



August 24, 2020

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 90 – August 24 at 2:00 PM

1. Latest on the Main Street Lending Program

The Congressional Oversight Commission authorized to review the CARES Act programs issued its fourth report on August 21st. The panel conducted an oversight hearing on the MSLP on August 7th with Boston Fed President and CEO – the officer in charge of the MSLP – as a key witness. The Commissioners were uniformly critical of the program and its slow implementation, and those criticisms are clearly reflected in their August 21st Report.

Regarding the glacially slow launch of the program, the report notes that:

The Main Street Lending Program has seen modest initial activity thus far. As of August 19, 2020, eligible lenders had issued loans totaling \$496.8 million under the program. The Federal Reserve's participation amount in these loans is \$472 million—about 0.07% of the program's \$600 billion lending capacity. As of August 10, 2020, 522 lenders have registered with the program, although only 160 had publicized that they are accepting loan applications from new customers.

The Report includes a number of recommendations for improvements in the program:

(1) decreasing the Main Street Lending Program's minimum loan size, (2) extending the maturity for Main Street loans from five to seven years and pushing back amortization to year four, (3) raising EBITDA standards (possibly only if a lender will retain a higher portion of loans made to more leveraged companies) and/or creating an asset based lending facility, (4)

relaxing the Main Street Lending Program’s affiliation rules, (5) expanding the Main Street Lending Program to nonbank lenders like Business Development Corporations (BDCs), fintech lenders, and Community Development Financial Institutions (CDFIs), and (6) creating enforceable employee retention mandates. The Commissioners’ views differed on the wisdom of adopting any or all of these proposals, but this report includes a full discussion of the relative policy merits of each.

While making specific recommendations, the Commission expressed skepticism about whether their recommended changes would work:

The Commissioners’ views differed regarding whether further modifications to the program’s structure and terms would succeed in serving more businesses and their employees, and whether such changes would be prudent, but the Commission does agree that time is of the essence. The Commission recommends that the Federal Reserve and the Treasury expedite their processes for considering (and, if appropriate, implementing) modifications and hasten the rollout of the nonprofit facilities.

You can read the full Oversight Commission Report **HERE**.

<https://www.naw.org/wp-content/uploads/2020/08/COC-Report.pdf>

2. Latest on Economic Recovery and Re-Opening the Workplace

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars and seminars that you may find useful:

Department of Labor Issues Guidance on Unemployment Insurance and Teleworking

The U.S. Department of Labor’s Wage and Hour Division issued a “Field Assistance Bulletin” (FAB) which helps clarify what an employer must do to track work done by employees who are teleworking. This bulletin was issued to help employers who are currently allowing employees to telework due to the COVID-19 pandemic, but the bulletin applies to all telework or remote work arrangements regardless of whether they

arose from COVID-19 or not. You can view the Field Assistance Bulletin by clicking [HERE](#).

Additionally, the U.S. Department of Labor released guidance for President Trump's executive order on expanded unemployment insurance, called Lost Wages Assistance (LWA) program. As you may know, the LWA program provides most unemployment insurance claimants up to an additional \$400 per week in benefits. This Executive Order was issued in response to Congress not being able to come to an agreement on extending the original expanded unemployment insurance program that was authorized under the CARES Act. You can view the guidance [HERE](#).

From IBM Institute for Business:

The COVID-19 pandemic has been a shared experience. It has created unprecedented social challenges and presented a unique trilemma for consumers. People across the U.S. are worried about their: (1) personal health and safety; (2) economic future and job security; and (3) individual privacy and liberty. And, based on an ongoing study by the IBM Institute for Business Value (IBV)—which has surveyed more than 54,000 respondents in the United States between April and July 2020—there doesn't seem to be any relief in sight.

To read the full report, click [HERE](#).

From Littler Law Firm:

[Facing Your Face Mask Duties – A List of Statewide Orders](#)

As businesses re-open, face coverings are likely to remain popular as a preventative measure. This post identifies the jurisdictions where face coverings are recommended or required.

From Littler Law Firm:

[Bouncing Back: A List of Statewide Return to Work Protocols](#)

Government officials across the country are easing up on stringent business closures. The chart provides links to re-opening plans and orders that have been issued thus far, at the statewide level.

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation.

To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**.

To view their spreadsheet, click [HERE](#).

Click here for links to Critical Updates sent previously.

<https://www.naw.org/wp-content/uploads/2020/08/Critical-Updates-ALL.pdf>

Many thanks—

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