



*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.*

May 1, 2020

These strange and uneasy times do offer a few consolations. No one's going to New Orleans for Jazz Fest this year, but WWOZ, New Orleans' Jazz and Heritage Station, is making it possible for New Orleans to come to us. Their "[Jazz Festing in Place](#)" program offers more than 100 classic performances from years past, all for free, through Sunday. *Laissez les bon temps roulez.*

### **SBA offers guidance, SBA and Treasury set dedicated hours for small PPP lenders**

Lending under the Paycheck Protection Program (PPP) resumed on Monday. On Wednesday, the Small Business Administration posted [answers to Frequently Asked Questions \(FAQs\)](#) on Wednesday, clarifying definitions, exemptions and exclusions, and the permissible uses for PPP funds. That day, SBA Administrator Jovita Carranza and Secretary of the Treasury Steven Mnuchin announced that the SBA would accept loans only from lenders with total assets of less than \$1 billion for eight hours on Wednesday, April 29. "In addition to ensuring access for the smallest lenders, we expect that providing this reserved processing time today will enhance the SBA's loan system performance for all users who submit loans outside of this time frame," a statement from Carranza and Mnuchin said.

### **Clyburn will chair House Select Committee on the Coronavirus**

Speaker of the House Nancy Pelosi (D-CA) [announced the Democratic membership of the House Select Committee on the Coronavirus](#) this week, and said she hoped that House Minority Leader Kevin McCarthy (R-CA) would do so shortly as well. Rep. James Clyburn (D-SC), Majority Whip of the House, will chair the Committee. Other members will be Rep. Maxine Waters (D-CA), chair of the House Financial Services Committee; Rep. Nydia Velázquez, chair of the House Small Business Committee; Rep. Carolyn Maloney (D-NY), chair of the House Oversight Committee; Rep. Bill Foster (D-IL), Rep. Jamie Raskin (D-MD), and Rep. Andy Kim (D-NJ). The Select Committee "will prevent waste, fraud, and abuse," Pelosi said, and "make sure the money goes where it's needed most."

### **Fed opens PPP Liquidity Facility to nonbank lenders, expands Main Street Lending Program and Municipal Liquidity Facility**

The Federal Reserve continued its aggressive efforts to protect the economy this week by making programs available to a wider range of participants. Yesterday, the Fed announced that all Paycheck Protection Program (PPP) lenders approved by the Small Business Administration—including credit unions, community development financial institutions, SBA-licensed small business lenders, and some fintech companies—will have [access to its PPP](#)

[Liquidity Facility \(PPPLF\)](#). Eligible borrowers will be able to pledge whole PPP loans as collateral to the PPPLF. The Fed is also [expanding the scope and eligibility for the Main Street Lending Program](#): making more businesses eligible for loans, lowering the minimum loan size to \$500,000, and creating a third loan option that allows increased risk sharing for lenders to borrowers that have greater leverage. On Monday, the Fed announced an expansion of the scope and duration of its Municipal Liquidity Facility (MLF), offering to purchase up to \$500 billion of short-term notes issued by US states, counties, and cities.

### **CFPB makes changes to facilitate access to mortgage credit**

The Consumer Financial Protection Bureau issued a [new interpretive rule](#) and a set of [answers to Frequently Asked Questions](#) on Wednesday to make it easier for consumers with urgent financial needs to get access to mortgage credit. CFPB Director Kathleen Kraninger called the changes “temporary and targeted.” The interpretive rule clarifies that consumers may modify or waive certain required waiting periods under the TILA-RESPA disclosure rule and the Regulation Z rescission rules. The FAQ answers questions about when lenders must provide appraisals or other written valuations to mortgage applicants under Regulation B, implementing the Equal Credit Opportunity Act (ECOA).

## Confirmations, Nominations, Departures, etc.

- Rep. Justin Amash (Libertarian-MI) changed his party affiliation from “independent” to “Libertarian” this week, then announced he will not seek reelection to Congress. Instead, he has created an exploratory committee to consider running for President.
- Kate Fulton will become Chief Operating Officer of the [Federal Housing Finance Administration \(FHFA\)](#) on May 26. Fulton moves to the FHFA from the Consumer Financial Protection Bureau (CFPB), where she has served for seven years, most recently as COO.
- A [memo this week](#) from Russell T. Vought, Acting Director of the Office of Management and Budget, reminded all executive branch agencies that they must appoint an Agency Transition Director by May 1 to facilitate the transfer of power in January, should the incumbent President not be reelected.

## Next Week in Washington

- The Senate will return to Washington next week, but the House of Representatives [announced that it would not](#), after consulting with the House Attending Physician. The House is tentatively scheduled to return on May 12. A handful of Senate committees have announced hearings, mostly on nominations, but have not yet released details on logistics.
- **May 5 at 9:30 a.m.** Senate Select Committee on Intelligence holds a [hearing to consider the nomination of John L. Ratcliffe](#) to serve as Director of National Intelligence.
- **May 5 at 2:30 p.m.** Senate Committee on Banking, Housing, and Urban Affairs holds a [hearing to consider the nominations](#) of Brian D. Miller to serve as Special

Investigator General of the Treasury for Pandemic Recovery, and Dana T. Wade to serve as Assistant Secretary of the US Department of Housing and Urban Development.

- **May 6 at 2:30 p.m.** Senate Committee on Commerce, Science, and Transportation holds a hearing on "[The State of the Aviation Industry: Examining the Impact of the COVID-19 Pandemic.](#)"
- **May 8 at 1:00 p.m.** The Securities and Exchange Commission's Small Business Capital Formation Advisory Committee will [meet by videoconference](#) to discuss the [SEC's proposed rule on facilitating capital formation.](#)

## The Ellis Insight

Jim Ellis reports on political news

### President

**Rep. Justin Amash:** Five-term Michigan Rep. Justin Amash (L-Cascade Township/Grand Rapids) made three announcements this week.

First, he informed the Clerk of the House that he will now be listed as an official member of the Libertarian Party instead of an Independent and becomes the party's first member to hold a US House seat. Second, he has filed a presidential exploratory committee to determine his chances of obtaining the Libertarian Party presidential nomination. Third, Mr. Amash acknowledged that he would not be seeking re-election to the House because he expects to be a presidential candidate, meaning Michigan's 3rd District becomes the 43rd current open seat.

**New Hampshire Poll:** St. Anselm College, frequently the site of presidential debates before the New Hampshire primary, also polls the state's electorate from time to time. Their latest conducted survey, from April 23-27 (820 NH registered voters), finds former Vice President Joe Biden leading President Trump, 50-42%.

The Real Clear Politics site maintains a 2016 polling archives. Consistent with the current data, the average margin spread among the eight polls from that year's early polling period found Ms. Clinton leading Mr. Trump by virtually the same spread as St. Anselm's sees today, 7.25%. The final New Hampshire tally found Ms. Clinton winning the state, but the margin closed to a razor-thin 46.8 - 46.5% spread.

### Senate

**North Carolina:** Already, the North Carolina Senate race, expected to be one of the nation's top statewide contests, has drawn its share of political polling attention. All the results show a close race, which is predictable from the state that has defeated more incumbent Senators than any other. This week's Survey USA poll is consistent with the other polling firms that see a tight contest. According to the S-USA data (4/23-26; 580 NC likely general election voters), former state Sen. Cal Cunningham (D) holds a slight 41-39% edge over first-term Republican Sen. Thom Tillis. We can expect a plethora of polling here in the coming months for this race and the presidential contest that figures to be equally close.

### House

**FL-25:** Rep. Mario Diaz-Balart (R-Miami), who recovered from Coronavirus within the past month, has effectively won a new term in the House. No one submitted documents to oppose him when the candidate filing deadline as April expired, so under Florida election law and procedure the race will not even appear on the ballot. Thus, Rep. Diaz-Balart is re-elected to a 10th term by default.

**IA-4:** State Sen. Randy Feenstra (R-Hull/Sioux County) released his American Viewpoint survey (4/22-23; 400 IA-4 likely Republican primary voters) that gives incumbent Rep. Steve King (R-Kiron) a narrowing 41-34% edge in their Republican primary congressional battle that will be decided on June 2nd. Three other candidates are on the primary ballot, but they together split only 8% of the stated preference.

While Sen. Feenstra trails, he has polling momentum and the financial support. In American Viewpoint's late January poll, Rep. King led 53-22%, making the current late April numbers a net 24-point gain for the challenger. Among people who have an opinion of both candidates, Feenstra leads 53-29%. On the money front, Sen. Feenstra had a cash-on-hand advantage at the end of March of \$415,651 to Rep. King's \$26,773. For the campaign, Sen. Feenstra has raised over \$844,000, as compared to Rep. King's \$301,000.

**KY-4:** After he made a motion for a roll call vote in an attempt to delay a vote on the \$2 trillion Coronavirus bailout bill, President Trump called for Kentucky Rep. Thomas Massie (R-Garrison) to be defeated in his upcoming Republican primary election now scheduled for June 23rd. It doesn't look as if such will happen, however. A new WPA Intelligence poll finds the Congressman to be in very strong shape against GOP primary challenger and attorney Todd McMurtry. According to WPA, Rep. Massie leads Mr. McMurtry 70-13 percent.

**MD-7:** In an election that was a foregone conclusion after Kweisi Mfume won the special Democratic primary on February 4th, the former Congressman completed his political comeback with a 73-27% win over sacrificial Republican Kim Klacik on Tuesday night. Mr. Mfume left the House in 1996 to assume the Presidency of the NAACP. In 2006, he returned to elective politics with an unsuccessful run for Senate.

The former Congressman will now again be sworn into the House to serve the balance of the current term and appear on the ballot in the delayed June 2nd primary and likely November for the full term. Mr. Mfume replaces the late Rep. Elijah Cummings (D-Baltimore) who passed away in October.

**New York:** The New York qualified candidates list was released yesterday for the state's June 23rd primary election. From the 27 congressional districts, 23 incumbents are seeking re-election. Rep. Hakeem Jeffries (D-Brooklyn) is the only unopposed incumbent and effectively re-elected. Among the other 22 incumbents seeking another term, 13 have primary opposition.

Reps. Yvette Clarke (D-Brooklyn) and Carolyn Maloney (D-Manhattan) face re-matches with competitive 2018 primary challengers. Reps. Jerrold Nadler (D-New York City), Alexandria Ocasio-Cortez (D-Bronx), and Eliot Engel (D-Bronx) also face credible opponents. Three seats are open, all with crowded nomination candidate fields, while the 27th District will host a special election to fill the balance of the current term along with the regular primary vote.

**OH-1:** Healthcare company executive Kate Schroder defeated engineer and Air Force Reserve officer Nikki Foster, 68-32%, in the Cincinnati anchored 1st Congressional District primary concluded on Tuesday. Ms. Schroder advances into the general against veteran Rep. Steve Chabot (R-Cincinnati) who was first elected in 1994 but lost the seat in 2008. He came back in the 2010 election and again looks to face a competitive challenge this year. In 2018, Mr. Chabot defeated Hamilton Clerk of Courts Aftab Pureval, 51-47%.

**OH-3:** Four-term Rep. Joyce Beatty (D-Columbus) easily defeated former Consumer Financial Protection Bureau official Morgan Harper in this week's Democratic primary. Mr. Harper raised more than \$800,000 for his campaign and was clearly a serious candidate. But, Ms. Beatty, who was first elected to the House in 2012, was able to win re-nomination with a substantial 68-32% victory margin. She will have little trouble in the general election and is a lock to win another term in November.

**SC-1:** A new WPA Intelligence poll finds state Rep. Nancy Mace (R-Daniel Island) establishing a clear lead for the Republican nomination and toward an eventual challenge to freshman Rep. Joe Cunningham (D-Charleston). This will be a national campaign because SC-1 is a district that Republicans must re-claim if they are to have any chance of taking the majority in the 2020 election.

The WPA poll finds Rep. Mace leading Mount Pleasant Town Councilwoman Kathy Landing 42-13% in the Republican primary, which remains scheduled for June 9th. If no candidate receives a majority vote, the top two finishers advance to a quick June 23rd runoff election.

**UT-1:** The Utah state Republican and Democratic virtual nominating conventions were held last weekend, and we now have contenders for the open 1st District primary that is scheduled for June 30th. In the congressional race, the convention delegates voted former state Agriculture Commissioner and ex-state legislator Kerry Gibson and retired foreign service officer Barry Moore into the Republican primary. Already qualified through the petition signature process were Davis County Commissioner Bob Stevenson and Kaysville Mayor Katie Witt. Therefore, we will see a four-way GOP primary at the end of June.

For the Democrats, the convention delegates sent Shoshone Indian Tribe chairman Darren Perry and vocation rehabilitation administrator Jamie Cheek into the primary election. No one used the petition signature process on the Democratic side. The GOP winner will be the prohibitive favorite in November from this 50-22% Trump district.

**UT-4:** Democratic convention delegates gave almost 90% of their votes to freshman Rep. Ben McAdams (D-Salt Lake City), who defends his congressional seat for the first time. By rule, the convention sends only one candidate to the primary election if the individual's vote total exceeds 60 percent. Since no one qualified via petition signature, Rep. McAdams is automatically re-nominated.

A total of four Republicans will be on the June 30th ballot for what will be a highly competitive general election campaign. State Rep. Kim Coleman (R-West Jordan) and businessman and former NFL football player Burgess Owens advance to the primary ballot from the convention process. Mr. Owens also qualified through petition signatures. Qualifying only through petitions were radio talk show host Jay McFarland and non-profit organization CEO Trent Christensen. The Republican primary election winner then advances to face Rep. McAdams in November.

## **Governor/States**

**Indiana:** In an increasing pattern occurring around the country, voting rights group activists have filed a lawsuit in Indiana state court petitioning the judiciary to extend the no-excuse absentee ballot ruling now in effect for the June 2nd primary to the general election. This is one more example of how the COVID-19 situation may influence long term changes in the laws and rules that govern America's electorate.

**Massachusetts:** Early this week, Massachusetts Secretary of State Bill Galvin (D) informed the state legislature that the body must pass any bill changing the election procedure as it relates to conducting the September 1st primary election by mail no later than June 2nd. Mr. Galvin is under statutory authority to begin printing ballots and cannot wait any longer than this point in early June. It is likely the state will adopt the all-mail format for the upcoming primary, but the members of the General Court will have to act quickly if the change is to be made.

**North Dakota:** Previously, Gov. Doug Burgum (R) issued an executive order allowing each county to decide if they wanted to convert to an all-mail June 9th primary. Like in Montana, which was operating under a similar order, all 53 North Dakota county clerks have opted for the all-mail format. Therefore, Montana and North Dakota will join the all-mail states at least for the upcoming primary election.



**Pennsylvania:** In addition to filing a lawsuit asking the judiciary to mandate ballot harvesting in the state, a new petition has been filed asking a judge to allow any mailed ballot postmarked on election day in either the primary or general election to be accepted and counted. Currently, county election authorities must receive absentee ballots no later than election day. The rulings will have to come quickly since the Pennsylvania primary is now June 2nd and mail voted has been greatly expanded.

**Texas:** While the Texas judiciary is in the middle of deciding lawsuits attempting to expand absentee balloting for the runoff and general elections, a new complaint was just filed that challenges the state's current practice of not requiring a reason for voting absentee of people over age 65, but forcing anyone under that age threshold to provide a reason for not appearing in person. The lawsuit states that the practice is unconstitutional because it doesn't treat all segments of the voting population equally.

**Utah:** The Utah convention Republican and Democratic delegates conducted their virtual nominating conventions over the weekend and we now have a Republican primary slate and a Democratic nominee.

The convention delegates sent Lt. Gov. Spencer Cox and former state House Speaker Greg Hughes to the Republican primary after five rounds of voting. Former Governor and US Ambassador Jon Huntsman, who was eliminated in the convention's second round, and ex-Utah Republican Party chairman Thomas Wright have qualified for the primary through the petition signature option, however.

The winner of the four-candidate June 30th primary election will face law professor Chris Peterson who captured 88% of the convention vote and clinched outright the Democratic nomination. Republican Gov. Gary Herbert is retiring.

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