

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 98– September 28 at 2:00 PM

1. Latest on the Next Congressional Pandemic Relief Package

It is increasingly unlikely that Congress will/can pass another round of COVID relief before they leave Washington later this week for the elections, and the possibility of another bill passing in the remaining weeks of October before the November election is almost equally unlikely.

House moderate Democrats have been pressuring Speaker Pelosi to do *something* before the election (the last time the House took any COVID action was May, when they passed the HEROES Act), and threatening to support a procedural motion to bring a GOP bill to the floor for a vote. In response, and to keep Democrats from supporting the GOP bill, the Speaker has promised her caucus a vote on HEROES II – a \$2.4 trillion measure that has no chance of being considered in the Senate. It is therefore a political “messaging bill” rather than serious legislation.

2. Latest on the Paycheck Protection Program Loan Forgiveness

As of this date, not a single PPP loan has been forgiven, despite banks having submitted 96,000 loan forgiveness applications to the SBA since August 10th. Banks are claiming that the major problem is a lack of guidance and communication from the SBA and Treasury, and the Government Accountability Office (GAO) released a lengthy report last week which was also deeply critical of the SBA’s management of the PPP. In a call last week, SBA officials confirmed that no loan forgiveness applications have been approved. Despite active pressure from the business community, including NAW and our association/coalition colleagues, the SBA continues to refer to the statutory time from for forgiveness as the reason for the inaction.

We will continue to work on this issue, and support Congressional efforts to reverse the IRS ruling that otherwise-tax-deductible business expenses paid for with forgiven PPP loan proceeds will no longer be tax deductible, and keep you informed of developments as they occur.

You can read a detailed *Politico* analyses of the loan forgiveness situation [HERE](#).

3. Latest on Economic Recovery and Re-Opening the Workplace

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 is providing information about reports, webinars and seminars that you may find useful:

From Reed Smith Law Firm:

[California expands Family Care and Medical Leave eligibility](#)

On September 17, 2020, Governor Gavin Newsom signed Senate Bill 1383 (SB-1383), which significantly expands employee eligibility for family and medical leave under the California Family Rights Act (CFRA). The law, which will go into effect January 1, 2021, reduces the number of employees required for an employer to be covered under the CFRA and ... [Continue Reading](#)

From Reed Smith Law Firm:

[U.S. Department of Labor proposes new “reality” for classifying independent contractors](#)

This week, the U.S. Department of Labor (DOL) proposed a new rule that would create a uniform approach to the way companies classify workers as independent contractors or employees under the Fair Labor Standards Act (FLSA). The notion of classifying workers as independent contractors versus employees has continued to gain importance in recent years, given ... [Continue Reading](#)

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation. To read their latest report, click [HERE](#).

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, click [HERE](#).

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

Many thanks—

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