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation. Some of the new developments in today's report include:

- **Kentucky** Governor Andy Beshear (D) announced that beginning May 22, groups of 10 people or fewer may gather and that the state's travel ban is expiring the same day.
- **Massachusetts** Governor Charlie Baker (R) has issued an extension of the order that closed non-essential businesses. These businesses must remain closed until May 19.
- **New Jersey** Governor Phil Murphy (D) has signed an order which allows for elective surgical procedures to resume on May 26 under strict protocols.

McGuireWoods Law Firm: UPDATE #13: State Governors' "Stay-at-Home" and Prohibition on Elective Procedures Orders: Arizona, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, South Carolina, Vermont, Virginia, Washington, Wisconsin and Wyoming

To read this report, go to:

<https://www.mcguirewoods.com/client-resources/Alerts/2020/5/state-governors-stay-at-home-prohibition-elective-procedures-orders>

Reed Smith Law Firm: Virginia update: Governor loosens pandemic restrictions, except in Northern Virginia, Richmond City, and Accomack County

To read this report, go to:

https://www.employmentlawwatch.com/2020/05/articles/employment-us/virginia-update-governor-loosens-pandemic-restrictions-except-in-northern-virginia-richmond-city-and-accomack-county/?utm_source=Reed+Smith+-+Employment+Law+Watch&utm_campaign=12a3d3c1a5-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_b40554bd20-12a3d3c1a5-78816497

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**.

To view their spreadsheet, go to:

https://docs.google.com/spreadsheets/d/e/2PACX-1vRIJWZJ7OkGUW57_rdA2n3xBJ3qjW6u4Z9N6K9Y5L4bM_6H7-S308qdKmJfpVstYWf300nyujvZPFSy/pubhtml?urp=gmail_link

May 28 NAW Webinar on Economic Outlook:

We are partnering with NAW senior economic advisor Alan Beaulieu to produce a second critical economic forecast webinar. This webinar, “Distribution Post COVID-19 Outlook,” will run Thursday, May 28, from 3:00 to 4:30 PM EDT. Seats are limited, so if you are interested, please purchase your seat today at:

www.naw.org/distribution-post-covid-19

[Click here](#) for links to Critical Updates sent previously.

Many thanks—

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