



The Golden Apple

Reporting on the latest discord from Capitol Hill

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.

January 10, 2020

Happy new year! Congress returned this week to an agenda even more crowded than they'd expected. The House [approved a concurrent resolution](#) directing the President to stop the use of force against Iran. Speaker of the House Nancy Pelosi [announced today](#) that she will ask House Judiciary Committee Chairman Jerry Nadler (D-NY) to bring a list of managers and a transmission resolution to the House floor next week.

HUD proposes new fair housing rule

Yesterday the Department of Housing and Urban Development unveiled its [proposal for a new rule](#) to fulfill its statutory mandate to affirmatively further fair housing (AFFH). The proposal, which will be open for comment for 60 days once it appears in the Federal Register, would replace the 2015 AFFH rule, which HUD said was "ineffective, highly prescriptive, and effectively discouraged the production of affordable housing." HUD had already suspended the rule's requirement that local governments file plans for affordable housing, and withdrew a computer assessment tool local governments were required to use in preparing those plans. The proposal would create "a new process . . . that empowers individual jurisdictions to develop new approaches to AFFH." Rep. Maxine Waters (D-CA), Chairwoman of the House Financial Services Committee, [called the proposal](#) "yet another attack on fair housing that will be detrimental to all people."

CFPB grants no-action letter on BofA's partnerships with HCAs

This afternoon the Consumer Financial Protection Bureau (CFPB) issued a [no-action letter \(NAL\) to the Bank of America](#) on its funding arrangements with HUD-certified housing counseling agencies (HCAs). The letter was issued under the Bureau's new, streamlined NAL policy; the CFPB issued the first NAL on this topic in September, along with a template to serve as the basis for future no-action letters by mortgage lenders. The letter and the template are meant "to facilitate HCAs entering into such agreements with lenders and will enhance the ability of housing counseling agencies to obtain funding from additional sources," the Bureau said.

SEC seeks comment on NMS modernization plan

Earlier this week, the Securities and Exchange Commission voted to [propose an order](#) that would require the equities exchanges and the Financial Industry Regulatory Authority (FINRA) to file a new National Market System (NMS) plan "to increase transparency and address conflicts of interest and other issues presented by the current governance structure of the existing NMS plans." Structural changes in the equity markets and exchanges have

heightened conflicts of interest between the exchanges' commercial interests and their regulatory obligations, the SEC said. The proposed order would require participants to propose a "New Consolidated Data Plan" to be filed instead of the current Equity Data Plans. The proposal will be open for comment for 45 days after publication in the Federal Register.

USMCA to get broader Senate review

Five separate Senate committees will review and vote on [H.R. 5430](#), the US-Mexico-Canada Agreement, next week. The House approved the USMCA on December 19 by a vote of [385-41](#). The Senate Parliamentarian has referred the bill to the Committees on Appropriations; Budget; Commerce, Science, and Transportation; Environment and Public Works; Finance; Foreign Relations; and Health, Education, Labor, and Pensions. The Environment and Public Works Committee and the Budget Committee will vote on the bill on Tuesday. The Committee on Health, Education, Labor and Pensions and the Committee on Commerce, Science, and Transportation will vote on the bill on Wednesday, and the Senate Foreign Relations Committee will consider it on Thursday.

Confirmations, Nominations, Departures

- **Rep. Phil Roe (R-TN)** is the most recent Republican member of the House of Representatives to announce that he will not seek reelection. He is the 29th member and the 22nd Republican to retire from the House this year.
- **Rep. Duncan Hunter (R-CA)** resigned from the House of Representatives, effective January 13.
- **Rep. Jeff Van Drew**, who represents the Second District of New Jersey, switched party affiliations from Democratic to Republican this week.
- The Senate confirmed **Jovita Carranza** as Administrator of the Small Business Administration. She had previously served as Treasurer of the United States, and was Deputy Administrator of the SBA from 2007 to 2009.

Next Week in Washington

January 14 at 9:00 a.m. The Securities and Exchange Commission's Asset Management Advisory Committee will [hold its first meeting](#). Members will discuss "various aspects of the asset management industry as well as administrative items." It will stream live online at www.sec.gov.

January 14 at 10:00 a.m. House Financial Services Committee holds a hearing on "[On the Brink of Homelessness: How the Affordable Housing Crisis and the Gentrification of America are Leaving Families Vulnerable](#)."

January 14 at 10:00 a.m. House Veterans' Affairs Subcommittee on Economic Opportunity holds a hearing on "[Making HUD-VASH Work for all Veteran Communities](#)."

January 14 at 2:00 p.m. House Financial Services Committee holds a hearing on "[The Community Reinvestment Act: Reviewing Who Wins and Who Uses with Comptroller Otting's Proposal](#)."

President

California: In what could result in a delegate split among multiple candidates at the Democratic National Convention, the new Capitol Weekly California survey (1/1-9; 1,053 CA likely Democratic primary voters) gives such a conclusion more credence. It finds Sen. Bernie Sanders (I-VT) taking a slight 24-21-20-11% lead over Sen. Elizabeth Warren (D-MA), former Vice President Joe Biden, and South Bend Mayor Pete Buttigieg in the delegate rich Golden State primary (415 first ballot delegate votes) scheduled for Super Tuesday, March 3rd. To qualify for at-large delegate apportionment, candidates must secure 15% of the statewide vote.

Should this poll be an accurate prelude to the California primary, all four of these candidates would likely qualify for delegate apportionment and several more could add convention votes from the any of the state's 53 congressional districts.

Iowa: The international polling firm YouGov surveyed the Iowa Democratic electorate (12/27-1/3; 747 IA likely Democratic primary voters) and found three of the top four candidates in a flat tie with each claiming 23% support. The YouGov data indicates that Sen. Bernie Sanders (I-VT), former Vice President Joe Biden, and South Bend Mayor Pete Buttigieg are deadlocked. Sen. Elizabeth Warren (D-MA) trails with 18%, which would still be enough to qualify for delegate apportionment.

New Hampshire: The YouGov firm surveyed the New Hampshire Democratic electorate (12/27-1/3; 487 NH likely Democratic primary voters) and again finds the top four candidates likely in position to secure delegate votes from the first-in-the-nation primary. According to the latest YouGov Granite State polling results, Sen. Bernie Sanders (I-VT) has taken the lead with 27%, two points ahead of former Vice President Joe Biden. Sen. Elizabeth Warren (D-MA) records 18% in third place with South Bend Mayor Pete Buttigieg knocking on the door of the 15% delegate apportionment threshold with 13% preference.

Monmouth University released its latest New Hampshire polling numbers, now just one month before actual voting begins in the February 11th primary. According to the survey (1/3-7; 404 NH likely Democratic primary voters), Mayor Buttigieg, Mr. Biden, and Sen. Sanders would be in a virtual tie with a 20-19-18% respective division. Sen. Warren closely trails with 18%. New Hampshire has only 24 delegates but, as the first-in-the-nation primary, the Granite State is a national trend setter.

New Mexico: Emerson College provides us possibly the first Democratic presidential nomination survey data for one of the late primary states, New Mexico, whose electorate will vote with a group of three other states and the District of Columbia on June 2nd.

According to the survey (1/4-6; 447 NM likely Democratic primary voters), Sen. Bernie Sanders (I-VT) edges former Vice President Joe Biden, 28-27%, with businessman Andrew Yang surprisingly in third position with 10%. Sen. Elizabeth Warren (D-MA) and Mayor Pete

Buttigieg follow with only 8 and 7% preference, while former New York City Mayor Michael Bloomberg records a small 3% support figure. New Mexico has 34 first ballot delegates.

Ohio: For the first time in this election cycle, presidential candidates have been removed from a state ballot because of filing errors. According to Ohio Secretary of State Frank LaRose (R), Andrew Yang, former Rep. John Delaney (D-MD), and ex-Massachusetts Gov. Bill Weld (R) made "paperwork errors" that resulted in them being disqualified to compete in their respective primaries.

Thus, the Ohio ballot will feature only President Trump on the Republican side while Democrats will have 11 candidates from which to choose: Sen. Michael Bennet (D-CO), former Vice President Joe Biden, ex-NYC Mayor Michael Bloomberg, Sen. Cory Booker (D-NJ), Mayor Pete Buttigieg, Rep. Tulsi Gabbard (D-HI), Sen. Amy Klobuchar (D-MN), former Gov. Deval Patrick (D-MA), Sen. Bernie Sanders (I-VT), billionaire Tom Steyer, and Sen. Elizabeth Warren (D-MA).

Senate

Arizona: Blake Masters, president of the Thiel Foundation, announced that he will not challenge appointed Arizona Sen. Martha McSally for the 2020 Republican Senate nomination. Mr. Masters could potentially have raised large dollars from conservative base donors. The move certainly helps Sen. McSally in what will be a difficult general election battle against retired astronaut Mark Kelly (D).

The new Public Policy Polling survey of the Arizona electorate (1/2-4; 760 AZ registered voters) sees Mr. Kelly claiming a 46-42% slight edge over Sen. McSally. The poll overstated both Republican and Democratic partisanship by about 5 points apiece, while understating Independents by almost nine percentage points. How this skew might affect the ballot test outcome is unclear at this point.

Kansas: Despite US Secretary of State and former Kansas Congressman Mike Pompeo telling Senate Majority Leader Mitch McConnell that he will not run for the open Kansas Senate seat this year, outgoing Sen. Pat Roberts (R) said in an interview that his subsequent conversation with Mr. Pompeo suggested the Secretary was slightly less definitive about his ultimate decision. The Kansas candidate filing deadline is not until June 1st for the August 4th primary, so this political melodrama still has time to run.

Kentucky: Though retired Marine Corps helicopter pilot Amy McGrath (D) continues to raise big dollars and now reports having \$9.1 million in her campaign account to challenge Senate Majority Leader Mitch McConnell (R), a new Democratic challenger officially announced his candidacy this week. State Rep. Charles Booker (D-Louisville) says that he will run for the Senate and compete for the party nomination to be decided May 19th.

There are ten other announced Democratic candidates, but none of them appear competitive. It remains to be seen whether Mr. Booker, who may have a strong base within the African American community, can compete statewide with Ms. McGrath.

Michigan: The Glengariff Group national polling firm, which locates one of its two offices in Michigan and frequently polls the state, yesterday released their latest US Senate data (1/3-7; 600 likely general election voters). It again shows a race between Sen. Gary Peters (D) and businessman and retired Army Ranger John James (R) to fall within the polling margin of error. Glengariff reports that Sen. Peters would lead the race 44-40%, which is consistent with several other polls taken during the off-year. This race is clearly moving into top-tier status.

Mississippi: With Mississippi candidate filing closing today, it appears that Sen. Cindy Hyde-Smith (R), on the ballot for her first full six-year term this year, has dodged any major Republican primary challenge. Yesterday, Josh Randle, the former president of the Miss America Organization who had formed a Senate exploratory committee, announced that he will not file as a candidate.

Unless we see a surprise entry, Sen. Hyde-Smith looks to face only minor Republican opposition, if any at all. Former US Agriculture Secretary and ex-Mississippi Congressman Mike Espy is the consensus Democratic nominee. The general election will be a re-match from the 2018 special election that Ms. Hyde-Smith won 54-46%.

House

CA-50: Convicted California Rep. Duncan Hunter (R-Alpine) announced that he will leave office on January 13th, thus beginning a long vacancy for the San Diego County anchored 50th Congressional District. Mr. Hunter pledged to resign when he plead guilty to one charge of violating campaign finance law. After Mr. Hunter's announcement, Gov. Gavin Newsom (D) stated that he will not call a special election to fill seat, thus leaving the district without representation for the balance of this year.

NJ-2: Amy Kennedy, wife of former Rhode Island Congressman Patrick Kennedy (D), announced that she will enter the Democratic primary to challenge new Republican Rep. Jeff Van Drew (R-Dennis Township/ Atlantic City). Ms. Kennedy grew up in the district and her father, Jerry Sevell, was an Atlantic County Freeholder. The Democratic field lining up to oppose the party-switching Congressman is expected to be large. Four other Democrats, including Atlantic County Freeholder Ashley Bennett, have already announced their candidacies.

PA-8: When the Pennsylvania state Supreme Court took jurisdiction over the state's redistricting process the one Democratic district that became more competitive was Rep. Matt Cartwright's (D-Moosic/Scranton) re-numbered 8th District. With President Trump scoring a ten-point victory here in 2016, it is clear that Republicans will launch an offensive this year to convert the seat.

Three Republicans had already announced their candidacies and now a fourth has joined. Former Hazelton Mayor Mike Marsicano will run in the new 8th District as a Republican after serving in office as a Democrat and running as the party's nominee against then-Rep. Lou Barletta (R) in 2016. The Republican primary should produce a

competitive general election nominee opposite Rep. Cartwright.

TN-1: Tennessee GOP Congressman Phil Roe (R-Johnson City/Kingsport) announced over the weekend that he will not seek re-election later this year. The move is not surprising in that Mr. Roe pledged to only serve five terms when he was first elected in 2008. He ran again in 2018 because he said he still had unfinished work to complete as chairman of the House Veterans Affairs Committee.

When the Democrats gained the majority, however, Rep. Roe was obviously relegated to the ranking minority member position. A crowded Republican primary is expected, the winner from which will claim the seat in November.

VA-2: Former one-term Congressman Scott Taylor (R), who freshman Rep. Elaine Luria (D-Norfolk/Virginia Beach) unseated in 2018, announced that he will return for a re-match later this year. Previously, Mr. Taylor had entered the Senate race to challenge incumbent Mark Warner (D).

The 2nd District is politically marginal, so we can expect another close campaign here later this year. In '18, Ms. Luria defeated then-Representative Taylor, 51-49%, after a campaign scandal involving members of the Congressman's team attempting to qualify an Independent candidate to potentially draw some liberal votes away from the eventual Democratic nominee proved to weaken the incumbent's standing.

Governor

Indiana: State Sen. Eddie Melton (D-Gary), citing fundraising difficulties, said earlier this week that he will not file as a gubernatorial candidate when filing closes on February 7th for the May 5th state primary. Back in early October, Sen. Melton announced his statewide candidacy. Gov. Eric Holcomb (R) is seeking re-election to a second term. At this point, the Governor appears to be a heavy favorite to win the 2020 election and earn another four years in office.

Utah: The open Utah Governor's race has become more crowded. Former state House Speaker Greg Hughes joined the Republican field and will compete against Lt. Gov. Spencer Cox, who outgoing Gov. Gary Herbert (R) has already endorsed, ex-Gov. Jon Huntsman, businessman Jeff Burningham, and Salt Lake County Councilwoman Aimee Winder Newton.

Early polling gives Lt. Gov. Cox a definitive lead over Mr. Huntsman. The battle to succeed Gov. Herbert will be decided in the Republican primary since the Democrats don't appear competitive in the general election.

West Virginia: A newly released WPA Intelligence poll for the Woody Thrasher campaign (12/16-18; 502 WV likely Republican primary voters) casts a much different light upon the West Virginia gubernatorial primary campaign.

Just before the holiday break, the Research America group released a survey (12/4-9; 500

WV likely Republican primary voters) that found Gov. Jim Justice leading former state Commerce Secretary Thrasher and ex-state Delegate Mike Folk, 56-21-11%. The new WPAI data finds a considerably different result, seeing Gov. Justice maintaining only a 38-30-6% edge over Thrasher and Folk.

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