



In classic Greek mythology, a golden apple of discord inscribed "For the fairest" was awarded to Aphrodite, beginning a chain of events that led to the Trojan War. GrayRobinson's newsletter reports on the most recent issues, individuals, and discourse deemed fairest in Washington.

April 3, 2020

Responding to COVID-19

First and most important, we hope you and your families are healthy. GrayRobinson personnel are working remotely, as required by stay-at-home orders in the District of Columbia and Florida. It's been a busy week, as everyone scrambles to implement the CARES Act and to figure out exactly how individuals and businesses can access the law's relief provisions. If you need help with this, you can reach the right person at GrayRobinson and access a wide range of national, state and local COVID-19 resources at www.gray-robinson.com/covid-19-task-force.

The federal government has built a central website, www.coronavirus.gov, with medical information and links to resources for households, individuals, small and large businesses, healthcare workers and more. This week the President extended the Coronavirus Guidelines for Americans, which recommend working from home, physical isolation from others, and frequent handwashing, through April 30.

Lenders start implementing the Paycheck Protection Program

By 11:00 this morning, a Treasury official told reporters that banks had already processed nearly 2,000 applications for Paycheck Protection Program loans, for a total of more than \$7 million. This week the Small Business Administration put up information for borrowers and guidance and forms for lenders for four COVID-10 relief programs:

- The Paycheck Protection Program, which offers up to eight weeks of forgivable loans for businesses that retain their employees; complete information about the PPP is also on [Treasury's website](#), along with the [interim final rule](#) implementing the program. The SBA has said that it will not use the CARES Act's 500-employee limit to determine qualification for the PPP, but instead will use its own current definition of "small business."
- The [Economic Injury Disaster Loan \(EIDL\) Emergency Advance](#), which provides up to \$10,000 for businesses with less than 500 employees, including sole proprietors, independent contractors, and the self-employed
- [SBA Express Bridge Loans](#), which offer small businesses that have existing relationships with SBA Express Lenders quick access to up to \$25,000 in additional credit
- [SBA Debt Relief](#), through which the SBA automatically pays the principal, interest, and fees of current 7(a), 504, and microloans for six months, and will automatically

pay the principle, interest and fees of new 7(a), 504, and microloans made between now and September 27

The U.S. Chamber of Commerce has published [a helpful brochure](#) that business owners can use to figure out what they qualify for and how the programs interact.

HUD provides mortgage relief for FHA, reverse mortgage borrowers

On Wednesday, the Department of Housing and Urban Development (HUD) announced [a range of relief options](#) for homeowners with FHA-guaranteed mortgages and for senior citizens with home equity conversion ("reverse") mortgages. As required by the CARES Act, these include an initial forbearance period of six months for FHA mortgages, with up to six months of extensions available. HUD's Mortgagee Letter provides guidance to lenders on evaluating borrowers for eligibility for the COVID-19 National Emergency Standalone Claim, and clarifies that borrowers granted forbearance for reasons related to COVID-19 should not be flagged as delinquent to credit reporting agencies.

IRS publishes guidance on COVID-19-related tax credits for small and midsize businesses

The Internal Revenue Service has posted [answers to frequently asked questions](#) about the tax credits created by the Families First Coronavirus Response Act (FFCRA) for small and midsize businesses that offer paid sick and family leave to their employees for reasons related to COVID-19. FFCRA offers refundable tax credits to reimburse these businesses for paid leave, and to reimburse self-employed entrepreneurs in some cases as well.

Federal Reserve temporarily eases supplemental leverage ratio rule

The Federal Reserve Board [announced on Wednesday](#) that it will temporarily exclude US Treasury securities and deposits at Federal Reserve Banks from supplemental leverage ratio calculations for holding companies, from now through March 21, 2021. "Liquidity conditions in Treasury markets have deteriorated rapidly, and financial institutions are receiving significant inflows of customer deposits along with increased reserve levels," the Fed said. Raising reserves to accommodate this balance sheet growth may make it more difficult for these institutions to provide credit. "Financial institutions have more than doubled their capital and liquidity levels over the past decade and are encouraged to use that strength to support households and businesses." The new rule takes effect immediately, but is open for comment for 45 days.

Next steps will provide more aid for health care, state and local governments, Pelosi says

Speaker of the House Nancy Pelosi [said today](#) that Congress must "double down" on providing relief through a "CARES 2" package, which Washington policymakers have been calling "Phase IV." She called for additional support to small businesses and individuals, longer unemployment payments, and additional resources to process unemployment insurance claims. Hospitals, community health centers, and health workers also need more help, she said, and "We cannot succeed in defeating this virus unless we more strongly support state and local governments with significantly more resources."

Pelosi announces bipartisan select committee on coronavirus oversight

This week Speaker of the House Nancy Pelosi (D-CA) cited President Harry Truman in announcing the creation of the House Select Committee on the Coronavirus Crisis, to be chaired by Rep. Jim Clyburn (D-SC). As a Senator, Harry Truman chaired a Special Committee to Investigate the National Defense Program; he said that after the First World War, he had seen "a hundred and sixteen investigating committees after the fact . . . one committee before the fact would prevent a lot of waste and maybe even save some lives." The purpose of the new Select Committee, Pelosi said, will be to make sure money gets to working families while rooting out waste, fraud, and abuse, and protecting against

price gouging and profiteering.

June 30 effective date for Regulation BI and Form CRS “remains appropriate,” says Clayton

Securities and Exchange Commission Chairman Jay Clayton issued a [statement to investors](#) yesterday describing how the agency continues to fulfill its mission, and how operations have changed in response to COVID-19. He said that the SEC does not expect to act on any proposals currently open for comment before May 1, effectively extending the comment period for all open proposals. He said that he saw no need, however, to postpone the effective date of June 30 for the SEC’s Regulation Best Interest and Form CRS. “At any time, and particularly in times of uncertainty, investment professionals should not put their interests ahead of the interests of their clients and customers,” Clayton said. “Investors should also know the services they are receiving and how they will be charged for those services.”

Banking agencies clarify interaction of interim CECL rule with CARES Act relief

The Federal Reserve Board, Federal Deposit Insurance Corporation (FDIC) and Office of the Comptroller of the Currency (OCC) published [joint guidance](#) this week to clarify regulatory capital requirements in the light of the agencies’ interim rule allowing institutions to postpone estimating the effect of FASB’s current expected credit loss (CECL) methodology and the CARES Act’s temporary relief from CECL compliance.

Regulators extend Volcker Rule comment period to May 1

The Federal Reserve Board, the Commodity Futures Trading Commission (CFTC), the FDIC, the OCC, and the Securities and Exchange Commission (SEC) announced this week that they would grant interested parties an additional month to comment on the agencies’ proposal to modify the Volcker rule’s general prohibition on banking entities investing in or sponsoring hedge funds or private equity funds (“covered funds”). The original deadline was April 1, but the agencies said they would continue to accept comments until May 1.

FDIC postpones comment deadline on brokered deposit proposal to June 9

The FDIC announced today that it would extend the comment period for its [notice of proposed rulemaking on brokered deposits](#) from April 10 to June 9. “An extension of the comment period will allow interested parties additional time to analyze the issues and to prepare comments to address the questions posed by the FDIC,” [the statement](#) said.

Fed’s revised control framework rule delayed to September

The Federal Reserve Board [announced on Tuesday](#) that its new rule on how to determine whether a company controls another company for purposes of the Bank Holding Company Act or the Home Owners’ Loan Act, originally scheduled to take effect on April 1, will now become effective on September 30. The final rule will be published on that date.

Confirmations, Nominations, Departures. etc.

Rep. Mark Meadows (R-NC) resigned from Congress to become acting chief of staff to President Donald Trump. The offices of the 11th Congressional District of North Carolina [remain open for constituent services](#).

Next Week in Washington

Because the District of Columbia is on a strict stay-at-home order, a handful of Senate committees are replacing planned live hearings with “paper hearings.” Opening statements of the committee’s chairman and ranking member will be posted online at the time the hearing is scheduled to begin, along with witness statements. Committee

members will have until the end of the business day to submit questions for the witnesses, and the witnesses must respond in writing within 96 business hours (12 business days).

April 9 at 10:00 a.m. Senate Committee on Commerce, Science, and Transportation holds a paper hearing on "[Enlisting Big Data in the Fight Against Coronavirus](#)." The witnesses will be Dave Grimaldi, Executive Vice President for Public Policy at the Interactive Advertising Bureau, and Michelle Richardson, Director of the Privacy and Data Project.

The Ellis Insight

Jim Ellis reports on political news

President

ABC News/Washington Post Poll: ABC News and the Washington Post released their latest presidential research data (3/22-25; 1,003 US adults; 845 US registered voters) that projects former Vice President Joe Biden's national lead over President Trump dropping to just two points, 49-47%, while revealing positive elements for each man. While Mr. Biden has a surprisingly substantial lead among those aged 65 and over (57-42%), President Trump's percentages are improving among younger voters (trailing 41-51% between those aged 18-29; 45-51% within the 30-39 group).

Democratic National Committee: The Democratic National Committee officially announced on Thursday that the party's national convention will move from July 13-16 to August 17-20 and will end in Milwaukee just four days before the Republican National Convention commences in Charlotte. The Democrats are moving forward with their traditional convention, rejecting, at least for now, arguments to transform into an online national nominating meeting.

Senate

Georgia: The Atlanta Journal Constitution published another story about appointed Sen. Kelly Loeffler's (R) major stock transactions around the time she was participating in closed door Senate meetings about the Coronavirus. According to the article, Ms. Loeffler sold over \$18 million in stocks, while purchasing shares in a company that makes COVID-19 protective garments. Additionally, Ms. Loeffler's husband, Jeffrey Sprecher, is the chairman of the New York Stock Exchange, which will certainly be an issue in the coming campaign.

The latest tracking survey in a four-poll series from the Battleground Connect research organization (3/24; 1,025 GA likely jungle primary voters) finds Rep. Doug Collins (R-Gainesville) beginning to establish a strong lead over the bipartisan candidate field though the jungle primary, scheduled concurrently with the November 3rd general election, is still a long way away.

The track finds Mr. Collins capturing 34.1% on the ballot test with Atlanta businessman Matt Lieberman (D), son of former Connecticut Senator and 2000 Vice-Presidential nominee Joe Lieberman, in a distant second position with 18.4%. Appointed Sen. Loeffler falls to third position with just 13.6%, just ahead of Rev. Raphael Warnock's (D) 13.3 percent. Former US Attorney Ed Tarver (D) is way back with only 5% support.

Kansas: The economic conservative organization Club for Growth has reportedly reserved \$2.1 million in media time for the Kansas Senate race though they have yet to endorse a candidate. They are, however, opposing one. The Club will run an electronic messaging operation against Rep. Roger Marshall (R-Great Bend) who is running for the open Senate seat from which veteran incumbent Pat Roberts (R) is retiring.

The group will attack Rep. Marshall over his spending and certain tax votes, which they say will enlarge the federal deficit even beyond its current bloated status. The Kansas

primary is scheduled for August 4th. Rep. Marshall's principal GOP opponents are former Secretary of State and 2018 gubernatorial nominee Kris Kobach and state Senate President Susan Wagle (R-Wichita). Democrats have coalesced around party-switching state Sen. Barbara Bollier (D-Mission Hills).

Massachusetts: Massachusetts Democratic Party chairman Gus Bickford is recommending to the organization's Executive Committee, according to WBUR News in Boston, that the May 30th state convention be cancelled as a COVID-19 virus precaution. The committee's top business item was an endorsement vote in the US Senate Democratic primary between Sen. Ed Markey and Rep. Joseph P. Kennedy III (D-Newton).

Mr. Bickford is telling the committee that the two campaigns have reached an agreement where Sen. Markey would be awarded the party endorsement based upon his strength at county conventions, while Rep. Kennedy would be given automatic ballot placement for the Senate race. Under party rules, a candidate must receive 15% of the state convention vote to attain a statewide ballot slot. The Massachusetts primary is scheduled for September 1st.

South Dakota: The South Dakota candidate filing deadline has expired, and surprisingly no one has filed against Sen. Mike Rounds (R) or at-large Rep. Dusty Johnson (R-Mitchell). The two federal officeholders are not yet officially unopposed, however. Due to the Coronavirus, election authorities are extending the filing period for an unspecified number of days. Former State Sen. Dan Ahlers (D) was expected to file for the US Senate seat, while business consultant Whitney Raver (D) was reportedly primed to run for the House.

House

AZ-1: Still a long way from the May 27th Arizona candidate filing deadline, but two-term Rep. Tom O'Halleran (D-Sedona) has already dodged at least one Democratic primary challenger for the August 4th election. Former state Senator Barbara Maguire has decided to abandon her congressional campaign in favor of attempting to return to the legislature. Ms. Maguire served in both the state House and Senate, but lost re-election races while a member of both chambers.

Remaining in the Democratic primary is former Flagstaff City Councilwoman Eva Putzova, and two minor candidates. Ms. Putzova, however, does not appear to be a particularly formidable candidate, raising just over \$122,000 through year's end 2019. At this point, four Republicans have announced for the GOP primary. AZ-1 is an expansive eastern Arizona swing district, but Rep. O'Halleran will begin the official general election campaign as a clear favorite to win what will likely be another close election.

CA-25: The National Republican Congressional Committee this week announced that they have reserved \$690,000 in cable television ads to support their special election candidate, retired Iraq War fighter pilot Mike Garcia, in his campaign opposite state Assemblywoman Christy Smith (D-Newhall) for the right to succeed resigned Rep. Katie Hill (D-Agua Dulce/Palmdale).

It is likely the Democratic committees and their outside allies will outspend the Republicans in this contest, but it is apparent that this politically marginal district is a priority for both parties. The special election will be held on May 12th, and Gov. Gavin Newsom (D) announced last week that voting will be conducted through the mail.

NC-11: With North Carolina Rep. Mark Meadows (R-Skyland/ Buncombe County) now officially out of the House in order to assume his new duties as White House Chief of Staff, the next political question to be decided is whether there will be a special election to replace the now former Congressman for the balance of the current term.

Gov. Cooper could create a new election calendar for the 11th District special election, which would mean creating a new candidate filing period, holding a stand-alone

election on a separate primary date, and determining whether to make the special general concurrent with the regular November 3rd election. Or, he could let the seat remain vacant for the rest of this year.

TX-24: Former Housing & Urban Development Secretary and presidential candidate Julian Castro (D) this week announced his endorsement for school board trustee and Texas runoff congressional candidate Candace Valenzuela in the open DFW area's 24th Congressional District.

Ms. Valenzuela placed second in the March 3rd Democratic primary, trailing retired Air Force Colonel Kim Olson 51-40%. Both advance to the newly scheduled July 14th runoff election for the Democratic nomination because no candidate secured majority support. The Castro move is clearly designed to motivate Hispanics to participate in the runoff election and vote for the Hispanic candidate, which could be definitive in helping to determine the ultimate outcome.

Governor/States

Georgia: A group of legislators have asked Georgia Secretary of State Brad Raffensperger (R) to move the May 19th Georgia state primary to the "latest possible date" as a COVID-19 precaution. Mr. Raffensperger responded that he has no such power and that the legislature and Governor would have to act. He pointed out that the Georgia presidential primary was moved from March 24th to May 19th because the state was under an Emergency Order from the Governor. By May 19th, Mr. Raffensperger explained, the Order will have expired.

Hawaii: Last week Hawaii election officials suspended the April 4th stand-alone presidential primary and turned the vote into an all-mail procedure. Now, the date of May 22nd has been established as the deadline for local county election officers to receive all ballots. The regular Hawaii primary is still scheduled for August 8th.

Maryland: Surprisingly, a group of Maryland Democratic state legislators have asked Gov. Larry Hogan (R) to reinstate an in-person option for the state's June 2nd primary. Originally, the vote was scheduled for April 28th. This move is opposite of most requests we see being made in other places, which center around moving to all-mail voting. Gov. Hogan has reportedly not yet responded to the request.

Texas: The Texas Democratic Party leadership has decided to cancel its in-person state convention that was scheduled to occur between the June 4-6 period as part of COVID-19 precautions, and instead will handle the party business virtually. The state convention will move forward as planned, but party officers, dignitaries, delegates, alternate delegates, and guests will be participating online. Logistics are being planned for how the party officials and staff will organize and implement the online convention.

At this point, neither national party is converting to an online option, though Democratic officials, whose convention is scheduled first and will begin on July 13th, are reportedly in the process of discussing such an option. One top official was quoted as saying that since the Olympics, which were slated to start a week later than the DNC, are postponed for a year, that it would be appropriate for the party to adopt the online option. The Republican National Convention is not slated to begin until August 24th.

Utah: With problems acquiring legitimate ballot qualification petition signatures, an uncertain run at the party nominating convention, and recent tightening poll results, former Governor and US Ambassador Jon Huntsman appears to be locked in a tight battle for the Republican gubernatorial nomination, which will be decided in the statewide June 30th primary election.

A new Scott Rasmussen poll for the Deseret News and the Hinckley Institute of Politics at the University of Utah confirms that the ballot test has significantly narrowed since

Rasmussen found Mr. Huntsman leading Lt. Gov. Spencer Cox (R), 32-20% in early March.

Now, the firm's March 23-28 survey of 326 Utah likely Republican primary voters finds Mr. Huntsman barely holding onto a 26-24% lead with the momentum clearly in Mr. Cox's favor. This is consistent with a recent Dan Jones & Associates poll for the Salt Lake City Chamber of Commerce (reported as "mid-March"; 798 UT registered voters; 338 likely UT Republican primary voters) that projects Mr. Huntsman to have fallen behind Lt. Gov. Spencer Cox, 30-27%.

West Virginia: Despite one of the lowest confirmed COVID-19 totals in the country, West Virginia Gov. Jim Justice (R) announced this week that he is moving the May 12th state primary to June 2nd. Previously, Gov. Justice ordered that the format be changed to all-mail.

All-Mail: More Governors and election officials are keeping their primary calendars intact but are changing their voting systems. As a precaution for the Coronavirus, a significant number of states are now implementing procedural changes from in-person voting to casting their ballots by mail. Political leaders in the following entities are the latest to take such action in relation to their upcoming primaries: Massachusetts (May 30 local elections), Minnesota (Aug 11 statewide primary), Nebraska (May 12), New Jersey (June 2), North Dakota (June 9), and Ohio (ballots must be post-marked on or before April 27), in addition to West Virginia (June 2).

The GrayRobinson Lobbying Team

[Doyle Bartlett](#) | [Dean Cannon](#) | [Chris Carmody](#) | [Larry Cretul*](#) | [Chris Dawson](#) | [Katie Flury*](#)
[Charlie Gray](#) | [Keenan Hale*](#) | [Rheb Harbison*](#) | [John Harris*](#) | [Mike Huey](#) | [Ty Jackson](#)
[George Levesque](#) | [Jessica Love*](#) | [Chris McCannell*](#) | [Kim McDougal*](#) | [Greg Mesack*](#)
[Kirk Pepper*](#) | [Joseph Salzverg](#) | [Todd Steibly*](#) | [Robert Stuart*](#) | [Jason Unger](#)

* Denotes non-attorney professional



Boca Raton | Fort Lauderdale | Fort Myers | Gainesville | Jacksonville | Key West | Lakeland
Melbourne | Miami | Naples | Orlando | Tallahassee | Tampa | Washington, DC | West Palm Beach



www.GRLobby.com