

TO: NAW Direct Members

FROM: NAW Government Relations Team

**RE: NAW Critical Update June 3**

## 1. Latest on the Fed's Lending Programs & Purchasing Facilities

Significant doubt exists about whether businesses will be eager to participate in the MSLP in part because of the interest rate and short 4-year loan term. In its hour-long webinar today for borrowers on the MSLP, the Fed officials answered several dozen questions, including queries about whether there might be changes in those loan terms. They still did not provide a date certain for the program to begin lending, saying it was still a matter of days.

Today's webinar will be archived and should be available this afternoon, with accompanying slide deck and FAQ on the program [HERE](#).

Yesterday, *Politico* reported that the Fed's Main Street Lending Program might be in danger of fizzling out before it even gets off the ground. According to the report, some borrowers complain that the program imposes interest rates that are too high and requires businesses to pay back loans too quickly. Companies will face unwelcome curbs, mandated by Congress, on stock buybacks, dividend payments and executive pay. To read the full report, click [HERE](#).

According to a *Wall Street Journal* report, companies are now reluctant to sign up for Fed purchases because such a move could be seen as a sign of weakness during a market rebound, some bond fund managers and bank executives said. To read the full *WSJ* report, click [HERE](#).

### **Latest on Paycheck Protection Program:**

Efforts remain underway in the Senate to pass the House-passed PPP Flexibility Act, but there are objections on the Republican side, and likely on the Democrat side as well. Although debate is occurring on the bill, it is unclear when it will pass.

And in addition to other problems with the PPP, *The Hill* reported yesterday that a glitch in a U.S. government system caused numerous small businesses to receive coronavirus aid loans twice or more. The money that was mistakenly distributed more than once

could be upwards of hundreds of millions of dollars that the government and lenders are attempting to identify and recover. To read the full report, click [HERE](#).

## 2. Issues Unrelated to COVID-19

Today, Democrats in the House of Representatives introduced their long-promised infrastructure bill, which proposes to spend \$494 billion over five years. The House Democratic Majority Leader, Steny Hoyer, has stated that the chamber's infrastructure package includes many of the legislative proposals that the House Select Committee on the Climate Crisis is currently working on and that any proposals for curbing emissions will be rolled into this infrastructure plan. As you may remember, the House Select Committee on the Climate Crisis was created to implement the Green New Deal, which had originally been expected to put forward a broad climate bill this year.

The legislation does not include any method of paying for the programs, which will be key to passing any major infrastructure package. There is a chance that the House Ways and Means Committee may take up the mantle on paying for this legislation. NAW will be monitoring this closely due to earlier rumors of repealing LIFO being used as way to free up money to pay for this bill. You can view a summary of the bill [HERE](#).

An article in *Roll Call* today provides more information on the House infrastructure legislation and how it may move forward with the Senate. To read this article, click [HERE](#).

## 3. Latest on Re-Opening the Economy

With state and local governments gearing back up to re-open the economy, many employers are seeking answers to the challenging issues they will face as they resume their business operations amidst COVID-19.

**Stateside Associates** publishes a daily report about State and Local Government responses to the evolving situation. Some of the new developments in today's report include:

- **Georgia** Governor Brian Kemp (R) has issued another order entitled Reviving a Healthy Georgia providing more guidance for re-opening the state.

- **New York** Governor Andrew Cuomo (D) issued an order extending the property tax deadline for certain counties by 21 days.
- **Oklahoma** Governor Kevin Stitt (R) issued Executive Order 2020-20, which updated Executive order 2020-13 about the state of emergency due to the COVID-19 Outbreak.

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, go to:

[https://docs.google.com/spreadsheets/d/e/2PACX-1vRIJWZJ7OkGUW57\\_rdA2n3xBJ3qjW6u4Z9N6K9Y5L4bM\\_6H7-S308qdKmJfpVstYWf300nyujvZPFSy/pubhtml?urp=gmail\\_link](https://docs.google.com/spreadsheets/d/e/2PACX-1vRIJWZJ7OkGUW57_rdA2n3xBJ3qjW6u4Z9N6K9Y5L4bM_6H7-S308qdKmJfpVstYWf300nyujvZPFSy/pubhtml?urp=gmail_link)

[Click here](#) for links to Critical Updates sent previously.

Many thanks—

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