



Federal Reserve Board Extends Lending Facilities

On Tuesday, July 28, the Federal Reserve Board announced the extension of its lending facilities until December 31, 2020. Originally expiring on September 30, the lending facilities have held the goal of stabilizing and improving market functions, as well as enhancing the flow of credit to households, businesses, and state and local governments. The extensions apply to the Primary Dealer Credit Facility, the Money Market Mutual Fund Liquidity Facility, the Primary Market Corporate Credit Facility, the Secondary Market Corporate Credit Facility, the Term Asset-Backed Securities Loan Facility, the Paycheck Protection Program Liquidity Facility, and the Main Street Lending Program.

To review the press release published by the Federal Reserve: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200728a.htm>

Department of Labor Additional Workplace Guidance

On Monday, July 20, the U.S. Department of Labor (DOL) published additional guidance regarding how workers and employers are protected under the Fair Labor Standards Act (FLSA), the Family and Medical Leave Act (FMLA), and the Families First Coronavirus Response Act (FFCRA) as workplaces reopen during the COVID-19 pandemic. The published guidance includes materials for workers and employers, such as fact sheets, question and answer resources, and benefit information provided under the programs.

To review the press release and resources published by the DOL: <https://www.dol.gov/newsroom/releases/whd/whd20200720-0>

U.S. Department of Labor Issues OSHA Guidance

On Thursday, June 18, the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) published new guidance regarding the reopening of non-essential businesses during the COVID-19 pandemic. While not a regulation, this guidance provides the principles for updating the restrictions currently in place.

To review the press release by the Department of Labor: <https://www.dol.gov/newsroom/releases/osha/osha20200618>

To review the guidance published by OSHA: <https://www.osha.gov/Publications/OSHA4045.pdf>

HUD Extends Foreclosure and Eviction Moratorium

On Wednesday, June 17, the Federal Housing Administration (FHA) extended its foreclosure and eviction moratorium for single family homeowners through August 31, 2021. Applying to homeowners with FHA-insured Title II Single Family forward and Home Equity Conversion (reverse) mortgages, the extension halts new foreclosures and suspends active foreclosures, excluding legally vacant or abandoned properties), and ceases all evictions from FHA-insured Single Family properties, excluding actions to evict occupants of legally vacant or abandoned properties.

To review the press release published by the U.S. Department of Housing and Urban Development: https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_081

PPP Full Forgiveness Application

On Wednesday, June 17, the Department of Treasury published its revised Paycheck Protection Program (PPP) loan forgiveness application implementing the PPP Flexibility Act of 2020. Treasury also published a new EZ version of the forgiveness application applying to borrowers who are self-employed with no employees, did not reduce wages by 25 percent, did not reduce hours, or experienced reductions in activities due to the pandemic and did not recited wages by more than 25 percent.

To review the press release published by the Department of Treasury, as well as the new forgiveness applications: <https://home.treasury.gov/news/press-releases/sm1036>

HUD Assistance to People Living with Disabilities

On Monday, May 18, the U.S. Department of Housing and Urban Development announced \$77M in funding for people living with disabilities, to support up to 8,300 individuals through vouchers. Appropriated through the CARES Act, the funding will be provided through HUD's Section 811 Mainstream Housing Choice Voucher Program to provide affordable housing to non-elderly people living with disabilities.

To review the press release published by HUD: https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_067

To review the local impact of the announced housing assistance: <https://www.hud.gov/sites/dfiles/PA/documents/CARESActvoucherschart.pdf>

Federal Bank Regulatory Agencies Supplementary Leverage Ratio

On Friday, May 15, the Federal Reserve Board the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency announced a temporary change to their supplementary leverage ratio rule to provide the ability for certain depository institutions to provide credit to households and businesses, through the expansion of their balance sheets. The final rule permits depository institutions the option to exclude U.S. Treasury securities and deposits at the Federal Reserve Banks from the calculation of the supplementary leverage ratio, and if the institution chooses to do so, it must be approved by its primary federal banking regulator before making capital distributions.

To review the press release by the Federal Reserve: <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200515a.htm>

Report on the Economic Well-Being of U.S. Households

On Thursday, May 14, the Federal Reserve released the *Report on the Economic Well-Being of U.S. Households, Featuring Supplemental Data from April 2020*. In the report, the Fed found that conditions changed dramatically for people who experienced job loss or reduced hours during March 2020 due to the ongoing COVID-19 pandemic. In April 2020, the survey showed that 72 percent of adults were either "doing okay" or "living comfortably", compared to the 75 percent in the fall of 2019. The report outlines the surveying process, as well as an in depth review of the economic outlook for households.

To review the press release by the Federal Reserve: <https://www.federalreserve.gov/newsevents/pressreleases/other20200514a.htm>

To review the Report on the Economic Well-Being of U.S. Households: <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf>

Term Sheet for the Municipal Liquidity Facility

On Monday, May 11, the Federal Reserve Board published updates to the term sheet for the Municipal Liquidity Facility (MLF). The updated term sheet provides information on pricing, eligibility, security, and the issuing of notes. The updated term sheet further establishes a pricing appendix for tax-exempt eligible notes.

To review the updated term sheet by The Federal Reserve: <https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20200511a1.pdf>

HUD Allocates CARES Funding

On Monday, May 11, The U.S. Department of Housing and Urban Development announced \$1B in funding for COVID-19 relief. Appropriated through the CARES Act, the funding will provide support through the Community Development Block Grant (CDBG) program to assist low-income individuals with access to food, health care, and other basic needs, support families impacted by economic and housing market distributions, and provide funding to reduce risk of transmission of COVID-19.

To review the press release by HUD: https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_062

To review the allocations of funding by HUD: <https://www.hud.gov/sites/dfiles/PIH/documents/Round2AllocationCDBG.pdf>

HUD Public House Authority Funding

On Tuesday, May 5, the U.S. Department of Housing and Urban Development (HUD) announced \$380M in supplemental administrative funding to all Public Housing Authorities (PHA). Appropriated through the CARES Act, the funding may be used nationwide for administrative fees and new costs related to protecting families and employees during the COVID-19 pandemic. Expanded eligible activities include obtaining cleaning supplies or services, relocating families due to the pandemic, costs to support service vendors due to COVID-19, childcare costs for children of PHA staff, and costs to retain or increase participation in the Housing Choice Voucher Program, amongst others.

To review the press release by the U.S. Department of Housing and Urban Development: https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_060

To review the allocation of funding: <https://www.hud.gov/sites/dfiles/PA/documents/CaresACT380M.pdf>

Economic Injury Disaster Loans Available to U.S. Agricultural Businesses

On Monday, May 4, the U.S. Small Business Administration (SBA) expanded eligibility of the SBA's Economic Injury Disaster Loan (EIDL) and EIDL Advance programs to include agricultural businesses, providing additional funding to farmers, ranchers, and other agricultural businesses impacted by the COVID-19 pandemic. Under the new rule, the businesses eligible include those engaged in the legal production of food and fiber, ranching, and raising of livestock, aquaculture, and all other farming and agricultural related industries with fewer than 500 employees. The SBA further stated that new applications will be accepted on a limited basis.

To read the press release by the U.S. Small Business Administration: <https://www.sba.gov/about-sba/sba-newsroom/press-releases-media-advisories/sba-make-economic-injury-disaster-loans-available-us-agricultural-businesses-impacted-covid-19>

EPA Environmental Justice Communities Grant

On Thursday, April 30, the Environmental Protection Agency announced \$1M in grant funding made available to states to assist local environmental justice communities in supporting low-income and minority communities burdened by the COVID-19 pandemic. Made available through the Environmental Justice Cooperative Agreement Program, the funding will be used towards public education, training, and emergency planning for communities impacted due to COVID-19.

Awards are expected for five grants at \$200k each, for a maximum of a two-year funding period.

To read the press release by the EPA: <https://www.epa.gov/newsreleases/epa-provides-grant-funding-support-environmental-justice-communities-impacted-covid-2>

Department of Education

On Thursday, April 30, the Department of Education announced nearly \$1.4B in funding direct to minority serving Institutions as well as institutions providing service for low-income students in order to continue learning and growth during the COVID-19 pandemic. These institutions include Historically Black Colleges and Universities and Tribally Controlled Colleges and Universities. Provided through the CARES Act, this funding may be used to cover expenses incurred from technologies to provide distance education, attendance costs for eligible students, training, and operational costs. Priority will be provided to schools who have not yet been allocated at least \$500k from the Higher Education Emergency Relief fund of the CARES Act.

To read the press release published by the Department of Education: <https://www.ed.gov/news/press-releases/secretary-devos-delivers-nearly-14-billion-additional-cares-act-relief-funds-hbcus-minority-serving-institutions-and-colleges-and-universities-serving-low-income-students>

Main Street Lending Program

On Thursday, April 30, the Federal Reserve Board announced an expansion of the scope and eligibility of the Main Street Lending Program to improve the credit flow to small and medium-sized businesses hindered by the COVID-19 pandemic. This announcement creates a new priority loan option with increased risk sharing by lenders for borrowers with greater leverage,

lowers the minimum loan size for new and priority loans to \$500k, and expands the businesses eligible to borrow. The new priority loan option allows for lenders to retain a 15 percent share on loans if they do not exceed six times a borrower's income when added to existing debt, and further allows for businesses with up to 15,000 employees or up to \$5B in annual revenue to apply, increasing eligibility for the program.

To read the press release by the Federal Reserve Board: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200430a.htm>

Expansion of the Municipal Liquidity Facility

On Monday, April 28, the Federal Reserve Board announced the expansion of the Municipal Liquidity Facility (MLF), by offering up to \$500B in lending to states and municipalities to manage and improve cash flow hindered by the COVID-19 pandemic. The MLF will purchase \$500B of short-term notes issued by US states, counties, and cities who meet the new eligibility requirements of having a county population of at least 500,000 residents, or a city population of 250,000 residents. The new eligibility rule also increases the maturity date of issuance from 24 months, to 36 months, and declares that eligible issuers must have an investment grade rating from at least two major nationally recognized statistical rating organizations as of April 8, 2020.

To read the press release by the Federal Reserve Board: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200427a.htm>

Deferment of Duties and Fees for Certain Importers

On Saturday, April 18, President Trump signed an Executive Order enabling the Secretary of Treasury to provide relief to certain U.S. importers during the COVID-19 pandemic through the deferment of duties and fees. Via a joint Temporary Interim Final Rule issued by Treasury and Customs and Border Protection, certain U.S. importers will have a 90-day deferment period on the payment of duties, taxes, and fees on imports from March and April. This temporary rule does not change deadlines for tariffs and fees for goods subject to antidumping and countervailing duties, and will be made available to importers who have endured serious financial hardships due to COVID-19.

To view the press release by Treasury: <https://www.cbp.gov/newsroom/national-media-release/treasury-and-cbp-announce-deferment-duties-and-fees-certain#>

Opening Up America Again

On Thursday, April 16, the Trump Administration released the guidelines for Opening Up America Again, the plan to restart the American economy following the COVID-19 pandemic. The plan is a step by step reopening of the American economy in three phases. Phase one, is a continuation of current guidelines, while phase two is a loosening of current restrictions including reopening schools, allowing gatherings of 50 people or less, and allowing large venues to operate under distancing protocols, and phase three is what the administration is calling a return to the "new normal." The guidelines detail the requirements for enactment of each phase, defined by symptoms, cases, and hospital capacity, and that each phase must last at least 14 days. The administration expressed that the guidelines will be enacted on a voluntary case-by-case basis, dependent on the effect of COVID-19 in states, localities, and counties.

To review the White House Guidance: <https://www.whitehouse.gov/openingamerica/#criteria>

Department of Education Emergency Cash Grants

On Thursday, April 9, U.S. Secretary of Education Betsy DeVos announced that \$6.28B will be distributed to colleges and universities to provide direct emergency cash grants to college students struggling due to COVID-19, available through the Higher Education Emergency Relief Fund authorized in the CARES Act. This authorization requires colleges and universities to utilize the funds to provide cash grants to students regarding expenses incurred from educational disruptions due to COVID-19. The amount allocated to schools is set by the formula declared in the CARES Act and is dependent on full-time student populations.

The Department of Education stated that the funding will be administered in the coming weeks and an institution must send a signed certificate acknowledging the guidance for distribution to the Department in order to receive funding. The institution will determine which students will receive cash grants.

To read the press release from the Department of Education: <https://www.ed.gov/news/press-releases/secretary-devos-rapidly-delivers-more-6-billion-emergency-cash-grants-college-students-impacted-coronavirus-outbreak>

Federal Reserve 2.3T in Loans

On Thursday, April 9, Treasury and the Federal Reserve Board announced actions to provide up to \$2.3T in loans assisting households and employers of all sizes, as well as assisting state and local governments in delivering critical services through

the COVID-19 national emergency. The loans will provide \$600B to small and mid-sized businesses through the Main Street Lending Program, with a \$75B equity investment to implement the program, \$500B to state and local governments through the establishment of the Municipal Liquidity Facility, with a \$35B equity investment to implement, and \$850B to households and businesses through the expansion of the Primary and Secondary Market Corporate Credit Facilities and the Term Asset-Backed Securities Loan Facility, with \$85B in credit protection provided by Treasury. The Fed further stated that the funding will increase the effectiveness of the Paycheck Protection Program (PPP) by extending credit to eligible financial institutions that originate PPP loans, taking the loans as collateral at face value.

To read the Federal Reserve press release of the loans provided: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm>

Paid Leave under the Families First Act

On Wednesday, April 1, the US Department of Labor (DOL) announced new action regarding the benefits provided to employers and employees through the Families First Coronavirus Response Act. The rule allows for the administration of the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act. Under these provisions, certain employers will provide up to 80 hours of paid sick leave for reasons related to the COVID-19 national emergency, and certain employers will provide up to 10 weeks of paid, and two weeks unpaid, emergency family and medical leave if an employee is caring for a child due to COVID-19. These temporary provisions, currently in effect, are set to expire on December 31, 2020.

To review the temporary rule from the Department of Labor: <https://www.dol.gov/agencies/whd/ffcra>

To review the press release provided by the Department of Labor: <https://www.dol.gov/newsroom/releases/whd/whd20200401>

Unemployment Insurance

On Monday, March 30, the House Ways and Means Committee Republican minority released an in-depth review of the unemployment insurance provisions within the recently passed CARES Act. The CARES Act will dedicate \$250B to workers by providing further access to unemployment benefits regarding the COVID-19 national emergency. The legislation adds various benefits, including a temporary Pandemic Unemployment Program, an expansion of unemployment insurance to self-employed workers, contractors, and furloughed workers, waiving of the traditional one-week waiting period to receive unemployment benefits, and makes available 13 additional weeks of unemployment for those in desperate need, who exceed a state's maximum time to remain on unemployment benefits. With the new provisions of the CARES Act, workers would receive an additional \$600 per week, as taxable income, on top of what is already included by the State, limited until July 31, 2020. Along with the increase of this unemployment income, the Act further provides funding to offset 50% of the costs of state and local government and non-profits in respect to the cost incurred of paying unemployment benefits.

The Summary of the Unemployment Insurance Provisions: <https://gop-waysandmeans.house.gov/cares-act-unemployment-insurance-questions-answered/>

Cybersecurity and Infrastructure Security Agency Essential Workforce Version 2.0

On Saturday, March 28, the Cybersecurity and Infrastructure Security Agency (CISA) released a new memorandum regarding the new guidance of essential critical infrastructure workers during the COVID-19 national emergency. This listing of essential workers is in no means legally binding, and is rather meant as an advisory to use a guidance when each state, local, tribal, and territorial government implements an essential critical infrastructure workforce order. Version 2.0 expands on the various essential economic sectors from version 1.0 of the memorandum, focusing on supply chain necessities, while also establishing essential workers with residential and shelter facilities and services, as well as hygiene products and services.

To review the CISA Essential Critical Infrastructure Workers Version 2.0: https://www.cisa.gov/sites/default/files/publications/CISA_Guidance_on_the_Essential_Critical_Infrastructure_Workforce_Version_2.0_Updated.pdf

Loan Modifications and Reporting for Financial Institutions

On Sunday, March 22, the various Federal and state prudential banking regulators released a joint statement regarding guidance on accounting for loan modifications amidst the COVID-19 pandemic. Within the guidelines, the banking regulators are emphasizing loan modification programs as ways to mitigate the effects of COVID-19, and will not automatically categorize COVID-19 loan modifications as trouble debt restructurings (TDRs), nor will they hold institutions negatively accountable for working with borrowers as part of a risk mitigation strategy. The agencies have declared that short-term modifications made on a good-faith basis in response to COVID-19 to borrowers, who are less than 30 days past the due of their contractual payments, are not TDRs. The agencies further declared that institutions are not expected to designate deferred loans as past due if the deferral was granted due to COVID-19.

The full joint statement can be found here: https://fasb.org/cs/Satellite?c=FASBContent_C&cid=1176174374016&pagename=FASB%2FFASBContent_C%2FNewsPage

Payroll Tax Credits

On Friday, March 20, the U.S. Treasury Department, Internal Revenue Service (IRS) , and the U.S. Department of Labor (DOL) announced two new payroll tax credits available for small and midsize employers, as provided under the Families First Coronavirus Response Act, signed into law on March 18. These tax credits, for companies with less than 500 employees, provide employees paid sick leave as well as expanded family and medical leave due to the COVID-19 national emergency. Within the provisions due to COVID-19, employees will receive up to 80 hours of sick leave and expanded paid child care when schools are closed or a care provider is unavailable, employers will receive 100% reimbursement for paid leave while facing no payroll tax liability, and small businesses will have the exemption, if an employer has less than 50 employees, to forgo the requirement to provide leave to care for a child whose school is closed or care is unavailable if the viability of the business is seriously threatened.

Along with these provisions, Treasury also stated that companies can receive up to \$511 per day under the paid sick leave credit, for a total of 10 days for each employee, companies can receive up to \$200 a day under to family and medical leave credit, for a total of 10 days for employees, and employers can receive up to \$200 per day for up to 10 weeks as a refundable childcare leave credit.

The full statement of the tax credit provisions by the U.S. Treasury Department: <https://home.treasury.gov/news/press-releases/treasury-irs-and-labor-announce-plan-to-implement-coronavirus-related-paid-leave-for-workers-and-tax-credits-for-small-and-midsize-businesses-to-swiftly-recover-the-cost-of-providing-coronavirus-related-leave>

Student Loans

On Friday, March 20, The U.S. Department of Education announced that the office of Federal Student Aid will set the interest rate to 0% for all borrowers with federally held student loans, and that each of these borrows will have the option to suspend student loan payments for at least two months. Secretary DeVos has also authorized an automatic suspension or payments for a borrower who is more that 31 days delinquent, or becomes more than 31 days delinquent, during this 60 day period.

The Statement by the Department of Education: <https://www.ed.gov/news/press-releases/delivering-president-trumps-promise-secretary-devos-suspends-federal-student-loan-payments-waives-interest-during-national-emergency>

K-12 Standardized Testing

On Friday, March 20, The U.S. Department of Education announced that K-12 schools impacted by closures due to the COVID-19 national emergency can bypass standardized testing for the 2019-20 school year. The Department declared that with a proper request, any state that is unable to assess its students due to the national emergency will be granted a waiver to cancel federally mandated testing for the school year. The Department further declared that, since federal mandated testing is used to assess student performance, states can also receive a one-year waiver from the requirement that said testing data will be used in the statewide accountability system.

The Statement from the Department of Education: <https://www.ed.gov/news/press-releases/helping-students-adversely-affected-school-closures-secretary-devos-announces-broad-flexibilities-states-cancel-testing-during-national-emergency>

Essential Critical Infrastructure Workforce

On Thursday, March 19, the Cybersecurity and Infrastructure Agency (CISA) released a memorandum regarding a guideline of essential workers in critical infrastructure industries, following the President's updated Coronavirus Guidance for America on March 16. In the memo, CISA published an advisory list of essential critical infrastructure workers to assist State and local officials and communities in times of national emergency. While not binding in any federal authority, the list addresses the recommendations of CISA for the crucial workers in industries such as communications, manufacturing, healthcare, energy, agriculture, government, finance, emergency services, and so on.

The list published by the Cybersecurity and Infrastructure Agency can be found here: <https://www.cisa.gov/publication/guidance-essential-critical-infrastructure-workforce>

Income Tax Delay and Deferral

On Wednesday, March 18, the U.S. Treasury Department and Internal Revenue Service (IRS) issued an order allowing for all individual and other non-corporate tax filers to defer up to \$1M of federal income tax payments until July 15, 2020, without penalties or interest. Treasury and the IRS are also allowing for corporate taxpayers to defer up to \$10M of federal income tax payments until July 15, 2020.

Following the statement regarding tax deferrals, The Department further declared that the tax filing deadline for all federal income taxes will be pushed from April 15, to July 15. Treasury clarified that this only applied to federal income tax and not to state tax payments, deposits, or any other type of federal tax.

To read the statement by the Treasury Department regarding the tax filing deadline: <https://home.treasury.gov/news/press-releases/treasury-and-irs-delay-federal-tax-day-from-april-15-to-july-15-due-to-covid-19-outbreak>

To read the statement by the Treasury Department regarding deferring tax payments: <https://home.treasury.gov/news/press-releases/sm948>

HUD Foreclosure Guidelines

On Wednesday, March 18, The U.S. Department of Housing and Urban Development (HUD) enacted an immediate foreclosure and eviction moratorium for single family homeowners with Federal Housing Administration (FHA) insured mortgages, for 60 days. The guidelines of the moratorium are for HUD to halt all evictions from FHA-insured single-family properties, as well as stop all new foreclosure actions and to suspend all foreclose actions currently in process. The Federal Housing Finance Agency (FHFA) has declared that if your mortgage is impacted, and your loan is owned by Fannie Mae or Freddie Mac, that homeowners will not incur late fees, nor have delinquencies reported to the credit bureaus.

The statement by HUD can be found at: https://www.hud.gov/press/press_releases_media_advisories/HUD_No_20_042

The moratorium can be found at: <https://www.hud.gov/sites/dfiles/OCHCO/documents/20-04hsgml.pdf>

The statement by FHFA: <https://www.fhfa.gov/Homeownersbuyer/MortgageAssistance/Pages/Coronavirus-Assistance-Information.aspx#Enterprises>

If you have any questions about the information in this alert, please contact one of the Dykema attorneys below.



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