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.

February 21, 2020

FDIC, OCC extend comment period on CRA reform

In his appearance before the House Financial Services Committee earlier this month, Comptroller of the Currency Joseph Otting repeatedly refused Democratic members' request that the OCC and Federal Deposit Insurance Corporation (FDIC) extend the comment period on proposed changes to rules implementing the Community Reinvestment Act. This week, the FDIC and OCC announced that they will extend the deadline for comments — not to the 120-day period requested by House Democrats, but by 30 days, to April 8. The announcement gave no explanation, except to say, "The FDIC and OCC have now determined that a 30-day extension of the comment period is appropriate." Federal Reserve Board Chairman Jerome Powell has said that the Fed will not decide whether to propose its own rule changes until it reviews the comments submitted to the OCC and FDIC.

Treasury, FHFA answer Senate questions about GSE reform

Secretary of the Treasury Steven Mnuchin and Federal Housing Finance Agency Director Mark Calabria replied this week to a set of 22 questions Senate Banking Committee Democrats sent the agencies in December, asking for more details about the administration's plans to move Fannie Mae and Freddie Mac out of conservatorship. Perhaps most importantly, Treasury Secretary Mnuchin affirmed that unless Congress acts to establish a paid-for, full-faith-and-credit government guarantee for Fannie and Freddie, "Treasury expects that it will be necessary to maintain limited and tailored government support for the GSEs" by leaving the preferred stock purchase agreements (PSPAs) in place after each conservatorship ends. Treasury continues to call for legislation to end the conservatorships, but said again that the FHFA should begin this process without waiting for Congress to act. The FHFA will not release the GSEs until they can meet certain benchmarks, including new capital standards, which the FHFA is still "in the process of re-proposing." They reported that the GSEs have approximately tripled their combined capital since September 2019.

Massachusetts fiduciary rule to take effect March 6

Today the Massachusetts Securities Division finalized amendments to the state's Standard of Conduct for broker-dealers and agents that will apply a fiduciary conduct standards to both categories. "The failure to adhere to the fiduciary standard of utmost care and loyalty will be deemed a dishonest or unethical practice," the adopting release said. Any transactions expressly excluded from the fiduciary standard will still be subject to the pre-

existing suitability standard. The new rule will take effect on March 6, and the Securities Division will begin to enforce it on September 1.

SEC proposes new regulatory framework for market data collection

Last week the Securities and Exchange Commission proposed changes to Regulation NMS that would modernize the collection, consolidation, and dissemination of market data for exchange-listed national market system (NMS) stocks. "Both the content of NMS market data and the technologies used to collect, consolidate, and disseminate that data have lagged meaningfully behind proprietary data products and systems offered by the exchanges," SEC Chairman Jay Clayton said. The proposed changes would update and expand the content of NMS market data, and would introduce a decentralized consolidation model that would make data collected by SROs available to competing consolidators and to self-aggregators. The proposal is open for comment for 60 days.

FDIC seeks comment on signage and advertising rules

The Federal Deposit Insurance Corporation (FDIC) issued a Request for Information this week to ask for comments about whether and how it should update its sign and advertising rules to reflect changes in branch, digital, and mobile banking channels. They also request comments on how to address advertising by non-banks that may deliberately or inadvertently misrepresent themselves as insured institutions, and how technology solutions might help distinguish between insured and uninsured financial institutions, especially online. Comments are due to the FDIC by March 19.

Dana Wade to be named Federal Housing Commissioner

President Trump announced this week that he will nominate Dana T. Wade to serve as Assistant Secretary of Housing and Federal Housing Commissioner. Wade was Acting Federal Housing Commissioner from July 2017 to June 2018; she later served as a Program Associate Director for General Government at the Office of Management and Budget. Earlier in her career, Wade was Deputy Staff Director for the Senate Banking Committee, and Republican Deputy Staff Director for the Senate Appropriations Committee, under Senator Richard Shelby (R-AL).

Special Feature: The Road to Milwaukee

The Democratic Party will choose a Presidential nominee at its National Convention in Milwaukee, July 13-16 in Milwaukee, Wisconsin. In most election years, we've known who that nominee would be well before delegates arrived at the Convention. This year, we're already hearing talk about the possibility of a brokered convention, if no candidate reaches Milwaukee with a majority of the 3,979 delegates.

Only 65 delegates have been awarded so far, through caucuses in Iowa and the New Hampshire primary. Five candidates have won delegates: former South Bend, IN Mayor Pete Buttigieg (23); Vermont Senator Bernie Sanders (21); Massachusetts Senator Elizabeth Warren (8); Minnesota Senator Amy Klobuchar (7); and former Vice President and former Delaware Senator Joe Biden (6). Tomorrow's caucuses in Nevada will award another 36 delegates, and 54 more are up for grabs in South Carolina's primary on February 29.

It is not mathematically possible for any delegate to win the necessary 1,990 votes before March 17, and the primary season runs until June 6, when the Virgin Islands' primary assigns the last seven delegates. This is the schedule between now and then:

Date	State or Territory	Number of Delegates
February 22	Nevada	36
February 29	South Carolina	54
March 3 (Super Tuesday)	Alabama	52
	Arkansas	31
	California	415
	Colorado	67
	Maine	24
	Massachusetts	91
	Minnesota	75
	North Carolina	110
	Oklahoma	37
	Tennessee	64
	Texas	228
	Utah	29
	Vermont	16
	Virginia	99
	American Samoa	6
	Democrats Abroad	13
March 10	Idaho	20
	Michigan	125
	Mississippi	36
	Missouri	68
	North Dakota	14
	Washington	89
March 14	Northern Mariana Islands	6
March 17	Arizona	67
	Florida	219
	Illinois	155
	Ohio	136
March 24	Georgia	105
March 29	Puerto Rico	51
April 4	Alaska	15
	Hawaii	24
	Louisiana	54
	Wyoming	14
April 7	Wisconsin	84
April 28	Connecticut	60
	Delaware	21
	Maryland	96
	New York	274
	Pennsylvania	186
	Rhode Island	26
May 2	Kansas	39
	Guam	7
May 5	Indiana	82
May 12	Nebraska	29
	West Virginia	28
May 19	Kentucky	54
	Oregon	61
June 2	Washington, DC	20
	Montana	19
	New Jersey	126
	New Mexico	34
	South Dakota	16
June 6	Virgin Islands	7

Primaries are not winner-take-all elections; 25% of each state's delegates are apportioned on the basis of the statewide vote, but 75% are awarded by Congressional district or some other legislative subdivision. Candidates must receive 15% or more of the vote in any voting area in order to win delegates.

If no nominee has won a majority of delegates going into the Convention, delegates will vote on the Convention floor. If a second vote is required, the voting will include an estimated 764 "superdelegates" in addition to the 3,979 elected delegates.

Isn't democracy fun?

Next Week in Washington

Work on the 2021 budget begins in earnest next week on Capitol Hill.

February 25 at 10:00 a.m. Senate Committee on Banking, Housing, and Urban Affairs holds a hearing on "Surface Transportation Reauthorization: Public Transportation Stakeholders' Perspectives."

February 26 at 11:30 a.m. House Committee on Small Business holds "A Discussion with SBA Administrator Jovita Carranza: Current Issues and the FY2021 Budget."

February 27 at 1:00 p.m. House Small Business Subcommittee on Contracting and Infrastructure holds a hearing on "Moving America's Infrastructure Forward."

February 27 at 2:00 p.m. House Science Subcommittee on Environment and Subcommittee on Investigations and Oversight hold a joint hearing on "An Examination of Federal Flood Maps in a Changing Climate."

The Ellis Insight

Jim Ellis reports on political news

President

National Polls: National Public Radio, PBS, and Marist College teamed to conduct a national Democratic presidential primary survey (2/13-16; 1,416 adults; 1,164 registered voters; 527 likely Democratic primary voters), as did NBC News and the Wall Street Journal (2/14-17; 900 registered voters; 426 likely Democratic primary voters).

The two organizations delivered similar results in that Sen. Bernie Sanders (I-VT) leads both national surveys with 31 and 27%, respectively, while former Vice President Joe Biden is losing support; down 11 points in the NBC survey and nine in the Marist College poll. Former New York City Mayor Michael Bloomberg is obviously on an upward path, gaining 15 points in the Marist College survey and rising to second position with 19% support.

Early Voting Stats: Early voting reports are emanating from Nevada for tomorrow's caucus vote. The state election authorities scheduled two days of early voting, an unusual procedure for this nomination format since the caucus system features actual precinct meetings. So far, more than 70,000 preference sheets – their ranked choice procedure does not feature a ballot – have been recorded. This number represents 83% of those

attending the 2016 Nevada caucus meetings.

Next door in California, where early voting began on February 3rd for the March 3rd Super Tuesday primary, over 1 million votes have already been cast in the Democratic presidential primary.

Minnesota: The University of Massachusetts at Lowell has been busy surveying several states. Their Minnesota study (2/12-19; 450 MN likely Democratic primary voters) sees Sen. Klobuchar climbing to the top of the candidate field for the first time here, or anywhere. The results find the home state Senator leading 27-21-16-10-9-9% over Sens. Bernie Sanders (I-VT) and Elizabeth Warren (D-MA), former Mayor Pete Buttigieg, ex-Mayor Michael Bloomberg, and former Vice President Joe Biden, respectively.

If this poll proved wholly accurate, the first three candidates would qualify for delegate apportionment, with Sen. Klobuchar clinching the lion's share of 32 committed first ballot delegate votes.

North Carolina: The University of Massachusetts at Lowell also surveyed the North Carolina electorate (2/12-18; 450 NC likely Democratic primary voters) and sees Sen. Bernie Sanders wresting the lead away from former Vice President Joe Biden in the Tar Heel State. Sen. Sanders scores 23% support in this survey with Michael Bloomberg placing second at 19%, and Mr. Biden only capturing 16% support, a reduction of approximately half of his previous preference factor. Sen. Elizabeth Warren follows with 13%, ex-Mayor Pete Buttigieg records 10%, and Sen. Amy Klobuchar posts 7% support.

South Carolina: YouGov, for the University of Massachusetts at Lowell (2/12-18; 400 SC Democratic likely primary voters), tested the February 29th South Carolina Democratic primary and finds former Vice President Joe Biden still leading the contest, but with a much thinner margin. Mr. Biden holds a 23-21-13-11-11-9-4% edge over Sen. Bernie Sanders (I-VT), billionaire Tom Steyer, former Mayor Pete Buttigieg, Sens. Elizabeth Warren (D-MA), and Amy Klobuchar (D-MN), and Rep. Tulsi Gabbard (D-HI). South Carolina remains a must-win primary for Mr. Biden, but now his prospects are apparently much more tenuous.

Winthrop University tested its home state electorate for the coming South Carolina primary (2/9-19; 443 SC likely Democratic primary voters) and they see former Vice President Joe Biden holding his lead but with a smaller margin. Winthrop projects Mr. Biden at 24%, while Sen. Bernie Sanders is next at 19%, billionaire Tom Steyer in delegate allocation position with 15%, and ex-Mayor Pete Buttigieg, and Sens. Elizabeth Warren and Amy Klobuchar following consecutively with 7-6-4% backing.

Texas: The University of Massachusetts at Lowell tested the Texas electorate (2/12-18; 600 TX likely Democratic primary voters) and project Sen. Bernie Sanders and former Vice President Joe Biden vying for the lead with the former man having a 23-20% edge. Former Mayor Michael Bloomberg and Sen. Elizabeth Warren are likely in delegate allocation position with 18 and 14% support. No other candidate even reaches the 5% plateau.

Vermont: There has been little polling of the small Vermont Democratic electorate, but

the state is voting on Super Tuesday, and home state Sen. Bernie Sanders may find himself in position to sweep the state's 16 first ballot delegates. A new Vermont Public Radio/PBS survey was fielded (2/4-10; 603 adults; 332 VT likely Democratic primary voters) and the results project Sen. Sanders with a majority 51% from his home constituency.

The only candidate with what appears to be a potential to reach the 15% threshold for delegate allocation is former South Bend Mayor Pete Buttigieg who posts 13% support in this survey. Though the state has only a minimum number of delegates, a Sanders sweep could prove to be a bonanza for him.

Senate

Alabama: Another poll suggests the Alabama Republican primary Senate contest is getting even closer. Former US Attorney General and Alabama Sen. Jeff Sessions continues to come back to the candidate pack after opening with a sizable advantage. Here, his lead over retired Auburn University head football coach Tommy Tuberville is only 32-30%, according to WT & S Consulting who just released their data (2/9-10; 1,048 AL self-identified Republican voters; online). Following is US Rep. Bradley Byrne (R-Mobile) with 22%. The other two candidates, former Alabama Supreme Court chief judge Roy Moore and state Rep. Arnold Mooney (R-Shelby County) don't surpass the 7% support figure.

Georgia: Former US Attorney Ed Tarver (D), also a former Georgia state Senator who had said he would soon enter the race, formally announced his candidacy yesterday. He will join notable candidates Kelly Loeffler (R), the appointed incumbent, Rep. Doug Collins (R-Gainesville), businessman Matt Lieberman (D), and Baptist pastor Raphael Warnock (D) in the jungle primary field.

The primary election isn't until Election Day, November 3rd. If no one scores majority support, a run-off will occur on January 5, 2021. The Democratic Senatorial Campaign Committee has already endorsed Dr. Warnock in hopes of making him a consensus candidate to ensure that a Democrat qualifies for the run-off election.

Kansas: Two general election polls were recently released into the public domain and they reveal distinct general election conclusions. DFM Research for the SMART Transportation union (1/30-2/6 with no calling on Super Bowl Sunday, 2/2; 600 KS residents) found former Secretary of State and 2018 gubernatorial nominee Kris Kobach (R) and state Sen. Barbara Bollier (D-Mission Hills) tied with 43% apiece. The Kobach campaign then responded with their own McLaughlin & Associates survey (2/12-13; 300 KS likely general election voters), which posted their candidate to a 47-38% advantage over Sen. Bollier, who appears to be a consensus Democratic candidate.

Both polls have methodology issues. The DFM poll queries "residents" as opposed to registered voters, while the McLaughlin poll sites only 300 likely general election voters, which is a small sample. Additionally, neither the DFM nor McLaughlin poll reported a ballot test featuring Sen. Bollier and US Rep. Roger Marshall (R-Great Bend), which may have produced a distinctly different result.

Maine: Colby College, located in Waterville, ME, sponsored a survey of the Maine electorate administered by SocialSphere (2/10-13; 1,008 ME registered voters) that tested

the impending Senate race between incumbent Susan Collins (R) and state House Speaker Sara Gideon (D-South Freeport). The results show a virtual tie between the two, with Gideon forging a 43-42% edge over the four-term Senator. Democrats view this race as a major national target, but Sen. Collins has yet to fully engage her advertising and holds over $7 million in reserve. Ms. Gideon reported just under $2.8 million in her account at the end of 2019 after spending almost $5 million.

Michigan: Quinnipiac University surveyed the Michigan electorate and found US Senate challenger John James (R) inching closer to incumbent Sen. Gary Peters (D) when compared to their earlier poll. Now, the Q-Poll (2/12-18; 845 MI registered voters) finds Sen. Peters' lead to be 45-39% over Mr. James, a manufacturing company owner and retired Army Ranger. In January, Sen. Peters had a ten-point lead in the Quinnipiac poll.

Texas: The Texas Tribune and University of Texas teamed to field a statewide survey (1/31-2/9; 1,200 TX registered voters; online) and, for the first time in this election cycle, found a Democratic US Senate candidate breaking 15%. According to TT/UT, retired Army helicopter pilot M.J. Hegar has increased her slight advantage to 22%, leading non-profit executive Cristina Tzintzun Ramirez and former US Representative and 2014 gubernatorial nominee Chris Bell, who posted 9% and 7% support factors. State Sen. Royce West (D-Dallas) and Houston City Councilwoman Amanda Edwards are next, with 6% apiece.

It is clear from all data that the top two finishers will advance to a May 26th run-off election, since no candidate is close to the 50% majority that would clinch the party nomination. Despite Ms. Hegar's lead, virtually all of the candidates are still alive to qualify for the secondary election, since individual preference is low and the undecided/refused to answer figure is high at 40% with the March 3rd primary on the horizon.

Wyoming: Sen. Mike Enzi (R) is retiring after four terms, and during the week announced who he is supporting as his successor. Both he and fellow Sen. John Barrasso (R) are pledging their support for former at-large Rep. Cynthia Lummis, who retired from the House before the 2016 election. Ms. Lummis served four terms in Congress and eight years as state Treasurer after winning terms in both houses of the state legislature to begin her political career.

The eventual Republican nominee will become the prohibitive favorite to win the general election. At this point, Ms. Lummis has little in the way of opposition for the August 18th primary. That could change, however, if billionaire Foster Friess, who placed second in the 2018 open gubernatorial campaign, decides to enter the race. The candidate filing deadline is May 29th.

House

MI-3: Rep. Justin Amash (I-Cascade Township/ Grand Rapids) continues to find himself in an enhanced political position as he presumably attempts to seek his first re-election under the Independent ballot line. Mr. Amash left the Republican Party in 2019. This week, former White House aide Nick Colvin (D), who had raised almost $350,000 for his race, decided not to file his candidacy when the period closes on April 21st.

His move leaves attorney Hillary Scholten as the most likely Democrat to claim the

nomination in the August 4th primary. On the Republican side, businessman Peter Meijer, whose family name is well known with its prominent signage on retail outlets that they own around the state, appears to be in the best position.

WI-7: On Tuesday, voters in northern Wisconsin chose party nominees to replace resigned Rep. Sean Duffy (R-Wausau) who left Congress earlier in the year for family reasons. Republicans selected state Sen. Tom Tiffany (R-Minocqua) in a 57-43% win over Afghanistan War veteran Jason Church. Wausau School Board member Tricia Zunker, a consensus Democratic candidate, scored a major 89-11% landslide win in her primary contest. Republicans hold a clear advantage in this district, so Sen. Tiffany becomes the heavy favorite to win the special general election on May 12th.

Governor

Virginia: Republican state Sen. Amanda Chase (R-Chesterfield) just announced her candidacy for the open Virginia Governorship in 2021. Incumbent Gov. Ralph Northam (D) is ineligible to seek a second term from the last state in the nation that limits its elected chief executives to just one term in office.

Sen. Chase's candidacy, as declared earlier this week while the legislature was considering the Governor's gun control initiative, will be slightly different in that she will run on the "gun rights" platform. Ms. Chase obviously won't be alone among Republicans who will defend the 2nd Amendment, but she apparently is looking to run an early single-issue campaign strategy.

The GrayRobinson Lobbying Team

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