

# Legislative Update for the Payments Industry

Payments Law Virtual Bootcamp – June 8, 2020

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## Legislative Response to COVID-19

- Coronavirus Preparedness and Response Supplemental Appropriates Act, March 4, 2020 (H.R. 6074)
  - \$8.3 billion emergency funding for federal agency response
  - Developing vaccines, medical supplies, grants for public health agencies, small business loans
  - Temporary waiver of Medicare restrictions and telehealth service requirements
- Families First Coronavirus Response Act, March 18, 2020 (H.R. 6201)
  - Free coronavirus testing, paid leave, unemployment insurance, food security, Medicaid funding

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## Legislative Response to COVID-19

- Coronavirus Aid, Relief, and Economic Security Act, March 27, 2020 (H.R. 748)
  - \$2 trillion relief
  - \$1200 to each American making \$75,000 a year or less
  - Adds \$600/week to unemployment benefits for four months
  - \$100 billion to hospitals and health providers
  - \$500 billion loans to businesses, states, municipalities
  - \$32 billion in grants to airlines
- Paycheck Protection Program and Health Care Enhancement Act, April 24, 2020 (H.R. 266)
  - \$484 billion relief
  - Replenished the Paycheck Protection Program (PPP) for small businesses
  - Public health measures (virus testing, hospital funding)

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## Ongoing COVID-19 Relief Priorities

- Continuing small business support
- Replenishment of the Paycheck Protection Program
- Expand approved uses for PPP funding
  - Other needs: technology infrastructure
    - Online order fulfillment, curbside mobile payments
- Deployment of resources from banks and fintech lenders
- Liability protections for essential businesses
  - Lawsuits from customers and employees in critical infrastructure businesses alleging coronavirus infection because they had to keep working

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## Support from the Payments Industry

- Mechanisms to distribute funds to Americans without direct deposit on file with the IRS
  - Prepaid cards
  - Digital wallets
- Access to safe, convenient, and affordable payment services
  - Virtual cards, push payments, peer-to-peer payments, prepaid products

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## Post-COVID Concerns

- Protecting the payments systems from bad actor capitalizing on virus fears
- Corporate governance
- Privacy and data security
- Liability protection
- State revenue generation
  - Tax initiatives
    - Real-time sales tax
    - Business and occupations tax
  - Compliance inquiries and state law enforcement

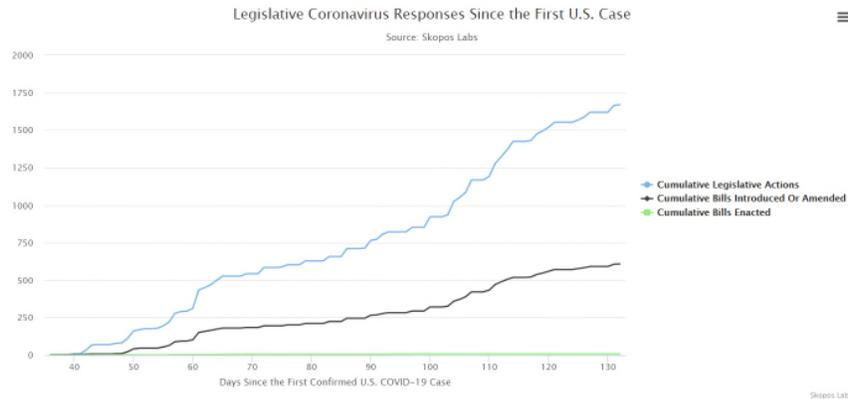
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## COVID-19 Legislative Proposals

- 607 bills pending in Congress (as of June 3, 2020)



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## New Legislation Related to COVID-19

- Paycheck Protection Program Flexibility Act of 2020 (H.R. 7010) (Introduced May 26, 2020) (Rep. Phillips (D-MN-3))
  - Increases the forgiveness period from 8 weeks to 24 weeks
  - Eliminates 75/25 rule for forgiveness
  - Creates a safe harbor for employers that try to rehire workers
  - Allows full access to payroll tax deferment for businesses that take PPP loans
  - Increases loan maturity from 2 years to 5 years

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## Proposed Legislation Related to COVID-19 (Examples)

- A bill to increase penalties applicable under the Federal Trade Commission Act during the COVID-19 emergency (S. 3862) (Introduced June 2, 2020)
- A bill to ensure ethical and accountable use of COVID-19 relief funds, to prevent corruption and bias in the disbursement and supervision of those funds (S. 3855) (Introduced June 1, 2020)
- A bill to provide relief to workers impacted by COVID-19 and support for re-opening businesses (H.R. 7066) (Introduced June 1, 2020)
- A bill to direct the Secretary of Health and Human Services to award grants to states, Indian tribes, community-based entities, and primary care and behavioral health organizations to address behavioral health needs with respect to COVID-19 (H.R. 7080) (Introduced June 1, 2020)
- A bill to study the effects of changes to telehealth under the Medicare and Medicaid programs during COVID-19 (H.R. 7078) (Introduced June 1, 2020)

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## Other Issues Demanding Attention in Congress

- 12 Appropriations Bills
- Annual National Defense Authorization Act
- Reauthorize the Foreign Intelligence Surveillance Act
- Reauthorize the Surface Transportation Bill
- Reauthorize the Water Resources Development Act
- Social distancing, virtual hearings and markups, and extended times to vote

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