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# Legislative Group COVID-19 Update

March 20, 2020 | 4:39 p.m.

## Congressional and Legislative Updates

As we reported late yesterday afternoon, Senate Majority Leader Mitch McConnell sent out the “Phase Three” coronavirus package draft bill text, now known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). A summary prepared by Venable lawyers is attached.

After the text release, Republican Leadership staff met with committee staff, and Treasury Secretary Steve Mnuchin sat down with the chairmen from the aforementioned committees. This morning, work continued, with the Republican chairmen and Democratic ranking members beginning to walk through the bill in order to determine if it provides enough liquidity to the market and if it encompasses the right response by Congress.

Also this morning, McConnell went to the Senate floor and stressed the importance of doing something quickly and suggested he would file cloture on the motion to proceed to a vehicle on Saturday. We have heard that he has pushed that timing up, and the Senate may instead move a legislative vehicle today and file cloture on the motion to proceed to that vehicle. We expect it to be a regular “HR” bill that can carry revenue-impacting items.

If a deal is struck later today or tomorrow between Republicans and Democrats, there is time for drafting while some of the procedural time burns on the vehicle itself. This would speed up the process for final passage. For example, if a legislative vehicle is moved today, the intervening day would be Saturday, and the cloture vote on that motion to proceed would be on Sunday. If cloture is invoked on that motion to proceed, the Senate could burn up to 30 hours post-cloture prior to adoption of the motion to proceed. Once on the bill, a substitute amendment could be offered (with the deal text), and then clotures filed on the substitute and underlying vehicle.

Moving this quickly will require cooperation and a time agreement between Republicans and Democrats. If there is not an agreement, the process will take several days longer.

We have heard that Phase Three/CARES Act could have an appropriations component. This concept has had several iterations throughout the course of the day as negotiations have taken place. We hear that there is support for that from the Administration.

All of this could change, as it already has several times today. We will keep you apprised.

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## Takeaways from the White House Press Conference

### President Trump

- Held good conversations with Schumer and McConnell on future legislation
- Dept of Ed. will not enforce standardized testing requirements this year
- Effective immediately, all interest on federal student loans has been waived and federal lenders are to allow borrowers to suspend loan payments for the next 60 days
- Tax day moved to July 15 – extra time to file with no interest or penalties
- Applauds Newsom and Cuomo for their work so far in containing and addressing the virus in their areas
- Working with Mexico and Canada on border security to mitigate effects of virus on whole of North America
- Invoked DPA, national response coordination has been upgraded to the highest level
- Lifting travel/shipping restrictions so that companies can increase their supply lines in wake of the increased demand at grocery stores, department stores, etc.

### Vice President Pence

- Met with governors through FEMA – taking strong measures in their communities
  - Emphasis on locally executed, state managed, federally supported
- Working on Capitol Hill to pass economic recovery package, hope to see it passed early next week
- Pursuing any and all means available to provide necessary medical supplies to hospitals

### Secretary Pompeo

- U.S. and Canada agree to suspend all nonessential travel, excluding trade, tonight at midnight
- In talks with Mexico to do the same
- Recommending no international travel
- Be wary of rumors, i.e., U.S. military started virus in China, that there will be national lockdowns – both false

## Regulatory Roundup

Below are pertinent regulatory updates from today, but a comprehensive timeline of major financial regulatory actions is attached.

### Federal Reserve

- The Fed released another [statement](#) on its efforts to enhance the U.S. dollar liquidity with other central banks.
- The Fed [authorized](#) liquidity access to financial institutions that will be “secured by certain high-quality assets purchased from single state and other tax-exempt municipal money market mutual funds.” By securing these loans to municipal debt assets, this effort should provide aid to the municipal debt market.