

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 52 – May 18 at 2:00 PM

1. Latest on the Main Street Lending Program

There is still no guidance from Treasury or the Fed on when the MSLP facility will be operational.

The CARES Act established a 5-person Congressional Commission to oversee the implementation of the law's lending programs, requiring the Commission to report every 30 days. While a chairman has yet to be named, the Commission's four appointed members released the first 30-day report today. The report provides a very useful summary of the lending programs, and poses dozens of questions about the programs, including when they will be operational. Senator Pat Toomey (R-PA) is a member of both the Oversight Commission and the Senate Banking Committee, so it is likely that these questions will be posed to both Secretary Mnuchin and Chairman Powell when they testify at tomorrow's Senate Banking Committee hearing (10:00 a.m.).

To read the Oversight Commission report, go to:

https://www.toomey.senate.gov/files/documents/COC%201st%20Report_05.18.2020.pdf

Also, the Wall Street Journal today ran a story on the MSLP, focused on how complicated the program will be. To read the WSJ story, go to:

<https://www.naw.org/wp-content/uploads/2020/05/WSJ-Feds-Challenge.pdf>

2. Latest on the Paycheck Protection Program

While Treasury/SBA released the long-awaited PPP loan forgiveness application form and instructions on Friday evening (see our Saturday update), they also promised further guidance or regulations. As of now no further guidance has been issued and they have not addressed any of the issues raised in the many comments submitted in response to their Interim Final Rule, and by their own Inspector General. So despite the Friday release of the PPP forgiveness application, many are predicting that some of the forgiveness terms – like the 75% payroll ratio – will still be modified.

To see a Wall Street Journal story, go to:

<https://www.naw.org/wp-content/uploads/2020/05/WSJ-US-Expected.pdf>

To see an Accounting Today story, go to:

<https://www.naw.org/wp-content/uploads/2020/05/Accounting-Today.pdf>

Also, the American Institute of Certified Public Accountants (AICPA) has been actively engaged on this issue, and has useful information and tools on their website, including PPP loan calculators for different types of businesses with PPP loans. To access all of the AICPA PPP resources, go to:

<https://www.aicpa.org/interestareas/privatecompaniespracticesection/qualityservicesdelivery/sba-paycheck-protection-program-resources-for-cpas.html>

3. Latest Congressional Action on the Next Coronavirus Relief Package

White House economic adviser Kevin Hassett said today that a fourth stimulus package may not be needed to address the economic damage caused by the novel coronavirus pandemic. “I think it’s possible that we will see a strong-enough economy that we don’t need a phase four,” Hassett told reporters at the White House.

Both the administration and Senate Republican leaders are currently in a “wait and see” mode to assess the full impact of previous stimulus legislation on the U.S. economy before resuming formal talks on a fourth package. Meanwhile, House Democrats on Friday narrowly passed a massive \$3 trillion economic stimulus package, a bill that has already been rejected by President Trump and Senate Republicans. The White House has signaled it will not approach formal negotiations on a fourth round of stimulus until the month of June.

This week, the Senate returns to resume consideration of President Trump’s picks for the judiciary and the Federal Election Commission. The House will conduct some business at the committee level, but the chamber has no plans to consider any legislation on the floor.

4. Resources for Employers

As states continue to roll back stay-at-home orders and companies begin to plan on how they will return to the workplace, businesses are looking at federal, state, and local laws to determine how they should proceed. The HR Policy Association, a close ally of NAW,

has compiled a memorandum of key laws to be aware of in the midst of the COVID-19 pandemic. The memorandum covers the following subjects:

- Occupational Safety and Health Act
- National Labor Relations Act
- Fair Labor Standards Act & State Compensation Laws
- Workers' Compensation
- Age Discrimination in Employment Act
- Americans with Disabilities Act
- Title VII
- Federal Family and Medical Leave Act
- Privacy Laws
- Employee Retirement Income Security Act
- State and Local Scheduling laws

NAW members may find this information useful as you begin to plan for your own re-opening.

To view the executive summary, go to:

<https://www.naw.org/wp-content/uploads/2020/05/ExecSum.pdf>

To read the entire memorandum, go to:

<https://www.naw.org/wp-content/uploads/2020/05/MEMO.pdf>

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:

- **Delaware** Governor John Carney (D) announced lifting restrictions on beaches and community pools on May 22, subject to strict social distancing requirements and other restrictions.

- **Montana** Governor Steve Bullock (D) announced he is directing \$5 million in federal CARES Act funds to expand assistance to thousands of Montanans struggling to afford their home energy needs.
- The **Nevada** Health Response published a report entitled Roadmap to Recovery.

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—

Jade West, Chief Government Relations Officer

Blake Adami, Vice President-Government Relations

Seth Waugh, Associate Vice President-Government Relations

National Association of Wholesaler-Distributors

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TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 51 – May 16 at 1:30 PM

1. Latest on Paycheck Protection Program:

Last evening Treasury and the Small Business Administration issued a press statement and released the PPP loan forgiveness application. Of note: in the press release they also say that the “SBA will also soon issue regulations and guidance to further assist borrowers as they complete their applications, and to provide lenders with guidance on their responsibilities.” They provide no information on what the regulations and guidance will entail.

The loan forgiveness application appears on an initial read to be straightforward and comprehensive. Note that it includes the mandate that borrowers meet the controversial 75 percent payroll ratio. As previously reported, the safe harbor by which borrowers may return loans with no questions asked expires on Monday, May 18th.

To read the SBA press release, go to:

<https://home.treasury.gov/news/press-releases/sm1010>

To access the PPP forgiveness application, go to:

<https://home.treasury.gov/system/files/136/3245-0407-SBA-Form-3508-PPP-Forgiveness-Application.pdf>

2. Latest on the House Democrats’ Heroes Act:

As expected, the House passed the Democrats’ *HEROES Act* late last night. The bill passed on a narrow, almost Party-line vote of 208-199. Fourteen Democrats opposed the bill: mostly moderates from swing districts and one progressive from a safe district. Only one Republican voted for it. As we’ve reported, this bill will never be taken up in the Senate but will serve as the Democrats’ negotiating document.

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