DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

April 1, 2022

**VIA ELECTRONIC MAIL**

John R. Greenewald
The Black Vault
27305 W Live Oak Road
Suite 1203
Castaic, California 91384

Email: john@greenewald.com

Re: Your FOIA Request to Treasury (Treasury FOIA Case Number 2020-04-249)

Dear Mr. Greenewald:

This is an interim response to your Freedom of Information Act (FOIA) request dated April 16, 2020, in which you requested the following:

*"I respectfully request a copy of records, electronic or otherwise, of the following: All documents that pertain to the request, or instruction, or the action, to print President Donald Trump's name on the 2020 Stimulus checks. This would include, but not be limited to, e-mails, letters, memorandums, etc., that pertain to the subject of my request."*

Your request has been processed under the provisions of the FOIA, 5 U.S.C. § 552. A reasonable search was conducted for records that would be responsive to your request. In response to an initial search, 714 pages were located within the Departmental Offices of Treasury. After carefully considering these records, I am releasing 158 pages in part and 556 pages in full. The withheld information is protected from disclosure under the FOIA pursuant to 5 U.S.C. § 552 (b)(5) and (b)(6).

**FOIA Exemption 5** protects from disclosure those inter- or intra-agency documents that are normally privileged in the civil discovery context. The three most frequently invoked privileges are the deliberative process privilege, the attorney work-product privilege, and the attorney-client privilege.

**FOIA Exemption 6** concerns records and information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

There are no fees assessed at this time since allowable charges fell below $25.

Please advise if you are seeking additional records beyond what has been provided in this response. If I do not receive a response from you outlining additional records within 30 working days from the date of this letter, I will assume that this response has satisfied your FOIA request and will consider your request closed.

Since Treasury's response constitutes an adverse action, you will have the right to appeal this determination within 90 days of the issuance of a 'final' response letter. By filing an appeal, you preserve your rights under FOIA and give the agency a chance to review and reconsider your request and the agency's decision. Your appeal must be in writing, signed by you or your representative, and should contain the rationale for your appeal. Please also cite the FOIA reference or case number noted above. Your appeal should be addressed to:

Ryan Law, Deputy Assistant Secretary for Privacy, Transparency and Records
FOIA Appeal
FOIA and Transparency
Privacy, Transparency, and Records
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

If you submit your appeal by mail, clearly mark the letter and the envelope with the words "Freedom of Information Act Appeal." Your appeal must be postmarked or electronically transmitted within 90 days from the date of this letter.

If you would like to discuss this response before filing an appeal to attempt to resolve your dispute without going through the appeals process, you may contact the FOIA Public Liaison for assistance via email at FOIAPL@treasury.gov, or via phone at (202) 622-8098.

A FOIA Public Liaison is a supervisory official to whom FOIA requesters can raise questions or concerns about the agency's FOIA proces FOIA Public Liaisons can explain agency records, suggest agency offices that may have responsive records, provide an estimated date of completion, and discuss how to reformulate and/or reduce the scope of requests in order to minimize fees and expedite processing time.

If you are unable to resolve your FOIA dispute through our FOIA Public Liaison, the Office of Government Information Services (OGIS) also mediates disputes between FOIA requesters and federal agencies as a non-exclusive alternative to litigation. If you wish to contact OGIS, you may contact the agency directly at the following address, email address, fax, or telephone numbers:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road – OGIS
College Park, MD 20740-6001
Email: ogis@nara.gov
Telephone: (202) 741-5770
Toll free: 1 (877) 684-6448
Fax: (202) 741-5769

Please note that contacting any agency official, including a FOIA Analyst, FOIA Public Liaison, and/or OGIS, is not an alternative to filing a written administrative appeal and does not stop the 90-day appeal clock.

If you have any questions, please feel free to reach out to me via telephone at (202) 339-7604, or via email at karen.edwards@treasury.gov. Please reference Case #2020-04-249 when contacting our office about this request. Thank you for your time and consideration in this matter.

Sincerely,

Karen M. Edwards Digitally signed by Karen M. Edwards
Date: 2022.04.01 21:09:54 -04'00'

Karen Edwards
FOIA Analyst
FOIA and Transparency
Office of Privacy, Transparency, and Records

Enclosures
Responsive document set (714 pages)

# AM News Roundup March 27, 2020

**From:** [redacted]@treasury.gov>
**To:** _DL_FYI <_dl_fyi@do.treas.gov>
**Date:** Fri, 27 Mar 2020 13:47:03 -0400

**AM News Roundup**
**March 27, 2020**

**Secretary Steven Mnuchin**

- The Associated Press: Washington set to deliver $2.2 trillion virus rescue bill
- The Associated Press: Congress locks Trump oversight into $2.2 trillion package
- American Banker: Emergency coronavirus program gives fintechs a shot at SBA lending
- USA TODAY: Americans could see checks in 3 weeks
- USA TODAY: Stimulus deal brings Congress together; Crisis forces lawmakers to put partisanship aside
- The Washington Times: The check is almost in the mail for more than 120 million taxpayers
- The Washington Times: Jobless claims spike to 3.28 million as coronavirus impact spreads
- The Washington Times: Donald Trump says new coronavirus guidelines are on the way
- Los Angeles Times: BACK STORY; Your government bailout
- Los Angeles Times: CORONAVIRUS; Stimulus benefits special interests ;
- Los Angeles Times: THE NATION; McConnell gets sidelined on stimulus bill
- The New York Times: Virus Will 'Dictate' Economy's Restart, Powell Says
- The New York Times: U.S. 'Disaster Diplomacy' Yields Few Results
- The New York Times: Under Trump, Unfilled Posts Hinder Action
- The New York Times: Checks, Unemployment Benefits and More
- The New York Times: How to Spin Mind-Boggling Spending
- The New York Times: Poof! How the Fed Will Turn $454 Billion Into $4 Trillion
- The New York Times: Passing the Stimulus: Nonstarter at 9 A.M. To 96-0 at Midnight
- The Wall Street Journal: Big Cruise-Ship Lines Wouldn't Qualify for Aid Under Stimulus Package
- The Wall Street Journal: Mnuchin Says U.S. Financial Markets to Remain Open
- The Wall Street Journal: Small Businesses in Limbo as They Await Coronavirus Assistance for Them
- The Wall Street Journal: U.S. Coronavirus Cases Surpass Those of China, Italy
- The Wall Street Journal: Mnuchin Forms Task Force on Mortgage Firms' Cash Crunch
- Reuters: U.S. airlines to dash for cash grants, not loans, even with potential government stake
- Bloomberg: Virus Bill Set for Swift House Passage, But Stimulus May Be Slow
- The Washington Post: The dealmaker's dealmaker: Mnuchin steps in as Trump's negotiator, but president's doubts linger with economy in crisis
- The Washington Post: The stimulus package is a missed opportunity for American workers

**Treasury**

- The Wall Street Journal: House Leaders Rush to Get Quorum for Vote on $2 Trillion Rescue Package
- The Wall Street Journal: U.S. Stock Futures Drop, Signaling End to Three-Day Rally
- The Wall Street Journal: High-Frequency Traders Feast on Volatile Market
- The Wall Street Journal: U.S. Moving Forward With Rule to Limit Chips to Huawei
- The Wall Street Journal: Banks Urged to Issue More Small-Dollar Loans in Response to Outbreak
- The New York Times: Scrubbing In to Vote, the House Returns to Consider a $2 Trillion Stimulus Plan
- The New York Times: The National Debt Is About to Soar. Without a Rescue, It Would Probably Soar Even More.
- The Washington Post: Enormous coronavirus bill heads for House vote, as many lawmakers reluctantly return to Washington
- The Washington Post: U.S. markets sharply turn after three straight days of gains
- The Financial Times: US charges Venezuela's Nicolás Maduro with narco-terrorism
- The Financial Times: Investors should brace for another market dive
- The Financial Times: House rushes to reconvene for $2tn coronavirus stimulus vote
- The Financial Times: Why the Fed should put the Treasuries market on a war footing
- The Financial Times: Wall Street flees coronavirus and glimpses its mortality

**Administration**

- The New York Times: After Considering $1 Billion Price Tag for Ventilators, White House Has Second Thoughts
- The Financial Times: Trump and Xi speak after US and China trade barbs on coronavirus

**Other News**

- The Wall Street Journal: **What's the Best Way to Spend Your Stimulus Money?**
- The New York Times: **The World Is Running Out of Places to Store Its Oil**

**Secretary Steven Mnuchin**
The Associated Press

March 27, 2020 Friday 4:46 AM GMT

**Washington set to deliver $2.2 trillion virus rescue bill**



Section: BUSINESS NEWS

Length: 1060 words

Byline: By ANDREW TAYLOR, Associated Press

Dateline: WASHINGTON

Body
WASHINGTON (AP) - With rare bipartisanship and speed, Washington is about to deliver massive, unprecedented legislation to speed help to individuals and businesses as the coronavirus pandemic takes a devastating toll on the U.S. economy and health care system.

The House is set to pass the sprawling, $2.2 trillion measure Friday morning after an extraordinary 96-0 Senate vote late Wednesday. President Donald Trump marveled at the unanimity Thursday and is eager to sign the package into law.

The relief can hardly come soon enough. Federal Reserve Chairman Jerome Powell said Thursday the economy "may well be in recession" already and the government reported a shocking 3.3 million burst of weekly jobless claims, more than four times the previous record. The U.S. death toll has surpassed 1,000 from the virus.

It is unlikely to be the end of the federal response. House Speaker Nancy Pelosi said Thursday that issues like more generous food stamp payments, aid to state and local governments, and family leave may be revisited in subsequent legislation.

"There's so many things we didn't get in ... that we need to," Pelosi told reporters Thursday.

The legislation will pour $1,200 direct payments to individuals and a flood of subsidized loans, grants and tax breaks to businesses facing extinction in an economic shutdown caused as Americans self-isolate by the tens of millions. It dwarfs prior Washington efforts to take on economic crises and natural disasters, such as the 2008 Wall Street bailout and President Barack Obama's first-year economic recovery act.

But key elements are untested, such as grants to small businesses to keep workers on payroll and complex lending programs to larger businesses. Millions of rebate payments will go to people who have retained their jobs.

Policymakers worry that bureaucracies like the Small Business Administration may become overwhelmed, and conservatives fear that a new, generous unemployment benefit will dissuade jobless people from returning to the workforce. A new $500 billion subsidized lending program for larger businesses is unproven as well.

First the measure must clear Congress. Leaders in both parties had hoped to pass the measure with a sparsely attended voice vote - remarkable for a bill of such magnitude - so scattered lawmakers don't have to risk exposure by travelling back to Washington.

But now it is feared iconoclastic Rep. Thomas Massie, R-Ky., an opponent of the bill, may seek to force a roll call vote. Democratic leaders summoned members back to Washington, at least those who are able and willing to return.

Friday's House session will also be unprecedented. Originally scheduled as a non-working "pro forma" meeting, the session will be extended to a debate on the bill - all conducted under social distancing rules to minimize the risk of transmitting the virus.

Rep. Jim Jordan, R-Ohio, one of the House's conservative leaders, said he wasn't aware of anyone planning to block a voice vote Friday but planned to talk more with colleagues before the vote.

"If that's the method used to get this to the American people, to get this passed, then I think lots of members are probably OK with that," Jordan said Thursday as he drove back to Washington. "I know the plan is for it to be a voice vote, and that's what the leadership has said they're for, and I think that's fine."

Wednesday night's unanimous Senate vote on the bill was especially striking - a united front that followed days of sometimes tumultuous negotiations and partisan eruptions. Democrats twice voted to block the bill to seek further add-ons and changes.

"The power of the argument that we had - that you need a strong government to solve these problems, both health and economic - carried the day," Schumer told The Associated Press on Thursday. "Had we not stood up on those two votes it wouldn't have happened."

Underscoring the effort's sheer magnitude, the bill finances a response with a price tag that equals half the size of the entire $4 trillion-plus annual federal budget. The $2.2 trillion estimate is the White House's best guess of the spending it contains.

The rescue bill would provide one-time direct payments to Americans of $1,200 per adult making up to $75,000 a year and $2,400 to a married couple making up to $150,000, with $500 payments per child.

Unemployment insurance would be made far more generous, with $600 per week tacked onto regular state jobless payments through the end of July. States and local governments would receive $150 billion in supplemental funding to help them provide basic and emergency services during the crisis.

"We call them checks in the mail, but most of them will be direct deposits," Treasury Secretary Steven Mnuchin told CNBC on Thursday. "It will be within three weeks. We're determined to get money in people's pocket immediately."

The legislation also establishes a $454 billion program for guaranteed, subsidized loans to larger industries in hopes of leveraging up to $4.5 trillion in lending to distressed businesses, states, and municipalities. All would be up to the Treasury Department's discretion, though businesses controlled by Trump or immediate family members and by members of Congress would be ineligible.

There was also $150 billion devoted to the health care system, including $100 billion for grants to hospitals and other health care providers buckling under the strain of COVID-19 caseloads.

Republicans successfully pressed for an employee retention tax credit that's estimated to provide $50 billion to companies that retain employees on payroll and cover 50% of workers' paycheck up to $10,000. Companies would also be able to defer payment of the 6.2% Social Security payroll tax. A huge tax break for interest costs and operating losses limited by the 2017 tax overhaul was restored at a $200 billion cost in a boon for the real estate sector.

An additional $45 billion would fund additional relief through the Federal Emergency Management Agency for local response efforts and community services.

Most people who contract the new coronavirus have mild or moderate symptoms, such as fever and cough that clear up in two to three weeks. For some, especially older adults and people with existing health problems, it can cause more severe illness, including pneumonia, or death.

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Associated Press writer Alan Fram contributed to this report.
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The Associated Press

March 27, 2020 Friday 4:38 AM GMT

**Congress locks Trump oversight into $2.2 trillion package**



Section: POLITICAL NEWS

Length: 1064 words

Byline: By MARY CLARE JALONICK and MATTHEW DALY, Associated Press

Dateline: WASHINGTON

Body
WASHINGTON (AP) - President Donald Trump declared that "I'll be the oversight" as lawmakers were in the final days of drafting what became a $2.2 trillion rescue plan for American businesses. In the end, Congress ensured that won't be the case.

The legislation, designed in part to help businesses and corporations hammered by closures due to the coronavirus pandemic, creates multiple layers of accountability for the billions of dollars in loans, grants and direct cash that will soon flow from the federal government. The House is expected to pass it Friday and send it to Trump for his signature.

The new oversight system will test the relationship between the White House and Congress, which frayed after Democrats won the House and deteriorated severely during Trump's impeachment as officials flouted requests for witnesses and documents.

Trump's assertion of responsibility for the coronavirus funds came Monday evening as his Treasury secretary, Steven Mnuchin, was on Capitol Hill crafting the package in late-night meetings with Senate Democratic Leader Chuck Schumer. Senate Majority Leader Mitch McConnell, R-Ky., and House Speaker Nancy Pelosi, D-Calif., had each introduced their own proposals, and Democrats said the Republican bill wasn't strong enough, arguing that it would create a "slush fund" for corporations.

In the end, the bipartisan final package incorporated much of what Democrats wanted, creating a trio of watchdogs, plus other checks, to try and ensure the money isn't misused. It establishes an oversight board made up of inspectors general, called the Pandemic Response Accountability Committee, stands up a separate dedicated inspector general position at the Treasury Department and creates a new committee of experts that reports to Congress.

Other accountability measures include more money for watchdogs in multiple federal agencies and requirements that the administration file detailed reports that analyze the flow of cash as it happens.

"Whenever you are appropriating over $2 trillion dollars it's important to ensure the money is spent the way it's intended," says Michigan Sen. Gary Peters, the top Democrat on the Senate Homeland Security and Governmental Affairs Committee. Peters helped negotiate the oversight provisions with Schumer and the GOP chairman of the panel, Wisconsin Sen. Ron Johnson.

"This needs to be outside of politics, that's the only way it has any credibility," Peters said.

Both Peters and House Oversight and Reform Chairwoman Carolyn Maloney, D-N.Y., suggested lawmakers could consider additional oversight provisions when Congress passes more legislation to deal with the pandemic.

Maloney praised the economic relief bill, but said in an emailed statement said that Democrats "think it could go even further to protect American taxpayers, and we are continuing to examine additional options."

Watchdog groups that track government spending and oversight said the bill wasn't perfect, but provides essential resources as the pandemic worsens. Sean Moulton, a senior policy analyst at Project On Government Oversight, said his group is encouraged that there is "more than one lens of accountability" for the businesses that will be receiving the money.

"We're pleased that they aren't putting all of their oversight eggs in one basket," Moulton said.

Lisa Gilbert, vice president of legislative affairs for the consumer advocacy group Public Citizen, said she believed that Trump's declaration that he could personally oversee the process likely ensured that stronger provisions were included. "It showed his hand," Gilbert said.

The bedrock of the new oversight is the Pandemic Response Accountability Committee, which will be made up of independent inspectors general. Modeled after a similar board created to monitor the 2008 Troubled Asset Relief Program that rescued banks, the panel will have the ability to obtain documents, coordinate audits and identify waste and abuse. The board will report what they find on a central website.

Separately, Trump will appoint a special inspector general inside the Treasury Department who will be able to inspect records and review how the money is doled out. That position will be confirmed by the Senate - a process that could take weeks if the chamber stays out until April 20, when senators are currently scheduled to return.

Democrats also secured the creation of a Congressional Oversight Commission that will oversee the Treasury Department. Experts on the panel will be appointed by House and Senate leaders. Maloney said "the ideal makeup" of the panel would be a diverse set of experts "to complement the other oversight bodies established under the bill."

The legislation also includes a provision ensuring that bailout funds are not given to companies where a federal official, including the president, has at least a 20 percent interest. Language directed at airlines would block stock buy-backs and limit executive compensation.

Oversight groups fret that the legislation doesn't give the inspector generals panel subpoena power. They also note that Trump will be the one to appoint Treasury's inspector general, a potential wild card.

"It's all very personality driven," said Scott Ellis of the group Taxpayers for Common Sense. "(Inspectors general) can be very effective and not so effective."

Negotiations on the bill churned until the end, with Democrats complaining in the hours before the vote that bipartisan language requiring the government to publish weekly lists of companies and entities that gain financing through the bailout funds was left out. Without this language, this information could have been kept secret from public, the Democrats argued. The language ended up in the final version.

And though the end product was bipartisan - the Senate vote was 96-0 - the two parties had sharp disagreement. Republican Sen. James Lankford, R-Okla., said on the Senate floor before the bill was passed that Democrats "wanted to make sure there was great transparency because they didn't trust the Trump administration. So they built in an inspector general and additional people to watch the Treasury through the process."

Ohio Sen. Sherrod Brown, senior Democrat on the Senate Banking Committee, said that Democrats pushed for the provisions to put workers first.

Lawmakers need to "make sure money actually ends up in the pockets of workers, not CEOs," Brown said.
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American Banker

March 27, 2020 Friday

**Emergency coronavirus program gives fintechs a shot at SBA lending**



Section: Vol. 185; No. 60

Length: 617 words

Byline: John Reosti

Body
For fintechs, the sweeping federal response to the coronavirus crisis could be a way to gain access to more lending opportunities.

Congress is poised to pass a stimulus package that will designate $349 billion in loans to small businesses. The effort, set to run through June 30, would be handled through the Small Business Administration's 7(a) program.

While roughly 1,700 lenders - virtually all banks or credit unions - already participate in 7(a), SBA Administrator Jovita Carranza and Treasury Secretary Steven Mnuchin have the authority to open the program to other lenders with "the necessary qualifications to process, close, disburse and service loans."

That's where fintechs see an opening.

Fintech participation "makes sense," given the potential for massive loan demand and a tight timeframe, said Sam Taussig, head of global policy at Kabbage.

"We're ready to go," Taussig said. "If there was ever a time for emergency guidance, this is it."

Ryan Metcalf, head of regulatory affairs and social impact at Funding Circle, is making a similar argument. Banks and credit unions alone won't be able to push money to impacted small businesses fast enough, he said.

"Capacity is a serious issue and speed is a serious issue," Metcalf said. "For the sense of urgency that has to happen, we need the capacity of [fintech] lenders to get these funds out the door."

With a warehouse facility from the Federal Reserve, Funding Circle could lend up to $80 million a month, Metcalf said.

No fintech lenders are authorized to participate in SBA's regular 7(a) program.

Funding Circle began the application process to become a 7(a) lender in April 2019, only to see its bid stall while the SBA reviews the company's selection of California's Department of Business Oversight as its primary regulator. The issue remains unresolved nearly a year later, Metcalf said.

An SBA spokesman was unable to immediately comment.

The SBA recently proposed a rule to restrict non-federally regulated 7(a) lenders, which would include fintechs, from lending outside the state in which its primary regulator was based. That rule would serve as a disincentive for companies like Funding Circle and Kabbage with national platforms.

It makes sense for the SBA to look beyond its typical lenders to get funds to those in need, industry observers said.

The agency will struggle if it restricts participation in the emergency program, said Rebel Cole, a finance professor at Florida Atlantic University in Boca Raton.

"Asking the traditional brick-and-mortar bank branches to underwrite this sort of loan volume is simply not feasible in any sort of a reasonable time frame," Cole said.

Though he declined to weigh in on fintech participation, Cole said those companies have the online lending platforms that could provide more underwriting capacity. For the same reason, he said, the SBA might need to lean heavily on credit card issuers such as Capital One and Discover to meet its aggressive volume target.

"If the SBA could bless some sort of 7(a) business credit card credit line then these banks could do the underwriting electronically using their existing platforms, which they should be able to scale up to the size needed for this roll-out," Cole said.

Banking groups have accepted the fact that the bill could allow fintechs to join in the emergency SBA program, though they also assert that the banking system is well-equipped to shoulder the workload.

"If that's the way it passes into law, certainly that's something SBA will have to consider," said James Ballentine, executive vice president of congressional relations and public affairs at the American Bankers Association.

"There are 5,400 banks in this country," Ballentine added.

https://www.americanbanker.com/news/emergency-program-gives-fintechs-a-shot-at-sba-lending
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USA TODAY

March 27, 2020 Friday, FIRST EDITION

**Americans could see checks in 3 weeks**



Section: NEWS; Pg. 1A

Length: 393 words

Byline: Michael Collins, USA TODAY

Body
WASHINGTON - The checks are coming.

One-time payments of up to $1,200 should start going out in the next three weeks to most Americans who file individual tax returns, Treasury Secretary Steven Mnuchin says.

Those who file joint tax returns will get up to $2,400.

The payments are part of a $2 trillion recovery package negotiated by the White House and congressional leaders to help Americans - and the economy - bounce back from the economic fallout from the coronavirus pandemic. The Senate passed the package Wednesday, and the House is expected to approve it Friday.

The payments will be sent via direct deposit to Americans who already have provided the Internal Revenue Service with their bank account information. For those who haven't, the checks will be mailed.

Some tax experts question whether the government will be able to meet its three-week timeline for distributing the checks.

The wait may be longer for Americans who will get their checks through the mail, said Kyle Pomerleau of the American Enterprise Institute.

"It's going to take longer for the IRS to process (physical checks), print them and send them," Pomerleau said.

So how much money should you expect?

It depends on how much you've earned in the past two years.

If you've already filed your 2019 taxes, the IRS will use those returns to determine your rebate. If not, your 2018 returns will be used to calculate your check.

Individuals with an adjusted gross income of $75,000 or less will be eligible for up to $1,200 ($2,400 for joint tax returns) and $500 for each qualifying child. Those with little or no tax liability will get at least $600 ($1,200 for joint returns.)

The payments will start to phase out for Americans who earn more than $75,000, or $150,000 for a joint return.

The amount you receive will be decreased by 5% of the amount your income exceeds $75,000. For example, a single person with an $85,000 salary would get $700 after subtracting 5% of $10,000, or $500.

The payments will phase out completely for single filers with incomes exceeding $99,000; $146,500 for head of household filers with one child; and $198,000 for joint filers with no children.

You don't have to apply to receive the money. If you've filed income taxes in the past two years, you will automatically get a check.

Another bonus? The checks aren't taxable.

Contributing: Paul Davidson and Ledyard King
#Top of the Document

USA TODAY

March 27, 2020 Friday, FIRST EDITION

**Stimulus deal brings Congress together; Crisis forces lawmakers to put partisanship aside**



Section: NEWS; Pg. 2A

Length: 914 words

Byline: Ledyard King, Christal Hayes, and Courtney Subramanian, USA TODAY

Body
WASHINGTON - Congress could not have been more fractured after last month's bitterly partisan impeachment trial of President Donald Trump.

Prospects that Republicans and Democrats could work together on anything of substance seemed far-fetched, especially given the simmering feud between Trump and House Speaker Nancy Pelosi, D-Calif.

Then the coronavirus showed up on America's doorstep.

A bipartisan spirit - borne of necessity - emerged. Within weeks, congressional leaders working hand-in-hand with administration officials forged a deal on a historic federal response to a pandemic that has killed hundreds, walloped the economy and derailed America's daily routines.

Late Wednesday, the Senate voted 96-0 to pass a$2 trillion relief package that would provide checks of up to $1,200 for most adults, give billions in potentially forgivable loans to small businesses and rescue the battered airlines industry. The House is likely to take the bill up Friday and pass it.

Weeks after slamming Democrats for impeaching Trump, Senate Majority Leader Mitch McConnell, called the overwhelming passage of the coronavirus relief bill Wednesday a "proud moment" for the U.S. Senate.

"If I were writing your headline I'd say the Senate has pivoted from one of the most contentious, partisan periods in the nation's history to passing this rescue package (unanimously) all in one quarter of this year," he told reporters. It "says a lot about the United States Senate as an institution, our willingness to put aside our differences, to do something really significant for the country."

How were lawmakers able to - mostly - set aside partisan differences so quickly? They had no choice, said Sen. Marco Rubio, R-Fla., who joined others in comparing the virus' devastation to war.

"It really is important for us to realize, not just for this bill but moving forward, that there's no such thing as an outcome here that's good for half of us and bad for the other half," he said on the Senate floor Wednesday. "There is no possible political victory here. None."

Compromise was complicated by the hostility between Pelosi and Trump (neither has spoken to the other since mid-October when she upbraided him in a White House meeting over his Syria policy.).

Negotiations weren't helped when the virus began infecting members of Congress and forced social distancing in a Capitol known for glad-handing and face-to-face discussions. Nearly three dozen House and Senate lawmakers and even more staff have self-quarantined either because they tested positive for COVID-19 or said they'd been exposed to it.

Seeing members fall victim to the virus or its consequences might have reinforced the urgency. The White House sidestepped political friction by appointing Treasury Secretary Steve Mnuchin as the unassuming and affable point person on negotiations.

Mnuchin and Pelosi spoke frequently this month as they crafted a smaller relief package that promised free coronavirus testing to all Americans and guaranteed two weeks of sick leave for workers affected by the crisis.

As soon as that passed, Mnuchin returned to the Capitol for round-the-clock negotiations with Senate leaders Mitch McConnell, R-Ky., and Chuck Schumer, D-N.Y., on the sweeping $2 trillion stimulus.

When Mnuchin spoke from the podium at a White House news conference Wednesday, he not only thanked his political ally McConnell but also Schumer "for the enormous bipartisan support we have" for the bill.

That night, in the same chamber that voted almost entirely along party lines last month to acquit the president at his impeachment trial, much of the discussion was about the remarkable act of unity that produced the sweeping compromise and its overwhelming approval by the Senate.

"Representatives from both sides of the aisle and both ends of Pennsylvania Avenue have forged a bipartisan agreement in highly partisan times with very little time to spare," Schumer said before the vote. "Its been a long, hard road with a remarkable number of twists and turns, but for the sake of millions of Americans, it will be worth it."

Pelosi, who described her relationship with Mnuchin as "professional" and "respectful," has worked with him on other big deals, including a two-year extension of the debt limit and spending caps in July. Rep. Peter Welch, D-Vt., said the Treasury secretary "has been very cooperative" with Democrats.

The result of the bipartisan partnership was a bill so expansive it carries a price tag more than half the $3.5 trillion the IRS was expected to collect in tax revenue this year.

At roughly $2 trillion, the measure has something for almost everyone in Congress, a legislative bromide that helped soothe partisan heartburn for all but those lawmakers who still fret about the soaring federal debt.

Democrats won protections for workers, students facing college debt defaults and low-income families at risk of eviction. Republicans secured lifelines for airlines, small businesses and other industries rocked by the economic fallout. Both sides liked the idea of direct payments to help constituents back home.

"Whether it is enough or whether it is a mere bandage depends on how long the pandemic will last," said Peter Koveos, a professor of finance at Syracuse University's Whitman School of Management. "It gives people some hope and the revelation that the government still functions. We will pay for this later, but the cost will be even greater if we do nothing now."

Contributing: Nicholas Wu, Maureen Groppe
#Top of the Document

The Washington Times

27 March 2020

**The check is almost in the mail for more than 120 million taxpayers**



Section: BUSINESS & ECONOMY

Length: 322 words

Byline: Dave Boyer

Body
About 120 million U.S. taxpayers will qualify for direct payments from the government under the historic $2.2 trillion economic relief bill to combat the impact of the coronavirus, according to an analysis by a center-right think tank.

American Action Forum said IRS statistics show that 120 million taxpayers in 2017 were in income brackets meeting the bill's guidelines for the new cash payments. The program is expected to cost the government around $300 billion.

Treasury Secretary Steven T. Mnuchin has said checks of up to $1,200 per person and $500 per child will go out within three weeks of President Trump signing the legislation, which could come as early as Friday. The House is expected to vote on the package on Friday, after the Senate unanimously approved the measure late Wednesday night.

The IRS will send the money by direct deposit to taxpayers who have set up that capability; otherwise checks will be mailed.

Individuals with income up to $75,000 will qualify for a one-time direct payment of $1,200. The program phases out at a rate of $5 for every $100 of income above $75,000, with an individual income cap of $99,000.

Married couples with combined incomes up to $150,000 would receive $2,400, subject to the same phaseout that applies to individuals. The payments would be phased out entirely for couples making $198,000 or more.

Payments for children will be phased out under the same guidelines. AAF said eligibility will be based on 2019 income tax filings where possible.

The measure waives the 10% early withdrawal penalty for qualifying individuals who want to withdraw up to $100,000 from retirement accounts without facing penalty. It would allow taxpayers to restore any withdrawn funds, and "would waive required minimum distribution rules for retirement accounts, preventing retirees from having to sell retirement assets during the downtown," wrote Gordon Gray, director of fiscal policy at AAF.
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The Washington Times

27 March 2020

**Jobless claims spike to 3.28 million as coronavirus impact spreads**



Section: BUSINESS & ECONOMY

Length: 511 words

Byline: Dave Boyer

Body
Jobless claims soared to a record 3.28 million in the past week, the Labor Department said Thursday, as the coronavirus outbreak affected wide portions of the economy.

The figure was an increase from 281,000 unemployment claims during the previous week in March. And it was more than four times higher than the previous weekly record of 695,000, set in October 1982.

Most economists had forecast about 1.5 million people filing for unemployment benefits. The true number of out-of-work Americans is likely much higher; self-employed people and gig workers don't file for unemployment benefits.

The Senate late Wednesday night approved a $2.2 trillion economic rescue package that includes $250 billion in expanded unemployment benefits and increased eligibility. It would cover the self-employed and gig workers.

The measure also has $350 billion for small businesses to retain their workforce. The House is expected to vote on the package on Friday; President Trump has said he'll sign it immediately.

Treasury Secretary Steven T. Mnuchin said on CNBC that the unemployment numbers "are not relevant" right now because the relief package will enable employers to rehire workers.

Federal Reserve Chairman Jerome Powell said Thursday the economy may well be in a recession already.

"We know that economic activity will decline probably substantially in the second quarter," Mr. Powell said on NBC's "Today" show. "I would expect economic activity to resume and move back up in the second half of the year."

He said there is "nothing fundamentally wrong" with the U.S. economy.

"The economy performed very well right through February," he said. "This is a situation where people are being asked to step back from economic activity, close their businesses, stay home from work. The sooner we get through this period and get the virus under control, the sooner the recovery can come."

Labor Secretary Eugene Scalia suggested the crisis is another reason to keep President Trump at the helm of the economy.

"We had such a strong economy just a few weeks ago, with record low unemployment and rising wages and by the way, with a president who helped bring those conditions about and who remains our president and who can help us grow the economy as we pull through this," Mr. Scalia told Fox Business host Maria Bartiromo.

He said the rise in unemployed Americans is "purposeful."

"We have purposely decided that some workplaces have to take a pause," he said. "We've never done that before, so that makes this different than other slowdowns we've had. It's purposeful and short-term."

Erica Groshen, a visiting scholar at the ILR School of Cornell University, said a loss of 3 million to 4 million jobs or more in one month "would dwarf the previous all-time largest decrease in payroll jobs, minus-1.96 million in September 1945, at the end of World War II."

A former commissioner of Labor Statistics, Ms. Groshen said the jump in claims implies that the unemployment rate in March will increase somewhere in the range of 5.4% to 6.0%. The jobless rate in February was 3.5%.
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The Washington Times

27 March 2020

**Donald Trump says new coronavirus guidelines are on the way**



Section: POLITICS

Length: 1587 words

Byline: Tom Howell Jr.

Body
President Trump pledged new coronavirus guidelines Thursday to help states categorize their counties by risk and decide whether to relax "social distancing" measures that are curbing the disease but ravaging the U.S. economy, with jobless claims soaring above 3 million in the past week.

"This was a country that was built on getting it done, and our people want to get back to work," Mr. Trump said at a White House briefing.

"I'm hearing it loud and clear from everyone."

The president wants to get America revving back to life by Easter even as governors eye a longer recovery. The crisis continued to worsen from New Orleans to New York City on Thursday, as the U.S. death toll surpassed 1,000 and its caseload surged to the worst in the world, exceeding that of China or Italy at over 82,000.

In a letter to governors, Mr. Trump said onerous restrictions should be tailored. He said increased testing and sophisticated disease-tracking models will help governors label counties as high-, low- or medium-risk for transmission as they tweak policies that have brought normal life to a standstill.

The president says places should maintain or even tighten restrictions based on the data, but Mr. Trump has made it clear he wants to get people back to work as the pandemic unravels the economy in an election year, indicating a desire to loosen restrictions.

"We have to go back. This is the United States of America, they don't want to sit around and wait," Mr. Trump said. "We have to open up. We can't say, 'Let's close.'"

The Labor Department underscored the economic fallout Thursday, saying jobless claims spiked to 3.28 million in the past week.

Most economists had forecast about 1.5 million people filing for unemployment benefits. The true number of out-of-work Americans is likely much higher: self-employed people and gig workers don't file for unemployment benefits.

Congress is speeding a relief package to the White House, though Mr. Trump is worried about lasting damage to the economy that was supposed to serve as the linchpin of his reelection bid.

Mr. Trump on March 16 asked Americans to work and learn at home, avoid unnecessary travel and use takeout instead of entering restaurants for 15 days, a period that lasts until Tuesday.

He plans to release new guidelines next week, steering the debate on restrictions that have shuttered schools, turned church services into YouTube streams and closed many stores, leaving only necessities like gas stations, pharmacies and grocery stores.

Many governors have taken action on their own, however, so it's unclear whether changes to White House guidelines will mean much in hard-hit states, where the disruption from the coronavirus could last months.

"Let me be clear: The decision to reopen school districts rests with me. We will not be prepared to revisit the closure until at least April 17th, at the very earliest," New Jersey Gov. Phil Murphy, a Democrat, tweeted.

Ohio Gov. Mike DeWine, a Republican, struck a similar note Thursday, saying it's "absolutely" possible the schools will not reopen this academic year.

Yet Mr. Trump is ratcheting up pressure on other pockets of the country, said he'd like to see the U.S. opened up and "raring to go" by Easter, or April 12.

Capitol Hill Democrats warned Mr. Trump on Thursday not to loosen the guidelines before it is safe.

"People in my state and across the country have made incredible personal sacrifices to help slow the spread of this disease now is not the time to retreat and let those efforts go to waste," said Sen. Patty Murray, Washington Democrat.

Mr. Trump said he's not being reckless. When counties open back up they should still be cautious, he said for instance, people shouldn't shake hands.

The U.S. has reported over 82,000 cases and nearly 1,200 deaths, for a reported death rate of 1.4% though it is unclear how many undiagnosed cases are out there, so the rate is likely lower.

More than 600 people in the states have recovered from the disease known as COVID-19, according to a Johns Hopkins University tracker.

New York state accounts for nearly half of the coronavirus cases and roughly a third of the deaths in the U.S.

Gov. Andrew Cuomo said there are cases where infected patients are now on ventilators for 20-30 days, up from a range of 11-21 days, and that chances of survival decrease the longer that people are on ventilators.

The number of positive coronavirus cases in New York now tops 37,800 easily the most in the country.

The number of hospitalizations in the state 5,327 also surged by 40% compared to the figure Mr. Cuomo had reported a day earlier, when he had cited projections showing the rate of hospitalization increases was slowing.

"I don't want to sugarcoat the situation," Mr. Cuomo, a Democrat, said at his daily briefing on the outbreak.

He said there is enough personal protective equipment in the immediate future, but that under almost any scenario the state hospital system is still going to be overwhelmed.

Mr. Trump said the Navy ship "Comfort" will be dispatched to New York Harbor on Saturday to aid the coronavirus-stricken city and free up space for hospitals reeling from the pandemic.

"It's going to be leaving on Saturday, rather than three weeks from now," Mr. Trump said. "They did the maintenance quickly."

Mr. Trump said he will go to Virginia to "kiss it goodbye," noting the "media will be following."

"If you wanna go, I'll see you there," he told White House reporters. "If you don't, that's OK."

In Louisiana, Gov. John Bel Edwards said Thursday said his state would be out of ventilators and hospital bed space in early April if the pace of coronavirus infection does not slow. In a statewide address, the Democrat is now tied with New Jersey in cases per capita in the U.S. but insisted his orders to "shelter in place" will work.

"Despite the dire circumstances we face I do remain hopeful," Mr. Edwards said, noting he does not yet "see light at the end of the tunnel."

"People just exercising good common sense, with that we are going to start flattening the curve," he said.

The coronavirus was discovered in Wuhan, China. in December. It killed thousands in China before the epicenter shifted to South Korea and then Europe and the Americas.

More than half a million people have been infected worldwide.

China on Thursday announced it is barring the entry of foreign nationals holding visas or residence permits as of midnight Saturday as part of its efforts to prevent a flare-up. The communist government says it got the outbreak under control and is worried about a rebounding effect, as cases soar elsewhere"The suspension is a temporary measure that China is compelled to take in light of the outbreak situation and the practices of other countries," China's foreign ministry said. "China will stay in close touch with all sides and properly handle personnel exchanges with the rest of the world under the special circumstances."

Mr. Trump says his late-January decision to ban foreign nationals who'd been in China during the previous 14 days prevented a far worse problem in the U.S.

Now, it's China that is setting up barriers, saying it doesn't want to import cases and squander the fruits of its draconian measures earlier in the year.

Mr. Trump said he planned to speak to Mr. Xi late Thursday. He predicted a good call even as he blames China for it's delayed response to the outbreak.

Former Vice President Joseph R. Biden, who will likely face Mr. Trump in November, says Mr. Trump was too soft on Mr. Xi and China in the early days of the outbreak. He continued to criticize Mr. Trump's tactics Thursday as he makes media appearances and virtual addresses from his home in Delaware.

"The president is not responsible for the coronavirus, but he bears full responsibility for the slow and uncoordinated response that has exacerbated both the public health and economic impact on our country," Mr. Biden said. "The harsh reality is that at least 3 million people now don't have jobs because our president didn't do his job when it mattered."

Mr. Trump said the unemployment numbers are "nobody's fault," given the unexpected pathogen.

"They are fully expected numbers," he said.

Treasury Secretary Steven Mnuchin, meanwhile, told CNBC the latest unemployment figures are "not relevant" in the short term, citing the president's efforts to help those people.

The Senate late Wednesday night approved a $2.2 trillion economic rescue package that includes $250 billion in expanded unemployment benefits and increased eligibility. It would cover the self-employed and gig workers.

It also has $350 billion for small businesses to retain their workforce. The House is expected to vote on the package on

Friday, and Mr. Trump has said he'll sign it immediately.

Federal Reserve Chairman Jerome Powell said Thursday the economy may well be in a recession already.

"We know that economic activity will decline probably substantially in the second quarter," Mr. Powell said on NBC's "Today" show. "I would expect economic activity to resume and move back up in the second half of the year."

He said there is "nothing fundamentally wrong" with the U.S. economy.

"The economy performed very well right through February," he said. "This is a situation where people are being asked to step back from economic activity, close their businesses, stay home from work. The sooner we get through this period and get the virus under control, the sooner the recovery can come."

• James Varney contributed to this report.
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Los Angeles Times

March 27, 2020 Friday, Home Edition

**BACK STORY; Your government bailout;**
**The who, what and when of coronavirus aid checks from Washington**



Section: MAIN NEWS; National Desk; Part A; Pg. 2

Length: 933 words

Byline: Jennifer Haberkorn, Sarah D. Wire

Dateline: WASHINGTON

Body
The economic stimulus bill poised to be approved by Congress this week would provide direct payments to many American adults to help them pay their bills as they navigate through the shutdowns caused by the coronavirus outbreak.

Here are answers to common questions about the payments:

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Who is eligible?

All U.S. residents are eligible if they have a work-eligible Social Security number and meet income requirements. People whose income is entirely from nontaxable, means-tested programs -- such as Supplemental Security Income benefits -- are eligible too. A dependent on someone else's tax return -- such as a young adult -- does not get a payment.

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How much will the payments be?

Americans with an adjusted gross income below $75,000 (or $150,000 for a married couple) would get the full amount: $1,200 per adult or $2,400 for a married couple. In addition, they are eligible for an extra $500 per child under 17. People with no income are eligible for the same amount.

A family of four -- two adults and two children -- that makes under $150,000 will get $3,400.

Those who make $75,000 to $99,000 (or married couples making between $150,000 and $198,000) are eligible for smaller payments. The amount is reduced by $5 for each $100 in income over $75,000 (or $150,000 for a married couple.)

For instance, a single person with an adjusted gross income of $85,000 would get a payment of $700. A single person making $90,000 would get $450.

A married couple with an adjusted gross income of $180,000 would get $900. A married couple making $190,000 would get $400.

In each case, every dependent child would mean an extra $500. That amount is not adjusted by income, but is only available to parents who made $99,000 or less and married couples who made $198,000 or less.

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What's my adjusted gross income?

Adjusted gross income is a line on your federal income tax filing. It is your wages, dividends, capital gains and other income minus 401(k) payments, student loan interest and other deductions.

The figure can be found in Box 7 on your 2018 federal 1040 tax return or Box 8b on 2019 returns.

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My income as a single person is over $99,000 (or as a married couple is over $198,000). Am I eligible?

No. Eligibility is capped at $99,000 per adult, or $146,500 for head-of-household filers with one child, and $198,000 for joint filers with no children.

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What do I have to do to get my payment?

Most Americans won't have to do anything. The Internal Revenue Service will base the payments on your adjusted gross income on your 2018 tax return (or 2019 return if filed).

Low-income people who file tax returns in order to get the refundable Earned Income Tax Credit or Child Tax Credit are included.

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How soon will payments go out?

As soon as three weeks for people who already receive direct payments from the IRS, according to Treasury Secretary Steven T. Mnuchin. Estimates suggest that the IRS has direct deposit information for about 50% of tax filers.

Checks will take longer. Some may have to wait months because it will take the IRS longer to get paper checks printed. Prepaid debit cards may be sent out as an alternative.

When the government has done similar payments in the past, it has taken two months or more to put the money in people's hands.

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What if $1,200 is not enough to cover my costs?

These are one-time payments. But lawmakers have already opened the door to cutting additional checks in the future.

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How many Americans will this help?

About 93% of people who file taxes, or 165 million households, are eligible for some sort of payment, according to an estimate by Kyle Pomerleau, a tax expert at the American Enterprise Institute.

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Will the payments be taxed?

No. the money is not taxable. according to a Senate Republican aide.

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Why are the checks based on my 2018 income instead of what I make now?

While basing eligibility on your income today would have been more accurate, there was no easy way for the IRS to make that calculation, Pomerleau said. The next best alternative was to use 2018 or 2019 taxes.

But the IRS plans to make adjustments for people who don't get a payment now if they would qualify based on their 2020 income.

If your income has dramatically fallen since 2018 (or 2019) -- for instance, if you made $150,000 in 2018 and $60,000 in 2020 -- you would not get a check this spring. But the IRS will credit the amount you would have received based on your 2020 adjusted gross income on your 2020 tax return. Similarly, if you get a check but would be entitled to a larger one based on your 2020 income, you'll get a credit on your 2020 return.

Basing the checks on 2018 or 2019 income was seen as the IRS' only option, even if that meant people who saw a significant decline in their 2020 income wouldn't get relief for many months.

"The idea here was to get checks into everyone's hands as fast as possible," Pomerleau said. "Being made whole at a later date really doesn't help you very much if we've somewhat recovered or mostly recovered from this."

On the flip side, if your 2018 (or 2019) income makes you eligible for a check now, but your 2020 income turns out to be so much higher -- for instance, $60,000 in 2018 and $150,000 in 2020 -- that you shouldn't have gotten one, you will not have to repay the IRS.

Similarly, if your payment based on 2018 income is larger than it would have been based on 2020 income, you will not have tor repay the difference.

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What if I haven't filed taxes for 2018 or 2019?

You should file a return. Even though the 2019 tax deadline has been moved to July 15, the rebate can begin to be processed as soon as a 2019 tax return is filed.
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Los Angeles Times

March 27, 2020 Friday, Home Edition

**CORONAVIRUS; Stimulus benefits special interests;**
**$2-trillion rescue plan includes long-sought boons for businesses**



Section: MAIN NEWS; National Desk; Part A; Pg. 1

Length: 1225 words

Byline: Anna M. Phillips, Kim Christensen, Adam Elmahrek

Dateline: WASHINGTON

Body
In the days before the Senate unanimously passed a roughly $2-trillion bailout bill for the nation's nosediving economy, lobbyists and special-interest groups flooded Congress with long-standing wishes and wants -- though couched as urgent needs in a time of crisis.

The 880-page bill that emerged -- and that the House is expected to approve Friday -- did not give everyone everything they sought.

But it does include provisions plucked from the wish lists of hotels, restaurants, retailers and over-the-counter drug manufacturers, among others. Some measures will last only as long as the coronavirus crisis and its economic fallout last. Others are permanent.

One of the biggest winners could be a company whose name doesn't show up anywhere in the relief package. Aerospace giant Boeing Co., which had struggled long before the coronavirus pandemic, appears the chief beneficiary of a $17-billion loan program intended for "businesses critical to maintaining the national security."

Small banks won lower requirements for capital reserves, a longtime goal for their lobbyists, on the theory that it would allow them lend more money to struggling businesses.

Similarly, restaurants, grocery stores and other retailers won a tax break that would let them write off renovations to their business they would otherwise have had to spread out over years.

And a little-noticed provision would speed up the Food and Drug Administration's review of over-the-counter drugs and sunscreen products.

The provision, which has been on the Senate's to-do list for over a year, has the backing of both physicians' groups and makers of nonprescription drugs. But even the Public Access to SunScreens Coalition, an industry group, said protection from sunburn is not tied to the coronavirus crisis.

"It's not controversial but it certainly caught a ride on this train," said Steve Ellis, vice president of Taxpayers for Common Sense, a Washington-based group that highlights wasteful government spending. "People are arguing about various treatments for COVID-19, but sunscreen isn't one of them."

Easing the FDA's approval process for sunscreen has been a priority for Senate Majority Leader Mitch McConnell, who represents Kentucky, where the cosmetics company L'Oreal has a factory. McConnell's office did not respond to a request for comment.

Democrats also attached measures that are not directly tied to the outbreak.

The bill includes $75 million each for the National Endowment for the Arts and the National Endowment for the Humanities. It also provides $7.5 million for the Smithsonian Institution and $25 million for the Kennedy Center for the Performing Arts in Washington.

And the long-troubled U.S. Postal Service will get a $10-billion loan, though Democrats have warned it will need more to stay afloat.

Businesses owned by President Trump and his immediate family, or by the vice president, top federal officials and members of Congress, are barred from obtaining loans under the Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act. Treasury Secretary Steven T. Mnuchin is not empowered to lift those bans.

Still, the bill could allow the Trump Organization, the private holding company for the president's businesses, to benefit from two provisions that help restaurants and hotels, according to the New York Times.

Other tax provisions could provide a bonanza for wealthy real estate investors, potentially including the president and members of his family.

Senate Republicans inserted a provision that lets wealthy investors use real estate losses to minimize their taxes. The estimated cost of the change over 10 years is $170 billion, according to the New York Times.

It's not too late for industries whose requests didn't make it into the final bill.

If signed into law, the bill will provide $500 billion in loans to distressed businesses, states and local governments. The Federal Reserve, the country's central bank, would oversee the program, an arrangement that initially worried Democrats, who pressed for stronger oversight.

The loans now come with strings attached, such as disclosure requirements and oversight by a special inspector general and a congressionally appointed review board to look for waste, fraud and abuse.

Companies that borrow money under the legislation can't engage in stock buybacks, and there are limits on how much they can increase a CEO's pay.

Even with those efforts, the potential remains for certain industries or business owners to receive preferential treatment.

Lisa Gilbert, vice president of legislative affairs for the consumer advocacy group Public Citizen, said the legislation grants Mnuchin broad power to remove bans on profiteering.

Prohibitions on stock buybacks, dividends or compensation limits can be lifted. The only caveat, she said, is Mnuchin would have to appear before Congress to explain his decision.

"The single largest line item in the stimulus is the nearly $500-billion slush fund for corporations," Gilbert said. "This money has some guardrails attached but these can be waived if Secretary Mnuchin simply chooses to."

The bill includes funding for an inspector general to monitor the Treasury's lending, but it's unclear whether the office would have subpoena power, so another federal agency could refuse to hand over documents, she said.

Also noteworthy: The prohibition against generous severance packages for CEOs may be limited to double their 2019 compensation. That could still allow a firm to increase an executive's pay by millions of dollars.

Gilbert said her organization supports the relief bill despite its flaws because it provides funding urgently needed for healthcare workers to get personal protective equipment, including masks, and much of the money will go to families as direct payments or unemployment insurance.

Reed Hundt, who led a review of economic policies during President Obama's transition in 2008, lauded the legislation for beefing up unemployment compensation and commended Congress for not being hamstrung by fears of the deficit.

But he said the lack of transparency in the legislative process is troublesome. In the rush to deal with the crisis, there were no public hearings and little formal process. "There is a big risk of secret favoritism," he said. "The Treasury Department has to be completely transparent about everything it does."

To some critics, the billions of dollars set aside to bail out Boeing, the world's largest aircraft manufacturer, suggest the Trump administration is already playing favorites.

Aviation authorities grounded the Boeing 737 Max fleet a year ago after two deadly crashes in five months, and Boeing was in financial distress long before the coronavirus slammed the brakes on international air travel.

Partly as a result, Boeing lobbied for a bailout equivalent to the GDP of a small country. It sought $60 billion in loans, and while the Senate package set aside $17 billion for the company, Boeing could potentially receive more.

It did not hurt that Boeing has a supporter in the Oval Office. "We're not letting Boeing go out of business," Trump told Fox News on Tuesday.

"Certainly this administration has not been shy about picking winners and losers and rewarding friends and punishing enemies," Ellis said. "Once this gets in the hands of the executive, who knows how they're going to allocate the funding."
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Los Angeles Times

March 27, 2020 Friday, Home Edition

**THE NATION; McConnell gets sidelined on stimulus bill;**
**By trying to lead the charge on U.S. bailout, he again learns the risk of getting ahead of President Trump.**



Section: MAIN NEWS; National Desk; Part A; Pg. 6

Length: 1113 words

Byline: Sarah D. Wire

Dateline: WASHINGTON

Body
The negotiations over the roughly $2-trillion economic rescue package had gone on for more than three days -- hour after hour of haggling to shape one of the largest government economic interventions in U.S. history.

Finally, as Tuesday night changed to Wednesday morning, two men stepped forward to tell reporters they had reached a deal -- the secretary of the Treasury and the minority leader of the Senate.

The majority leader, Sen. Mitch McConnell of Kentucky, was relegated to role of announcing the deal a short time later on the Senate floor.

With his mastery of rules and tactics and control over his caucus, McConnell has developed a reputation as one of the Senate's most powerful majority leaders. But in the talks to shape the massive bailout bill, he was effectively sidelined for much of the final days as Treasury Secretary Steven T. Mnuchin and Democratic leader Charles E. Schumer of New York negotiated.

For McConnell, the events provided another lesson of the dangers of getting ahead of Trump.

During much of Trump's presidency, McConnell has let the president or the House take the lead on policy and focused on what he's made his top priority -- reshaping the federal judiciary.

He embraced that approach after a couple of high-profile cases in which he got ahead of Trump and was stung, most notably in December 2018 when he led the Senate in approving a bill to fund government agencies only to have Trump reject it and precipitate a lengthy government shutdown.

By any account, McConnell's focus on judges has been successful, filling hundreds of judicial vacancies across the country.

When the coronavirus crisis began to worsen, McConnell initially stuck to that playbook, telling House Speaker Nancy Pelosi (D-San Francisco) to work a deal out with the administration. That led to an initial \$8.3-billion spending package, which passed with little problem.

McConnell faced more problems when Pelosi and Mnuchin negotiated a second, larger bill in mid-March. Many Republican senators weren't happy with that deal, which expanded paid sick leave for workers and pumped billions of dollars to states for food programs and unemployment benefits.

Senate Republicans had to be cajoled into passing that bill, with the promise that they would lead on the next effort.

So, last week, when Congress began drafting a third bill, McConnell took a decisive lead; unveiling a \$1-trillion proposal focused on key priorities supported by Republicans and the White House. Those included hundreds of millions of dollars in direct payments to workers, but left out many low-income Americans.

When Democrats and some Republicans pushed back, he created four bipartisan task forces and tasked to them to work at "warp speed" to draft language.

By Saturday, when it was clear a deal wasn't emerging, McConnell cobbled together a version that combined parts of his original plan with what the task forces had agreed to. He tried to jam the bill through on Sunday by scheduling a procedural vote that he gambled Democrats would be forced to approve out of concern that if the bill appeared stalled, financial markets would crash on Monday morning.

"Now we're at the point in the discussion where people will shortly have to say yes or no, and I'm confident given the desire of the country to see an outcome, that we'll get to yes," he told reporters Sunday.

He miscalculated. Pelosi had returned to Washington by Saturday night; Democrats were unsatisfied with the bill McConnell had put forward and began talking about introducing one of their own. And the administration, anxious for a deal, was already reaching out to Schumer.

McConnell said Democrats should simply accept his bill. "It would be best for the country if the House would take it up and pass it just like we did earlier this week when the House passed a bill that I had only marginal participation in because the country was desperate for results," McConnell said.

Schumer refused. Because McConnell's bill needed the support of 60 senators to move forward, Democrats were able to block it, doing so Sunday and again Monday when McConnell tried a second time to move forward.

A frustrated McConnell took to the Senate floor to urge the Democratic minority in the Senate to move.

"When the Democratic House passed their 'phase two' bill, even though Senate Republicans would have written it very differently, we sped it through the Senate and passed it quickly without even amending it," he said. "I literally told my own Republicans colleagues to 'gag and vote for it.' "

Schumer's response was cutting: He would update McConnell and the Senate when he and Mnuchin reached an agreement.

"The negotiations continue no more than 30 feet away from the floor of the Senate in our offices where the real progress is taking place," he said.

Pelosi piled on, with a spokesperson telling reporters that the speaker, unlike McConnell, knew better to call a vote without having the votes lined up.

McConnell remained part of the ensuing negotiations, aides say, with Mnuchin shuttling between Schumer's and McConnell's offices multiple times a day.

But as Senate Republicans publicly objected that the bill had moved too far toward Democratic priorities and urged Trump to oppose it, the president and Mnuchin brushed aside their concerns, publicly praising Schumer as a negotiating partner.

Before the Senate voted to pass the bill Wednesday evening, McConnell said history would determine if the changes Democrats got by the delay were worth it.

Democrats immediately crowed about their wins. Pelosi told reporters Thursday that she was proud of the bill that came out and that "we did jiu-jitsu on it, that it went from a corporate-first proposal that the Republicans put forth in the Senate to a Democratic workers-first legislation."

Republicans dispute that, saying the final result isn't substantially different than what McConnell and Senate Republicans originally proposed.

"That was an outright lie," House Republican leader Kevin McCarthy (R-Bakersfield) told reporters.

The record suggests otherwise, however -- all but two Senate Republicans voted on Wednesday to strip a key provision expanding unemployment benefits out of the bill, saying it would damage the economy. When that move failed, they unanimously voted to approve the bill.

On Thursday before the House took up the Senate bill, Pelosi said that she and the House would take the lead on a fourth package, though the Republican and Democratic leaders in the House and Senate should work together on it.

"We really should be operating four corners, the four House and Senate Democrats and Republicans, as we go along to find as much common ground as we can," Pelosi said.
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The New York Times

March 27, 2020 Friday, Late Edition - Final

**Virus Will 'Dictate' Economy's Restart, Powell Says**



Section: Section B; Column 0; Business/Financial Desk; Pg. 8

Length: 826 words

Byline: By Jeanna Smialek

Body
The Federal Reserve chair voiced a reassuring, if uncertain, message in a rare televised interview as the coronavirus grinds America's economy to a halt.

Jerome H. Powell, the Federal Reserve chair, said during a rare television interview on Thursday that the United States "may well" be in a recession already, but that it should get the coronavirus under control before getting back to work.

"The first order of business will be to get the spread of the virus under control, and then to resume economic activity," Mr. Powell said on NBC's "Today." "The virus is going to dictate the timetable here."

Mr. Powell's comments contrasted with those of President Trump, who has suggested that he wants many Americans to get back to work as soon as Easter, less than three weeks away, and that efforts to slow the spread of the virus by shutting down large parts of the economy should not be worse than the disease itself.

The coronavirus pandemic is inflicting enormous economic damage in the United States, as quarantines close businesses, force workers to stay at home and create uncertainty that has spurred volatility in financial markets. Mr. Powell and his colleagues have been taking aggressive measures to shore up the economy, and he used his first major interview since the crisis began to underline what they are doing -- and why.

"You may well see significant rises in unemployment, significant declines in economic activity," Mr. Powell said. He added that eventually the economy would bounce back, helped by central bank policy, and "we want to make that rebound as vigorous as possible."

Shortly after he spoke, new data on jobless claims were released, underlining just how painful efforts to contain coronavirus have been for America's businesses and employees. Nearly 3.3 million people filed initial jobless claims last week, a huge surge from 281,000 a week earlier and more than four times the previous record high.

While the economic fallout from the coronavirus is sure to be severe, causing what many expect to be the biggest single-quarter drop in U.S. growth on record, Fed officials have said they are trying to put the economy into position so it can snap back once the pandemic ends and the world returns to work.

To do so, central bankers want to ensure that American households are well placed to borrow and spend once the economy begins its recovery. They cut interest rates to near zero over the course of two emergency meetings this month to make credit cheaper.

Officials are also trying to prevent the financial system from melting down amid extreme market volatility. The goal is to keep financing easily available to businesses, which could help tide them through the current dry spell. If too many companies fail and shed workers permanently, the downturn could become much more protracted.

The Fed committed to buying as many government bonds as necessary to soothe markets after ruptures appeared in Treasury and housing debt. It has intervened aggressively in the market for short-term loans between banks to keep that corner functioning smoothly, and it is using its emergency lending powers to backstop corporate bonds.

The aid legislation working its way through Congress would give the Fed money to ramp up those lending programs. The central bank had already announced facilities to help large corporations, small businesses and money market funds, backed by a Treasury Department fund containing $94 billion.

Now, it can scale up those programs with Treasury agreeing to take initial losses on any loans that go sour. Treasury Secretary Steven Mnuchin has estimated that the financing, $454 billion, could support more than $4 trillion in Fed operations.

"When it comes to this lending, we're not going to run out of ammunition," Mr. Powell said. "That doesn't happen."

His appearance at a fraught economic moment recalled a similar one by a predecessor, Ben S. Bernanke, during the depths of the 2007-09 recession.

Mr. Bernanke appeared on "60 Minutes" in March 2009, six months after Lehman Brothers filed for bankruptcy and seven before the unemployment rate would peak at 10 percent. Fed chairs never appeared in television interviews at the time, making it a momentous attempt to reassure the American people.

"I think we've averted that risk," Mr. Bernanke said when asked if the country was headed into a new Great Depression. "Now the problem is to get the thing working properly again."

Mr. Powell's chairmanship has been much more open, and he had done previous broadcast interviews -- but never one so targeted at mass consumption as the "Today" show. He, too, brought words of reassurance, if not of certainty.

"Really the message is this: that this is a unique situation, it's not like a typical downturn," Mr. Powell said Thursday. "The Federal Reserve is working hard to support you now, and our policies will be very important when the recovery does come."

https://www.nytimes.com/2020/03/26/business/economy/fed-powell-coronavirus-recession.html
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The New York Times

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**U.S. 'Disaster Diplomacy' Yields Few Results**



Section: Section A; Column 0; Foreign Desk; Pg. 4

Length: 1634 words

Byline: By Michael Crowley and Lara Jakes

Body
North Korea and Iran have not taken him up on the offer for aid on combating the coronavirus. And Russia and China have extended similar offers of help to the United States.

WASHINGTON -- As the coronavirus raced across the globe earlier this year, the Trump administration offered assistance to a pair of longtime American enemies, Iran and North Korea. The responses hardly amounted to a diplomatic breakthrough.

The Iranians angrily dismissed the offer, calling it insincere and demanding broader relief from crippling American sanctions. The North Koreans, angry with the United States over stalled nuclear negotiations, said they appreciated the offer but did not publicly accept, warning of "big difficulties" in their relationship with the United States.

But the two cases illustrate the way Mr. Trump continues to pursue his foreign policy goals amid the pandemic, and the way the virus is shaping his approach. Administration officials see the crisis as creating new opportunities, but it also brings new risks as China and Russia seek to take advantage of a moment of perceived weakness and disarray for their American adversaries.

Experts call it disaster diplomacy -- the way nations use disasters like earthquakes, tsunamis and diseases to advance their agendas overseas. Historically, that has involved local catastrophes; now Mr. Trump and other world leaders are calibrating their political responses to a crisis afflicting all of humanity.

"It's clear that coronavirus is going to affect almost every aspect of American foreign policy for quite a while," said Richard Fontaine, a former National Security Council official during the administration of President George W. Bush who is now chief executive of the Center for a New American Security.

Already, Mr. Fontaine said, the virus has accelerated competition between the United States and China, and could hasten the withdrawal of American troops from Iraq, Afghanistan and elsewhere to keep them safe from the pandemic.

China's government has promoted disinformation blaming the United States for creating the virus, and is positioning itself as a global leader against the pandemic, which the United States is struggling to contain. One of China's most prominent businessmen, the Alibaba founder Jack Ma, who is close to the country's leaders, recently offered to donate masks and test kits to help Americans fight the outbreak, a gesture underscoring the Trump administration's belated response.

In a Facebook post on Tuesday, the Russian Embassy in Washington quoted its ambassador, Anatoly Antonov, making a similar gesture -- offering test kits, which have been in short supply. And the Kremlin-funded English-language news outlet RT published an op-ed on Wednesday that praised President Vladimir V. Putin for bravely donning a hazmat suit during a visit to a Moscow hospital, contrasting his leadership with that of Mr. Trump, who it said was sidelining experts and popping off for a "slack-jawed press corps."

In an implicit challenge to American policy against other adversaries, two top United Nations officials, Secretary General António Guterres and Michelle Bachelet, the high commissioner for human rights, called this week for the easing of financial sanctions against economically strapped countries so that they could confront the spreading virus. Ms. Bachelet said the economic penalties could impede medical treatment in Iran, Venezuela, Cuba, North Korea and Zimbabwe -- all of which are penalized by the United States.

Speaking to reporters on March 22, Mr. Trump cast himself as providing relief to at least two of those nations. "On North Korea, Iran and others, we are open for helping other countries. It is a very serious time," Mr. Trump said, adding that he had offered "a glad hand" to "many other countries."

The United States thus far has committed $274 million to 64 countries and the United Nations refugee agency. Bonnie Glick, deputy administrator at the United States Agency for International Development, challenged other nations on Thursday to give "no-strings-attached contributions" to help the world combat the pandemic.

"In the battle against the coronavirus, we are saving lives, not saving face," Ms. Glick said.

With Iran's health care system swamped by one of the world's worst outbreaks of the coronavirus, the State Department said last month that it was "prepared to assist the Iranian people in their response efforts," a message conveyed through the Swiss government, which acts as an intermediary between Washington and Tehran.

The State Department could not clarify precisely what sort of assistance the Trump administration offered. But the gesture was a shift for an administration that has worked to undermine Iran's government in every way it can, and which imposed new economic sanctions on Tehran as recently as last week.

Despite a swiftly mounting death toll, which has surpassed 2,000, Iran quickly rejected the American offer, making clear that what it really wants is broader relief from the sanctions Mr. Trump has imposed since he withdrew two years ago from the 2015 Iran nuclear deal. Even before the virus struck, Iran appealed to international opinion by arguing that the American sanctions were causing innocent people to suffer.

In an open letter to the American people last week, Iran's president, Hassan Rouhani, said the United States was "aiding the spread of this virus with its sanctions," which he said "have drastically undermined the ability of the Iranian people to fight the coronavirus and some among them are losing their lives as a result."

American officials said that Iran's government had only itself to blame, and could quickly end the sanctions by abandoning its nuclear program and foreign interventions in places like Syria and Yemen.

But European leaders, as well as the governments of China and Russia, have called for broader sanctions relief from Washington, as have some Democrats.

"Rather than continue to pile on sanctions in the Iranian people's hour of need, we urge you to substantially suspend sanctions on Iran in a humanitarian gesture to the Iranian people to better enable them to fight the virus," a group of Democratic and liberal lawmakers reportedly wrote in a letter this week to Secretary of State Mike Pompeo and Treasury Secretary Steven Mnuchin.

State Department officials maintain that humanitarian aid to Iran is exempt from the sanctions, and say Iranian government mismanagement and corruption is responsible for the suffering of people there.

But Jarrett Blanc, a former State Department official under the Obama administration who oversaw the 2015 nuclear deal's enforcement, said that U.S. financial restrictions had effectively choked off even permissible humanitarian aid. And they dismiss the American offer of aid "as a few crumbs on the table" without any change in policy, said Vali R. Nasr, a former Obama administration official in the State Department and dean of the School of Advanced International Studies at Johns Hopkins University.

"The Iranian government does not want a situation where the United States gets maximum P.R. for minimal steps," Mr. Nasr added.

Mr. Trump's offer to North Korea was received more warmly, although its practical effect remains unclear. In statement carried by the North's state-run Korean Central News Agency, Kim Yo-jong, the North Korean leader's sister and policy aide, extended "sincere gratitude" for what she called his intent to render cooperation in the anti-epidemic work. But Ms. Kim did not say whether her country would accept any American assistance.

North Korea says it has no confirmed cases of the coronavirus -- a claim experts call implausible.

Mr. Trump wants to resurrect a dialogue that stalled a year ago, after he rejected North Korea's demand for sweeping sanctions relief in return for rolling back a small part of its sprawling nuclear program.

Ms. Kim suggested that Mr. Trump's letter was heavy on personal flattery, and that Mr. Trump said "he was impressed by the efforts made by the chairman to defend his people from the serious threat of the epidemic."

North Korea has often accepted foreign aid during past crises, including national famine, only to quickly return to its previous state of hostile isolation, noted Ilan Kelman, a professor of disasters and health at University College London.

Mr. Kelman, the author of the book "Disaster Diplomacy: How Disasters Affect Peace and Conflict," said that reflected the recent history of hostile nations, which might be a lesson for the Trump administration.

"There are no clear-cut historical examples of disease diplomacy, medical diplomacy, disaster diplomacy where we saw new lasting diplomatic change because of the disaster or the disease," he said.

But in hard times like now, even collaboration with allies does not always achieve the results American officials seek.

After a meeting on Wednesday with other foreign ministers of the industrialized nations that make up the Group of 7, Mr. Pompeo said that medical assistance the United States had sent worldwide demonstrated "the American people's famous generosity at its finest."

But Mr. Pompeo did not deny a report in Der Spiegel that the United States wanted the Group of 7 ministers to adopt the term "Wuhan virus" in a joint statement about the meeting, part of a coordinated Trump administration effort to blame China's government for what American officials call its efforts to cover up the virus's initial outbreak.

A statement about the Group of 7 meeting from France's foreign minister, Jean-Yves Le Drian, however, made no mention of China. Instead it emphasized "the need to combat any attempt to exploit the crisis for political purposes."

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**Under Trump, Unfilled Posts Hinder Action**



Section: Section A; Column 0; Foreign Desk; Pg. 1

Length: 1789 words

Byline: By Jennifer Steinhauer and Zolan Kanno-Youngs

Body
Unfilled jobs and high turnover mean the government is ill equipped for a public health crisis, said many former and current federal officials and disaster experts.

WASHINGTON -- Of the 75 senior positions at the Department of Homeland Security, 20 are either vacant or filled by acting officials, including Chad F. Wolf, the acting secretary who recently was unable to tell a Senate committee how many respirators and protective face masks were available in the United States.

The National Park Service, which like many federal agencies is full of vacancies in key posts, tried this week to fill the job of a director for the national capital region after hordes of visitors flocked to see the cherry blossoms near the National Mall, creating a potential public health hazard as the coronavirus continues to spread.

At the Department of Veterans Affairs, workers are scrambling to order medical supplies on Amazon after its leaders, lacking experience in disaster responses, failed to prepare for the onslaught of patients at its medical centers.

Ever since President Trump came into office, a record high turnover and unfilled jobs have emptied offices across wide sections of the federal bureaucracy. Now, current and former administration officials and disaster experts say the coronavirus has exposed those failings as never before and left parts of the federal government unprepared and ill equipped for what may be the largest public health crisis in a century.

Some 80 percent of the senior positions in the White House below the cabinet level have turned over during Mr. Trump's administration, with about 500 people having departed since the inauguration. Mr. Trump is on his fourth chief of staff, his fourth national security adviser and his fifth secretary of the Department of Homeland Security.

Between Mr. Trump's history of firing people and the choice by many career officials and political appointees to leave, he now finds himself with a government riddled with vacancies, acting department chiefs and, in some cases, leaders whose professional backgrounds do not easily match up to the task of managing a pandemic.

"Right now for the life of me, I don't know who speaks for D.H.S.," said Janet Napolitano, a secretary of homeland security under President Barack Obama. "Having nonacting leadership, and I think having consistency in your leadership team and the accumulation of experience, really matters. And I think it would be fair to say the current administration hasn't sustained that."

One example is the Department of Veterans Affairs, which is legally meant to back up the nation's health care system in an emergency. On Thursday, the Office of Inspector General at the department released a report detailing red flags in its preparedness for the crisis.

The secretary, Robert L. Wilkie, has no experience in emergency management, and he has been largely absent from public briefings with senior officials on the pandemic. "Secretary Wilkie has attended 20 coronavirus task force meetings since he joined the task force on March 3," said Christina Mandreucci, a spokeswoman for the department. Mr. Wilkie recently fired his second in command, who had worked in past disasters, and his head of emergency preparedness retired.

Senior officials in the department say they are kept out of the loop on major decisions, such as whether it will continue Mr. Trump's preferred policy of sending veterans into the community for care, and learn from the news media about how centers are interpreting guidelines.

Many of the newcomers in agencies lack relationships with the private sector and lawmakers to accomplish basic goals.

One high-profile case came with eliminating a directorate at the White House's National Security Council that was charged with pandemic preparations. In 2018, John R. Bolton, then Mr. Trump's national security adviser, ousted Thomas P. Bossert, Mr. Trump's homeland security adviser and longtime disaster expert. The directorate was folded into an office dedicated to weapons of mass destruction.

Equally notable may have been the resignation last year of Scott Gottlieb, the commissioner of the Food and Drug Administration, who was an early advocate for broad coronavirus testing and stronger mitigation policies. He was

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succeeded by Dr. Stephen M. Hahn, a noted oncologist, who has struggled during Senate hearings to explain some of his positions. The agency is largely viewed as slow in engaging the private sector to develop tests for the coronavirus. Many members of Mr. Gottlieb's team departed with him, leaving the agency with many people new to their jobs.

The Department of Homeland Security, the agency tasked with screening at airports and carrying out the travel restrictions that were Mr. Trump's first major action to combat the coronavirus, is full of vacancies. Of the 75 senior positions listed on the department's website, 20 are either vacant or filled by acting officials.

Mr. Wolf is the acting homeland security secretary, and Kenneth T. Cuccinelli II, a representative on the coronavirus task force, is the department's acting deputy secretary. The deputy administrators of the Transportation Security Administration and Federal Emergency Management Agency also serve in acting capacities. A federal judge also ruled that the process the Trump administration used to bring Mr. Cuccinelli to the department violated a federal vacancies law that stipulates open leadership positions must go to certain officials.

Mr. Wolf is familiar with airport security operations. He was part of the team that established the Transportation Security Administration and later served as the agency's chief of staff. But the chaotic introduction of Mr. Trump's travel restrictions this month against European countries struggling with the pandemic exemplified the erratic structure at the top of the department and the agencies it oversees, said Gil Kerlikowske, a former commissioner of Customs and Border Protection.

Mr. Kerlikowske said relationships with executives at airlines and at the airports were imperative. "The lack of experience and knowledge is kind of telling," he said.

A spokeswoman for homeland security, Sofia Boza-Holman, said such criticism of the department was unwarranted. "That's absolutely absurd," she said. "D.H.S.'s leaders have been at the forefront in helping contain the Covid-19 crisis. Thanks to President Trump's leadership, D.H.S. has been able to respond wherever and whenever needed."

Mr. Cuccinelli alarmed the public last month when he took to Twitter to complain that he did not have access to a Johns Hopkins University map of the virus's spread, leading critics to wonder why Mr. Cuccinelli, a member of the coronavirus task force, needed outside data.

Mr. Wolf drew similar criticism from lawmakers when he failed to provide basic information on the coronavirus outbreak at a Senate appropriations hearing. "Mr. Secretary, you're supposed to keep us safe," said Senator John Kennedy, Republican of Louisiana. "You're the secretary of homeland security and you can't tell me if we have enough respirators."

Mr. Wolf said the United States was "several months" away from getting a vaccine. "Your numbers aren't the same as C.D.C.'s," Mr. Kennedy said, referring to the Centers for Disease Control and Prevention. "Don't you think you ought to contact them?"

Even National Park Service vacancies have taken a toll. The park service -- which has its own police force -- in recent days closed some parking lots near the Tidal Basin on the National Mall, where the cherry blossoms attract huge crowds each year, and urged people to stay away. Mayor Muriel Bowser stepped in and limited access to the area and sent police officers and members of the National Guard to enforce the shutdown.

As he juggles negotiations on Capitol Hill and introduces emergency lending programs with the Federal Reserve, Steven Mnuchin, the Treasury secretary, is scrambling to have enough officials in place to accommodate the additional workload stemming from four emergency lending programs, two new stimulus bills and a delayed Tax Day, even as departures are in store. The Treasury Department's acting assistant secretary for international finance, Geoffrey Okamoto, is leaving to be the first deputy managing director of the International Monetary Fund, and Brian McGuire, the assistant secretary for legislative affairs, is departing.

Perhaps the biggest challenge facing the Treasury Department is the thin staffing at the Internal Revenue Service. The tax collection agency has faced deep cuts to its budget over the last decade, leaving some of its technology out of date.

Now the I.R.S. must cope with Tax Day being delayed by three months and a deluge of questions from confused taxpayers calling employees that are teleworking. The shortfall in staff is likely to be especially problematic as the Treasury Department tries to send stimulus money to Americans by using the I.R.S.'s taxpayer database to track them down.

Even the Pentagon, which is broadly viewed as better positioned than many other agencies for the pandemic response, is not immune. More than a third of all Senate-confirmed civilian positions at the Defense Department are vacant or filled by temporary officials, a peak level for the administration outside of the transition period, according to Pentagon statistics. Of 60 senior positions, 21 lack permanent appointees.

Senator Jack Reed of Rhode Island, the top Democrat on the Senate Armed Services Committee, criticized Defense

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Secretary Mark T. Esper and Gen. Mark A. Milley, the chairman of the Joint Chiefs of Staff, this month about the imbalance. "These vacancies continue to challenge the department's ability to effectively respond to national security challenges and undermine civilian inputs into the decision-making process," Mr. Reed said.

Mick Mulvaney, who has served as Mr. Trump's acting White House chief of staff since the beginning of 2019, was formally fired over Twitter on March 6, at the height of the coronavirus crisis.

Mr. Mulvaney has technically stayed on in his position, but since mid-March, he has been in self-isolation in South Carolina after announcing that he had been in contact with someone who had tested positive for the virus.

In previous administrations, the chief of staff has often played the key role in responding to crises.

Representative Mark Meadows of North Carolina, whom Mr. Trump announced as Mr. Mulvaney's successor, has been seen at the White House in recent days, though he had not resigned from Congress.

Reporting was contributed by Alan Rappeport, Eric Lipton, Eric Schmitt, Michael D. Shear and Sheila Kaplan.

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**Checks, Unemployment Benefits and More**



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Length: 3332 words

Byline: By Tara Siegel Bernard and Ron Lieber

Body
The Senate relief bill would send money to Americans and greatly expand unemployment coverage.

The Senate unanimously passed a $2 trillion economic rescue plan on Wednesday that will offer assistance to tens of millions of American households affected by the coronavirus. Its components include stimulus payments to individuals, expanded unemployment coverage, student loan changes, different retirement account rules and more.

The House of Representatives was expected to quickly take up the bill and pass it, sending it to President Trump for his signature.

Here are the answers to common questions about what's in the bill. We'll update this article as we have more answers or if the plan changes as it moves through the legislative process. More information on getting assistance can be found at our Hub for Help.

Stimulus Payments

How large would the payments be?

Most adults would get $1,200, although some would get less. For every qualifying child age 16 or under, the payment would be an additional $500.

How many payments would there be?

Just one. Future bills could order up additional payments, though.

How do I know if I will get the full amount?

It depends on your income. Single adults with Social Security numbers who are United States residents and have an adjusted gross income of $75,000 or less would get the full amount. Married couples with no children earning $150,000 or less would receive a total of $2,400. And taxpayers filing as head of household would get the full payment if they earned $112,500 or less.

Above those income figures, the payment decreases until it stops altogether for single people earning $99,000 or married people who have no children and earn $198,000. According to the Senate Finance Committee, a family with two children would no longer be eligible for any payments if its income surpassed $218,000.

You can't get a payment if someone claims you as a dependent, even if you're an adult. In any given family and in most instances, everyone must have a valid Social Security number in order to be eligible. There is an exception for members of the military.

You can find your adjusted gross income on Line 8b of the 2019 1040 federal tax return.

Do college students get anything?

Not if anyone claims them as a dependent on a tax return. Usually, students under age 24 are dependents in the eyes of the taxing authorities if a parent pays for at least half of their expenses.

What year's income should I be looking at?

2019. If you haven't prepared a tax return yet, you can use your 2018 return. If you haven't filed that yet, you can use a 2019 Social Security statement showing your income to see what an employer reported to the I.R.S.

What if my recent income made me ineligible, but I anticipate being eligible because of a loss of income in 2020? Do I get a payment?

The bill does not help people in that circumstance now, but you may benefit once you file your 2020 taxes. That's because the payment is technically an advance on a tax credit that is available for the entire year. So it will depend on how much you earn.

Meanwhile, there are many other provisions in the legislation. You may be able to file for unemployment or for one of the new loans for small-business owners or sole proprietors.

Would I have to apply to receive a payment?

No. If the Internal Revenue Service already has your bank account information, it would transfer the money to you via direct deposit based on the recent income-tax figures it already has.

When would the payment arrive?

Treasury Secretary Steven Mnuchin said he expected most people to get their payments within three weeks.

If my payment doesn't come soon, how can I be sure that it wasn't misdirected?

According to the bill, you would get a paper notice in the mail no later than a few weeks after your payment had been disbursed. That notice would contain information about where the payment ended up and in what form it was made. If you couldn't locate the payment at that point, it would be time to contact the I.R.S. using the information on the notice.

What if I haven't filed tax returns recently? Would that affect my ability to receive a payment?

It could. File a return immediately, at least for 2018, according to the I.R.S. website. "Those without 2018 tax filings on record could potentially affect mailings of stimulus checks," the site says.

If you're worried about money that you owe that you cannot pay, the I.R.S. recommends consulting a tax professional who can help you request an alternative payment plan or some other resolution.

Would most people who are receiving Social Security retirement and disability payments each month also get a stimulus payment?

Yes.

Would eligible unemployed people get these stimulus payments? Veterans?

Yes and yes.

Do I have to pay income taxes on the amount of my payment?

No.

If my income tax refunds are currently being garnished because of a student loan default, would this payment be garnished as well?

No. In fact, the bill temporarily suspends nearly all efforts to garnish tax refunds to repay debts, including those to the I.R.S. itself. But this waiver may not apply to people who are behind on child support.

Unemployment Benefits

Who would be covered by the expanded program?

The new bill would wrap in far more workers than are usually eligible for unemployment benefits, including self-employed people and part-time workers. The bottom-line: Those who are unemployed, are partly unemployed or cannot work for a wide variety of coronavirus-related reasons would be more likely to receive benefits.

How much would I receive?

It depends on your state.

Benefits would be expanded in a bid to replace the average worker's paycheck, explained Andrew Stettner, a senior fellow at the Century Foundation, a public policy research group. The average worker earns about $1,000 a week, and unemployment benefits often replace roughly 40 to 45 percent of that. The expansion would pay an extra amount to fill the gap.

Under the plan, eligible workers would get an extra $600 per week on top of their state benefit. But some states are more generous than others. According to the Century Foundation, the maximum weekly benefit in Alabama is $275, but it's $450 in California and $713 in New Jersey.

So let's say a worker was making $1,100 per week in New York; she'd be eligible for the maximum state unemployment benefit of $504 per week. Under the new program, she gets an additional $600 of federal pandemic unemployment compensation, for a total of $1,104, essentially replacing her original paycheck.

States have the option of providing the entire amount in one payment, or sending the extra portion separately. But it must all be done on the same weekly basis.

Are gig workers, freelancers and independent contractors covered in the bill?

Yes, self-employed people would be newly eligible for unemployment benefits.

Benefit amounts would be calculated based on previous income, using a formula from the Disaster Unemployment Assistance program, according to a congressional aide.

Self-employed workers would also be eligible for the additional $600 weekly benefit provided by the federal government.

What if I'm a part-time worker who lost my job because of a coronavirus reason, but my state doesn't cover part-time workers? Would I still be eligible?

Yes. Part-time workers would be eligible for benefits, but the benefit amount and how long benefits would last depend on your state. They would also be eligible for the additional $600 weekly benefit.

What if I have Covid-19 or need to care for a family member who has it?

If you've received a diagnosis, are experiencing symptoms or are seeking a diagnosis -- and you're unemployed, are partly unemployed or cannot work as a result -- you would be covered. The same goes if you must care for a member of your family or household who has received a diagnosis.

What if my child's school or day care shut down?

If you rely on a school, a day care or another facility to care for a child, elderly parent or another household member so that you can work -- and that facility has been shut down because of coronavirus -- you would be eligible.

What if I've been advised by a health care provider to quarantine myself because of exposure to coronavirus? And what about broader orders to stay home?

People who must self-quarantine would be covered. The legislation also says that individuals who are unable to get to work because of a quarantine imposed as a result of the outbreak would also be eligible.

work because of a quarantine imposed as a result of the outbreak would also be eligible.

I was about to start a new job and now can't get there because of an outbreak.

You'd be eligible for benefits. You would also be covered if you were immediately laid off from a new job and did not have a sufficient work history to qualify for benefits under normal circumstances.

I had to quit my job as a direct result of coronavirus. Would I be eligible to apply for benefits?

It depends. Let's say your employer didn't lay you off but you had to quit because of a quarantine recommended by a health care provider, or because your child's day care closed and you're the primary caregiver. Situations like that are covered.

But this provision wasn't intended to cover people who quit (or want to quit) because they fear that continuing to work puts them at risk of contracting coronavirus, according to congressional aides.

My employer shut down my workplace because of coronavirus. Would I be eligible?

Yes. If you are unemployed, partly unemployed or unable to work because your employer closed down, you would be covered under the bill.

The breadwinner of my household has died as a result of coronavirus. I relied on that person for income, and I'm not working. Would that be covered?

Yes.

Whom would the bill leave out?

Workers who are able to work from home, and those receiving paid sick leave or paid family leave would not be covered. New entrants to the work force who cannot find jobs would also be ineligible.

How long would the payments last?

Many states already provide 26 weeks of benefits, though some states have trimmed that back while others provide a sliding scale tied to unemployment levels.

The bill would provide all eligible workers with an additional 13 weeks. So participants in states with 26 weeks would be eligible for a total of 39 weeks. The total amount cannot exceed 39 weeks, but it may be shorter in certain states.

The extra $600 payment would last for up to four months, covering weeks of unemployment ending July 31.

How long would the broader program last?

Expanded coverage would be available to workers who were newly eligible for unemployment benefits for weeks starting on Jan. 27, 2020, and through Dec. 31, 2020.

I'm already receiving unemployment benefits. Would I receive any help?

Yes. Even if you're already receiving unemployment benefits for reasons unrelated to the coronavirus, your state-level benefits would still be extended by 13 weeks. You would also receive the extra $600 weekly benefit from the federal government.

My unemployment recently ran out -- could I sign up again?

Yes. If you've exhausted your benefits, eligible workers could generally reapply. But how much you would get and for how long would depend on the state where you worked. Everyone would get at least another 13 weeks, along with the extra $600 payment.

Would this income disqualify me from any other programs?

Maybe. The additional $600 benefit would count as income when determining eligibility for means-tested programs, except for Medicaid and the Children's Health Insurance Program, known as CHIP.

How long would I need to wait for benefits?

States have been incentivized to waive the one-week waiting period, but it's unclear how long it would take to process claims – especially with state offices so strained by a flood of claims.

Student Loans

The federal government has already waived two months of payments and interest for many federal student loan borrowers. Is there a bigger break now with the new bill?

Yes. Until Sept. 30, there will be automatic payment suspensions for any student loan held by the federal government. It is hard to contact many of the loan servicers right now, so check your account online in the coming weeks. Once you are logged in, look for the current amount due. There, you should be able to see if the servicer has reset its billing systems so that you are showing no payment due.

How do I know if my loan is eligible?

If you've borrowed money from the federal government – a so-called direct loan – in the past 10 years, you're definitely eligible. According to the Institute for College Access & Success, 90 percent of loans (in dollar terms) will be eligible.

Older Federal Family Educational Loans (F.F.E.L.) that the U.S. Department of Education does not own would not be eligible, nor would Perkins loans, loans from state agencies, or loans from private lenders like Discover, Sallie Mae and Wells Fargo. The holders of all those kinds of loans may be offering their own assistance programs.

Within a few weeks of the bill becoming law, you are supposed to receive notice indicating what has happened with your federal loans. You can choose to keep paying down your principal if you want. Then, after Aug. 1, you should get multiple notices letting you know about the cessation of the suspension period and that you may be eligible to enroll in an income-driven repayment plan.

Will my loan servicer charge me interest during the six-month period?

The bill says that interest "shall not accrue" on the loan during the suspension period.

At the end of the suspension, keep a close eye on what your loan servicer does (or does not do) to put you back into your previous repayment mode. Servicer errors are common.

Will the six-month suspension cost me money, since I'm trying to qualify for the public service loan forgiveness program by making 120 monthly payments?

No. The legislation says that your payment count will still go up by one payment each month during the six-month suspension, even though you will not actually be making any payments. This is true for all forgiveness or loan-rehabilitation programs.

Is wage garnishment that resulted from being behind on my loan payments suspended during this six-month period?

Yes. So is the seizure of tax refunds, the reduction of any other federal benefit payments and other involuntary collection efforts.

Are there changes to the rules if my employer repays some of my student loans?

Yes. Some employers do this as an employee benefit. Between the date the bill is signed and the end of 2020, they can offer up to $5,250 of assistance without that money counting as part of the employee's income. If the employer pays tuition for classes an employee is taking, that money will also count toward the $5,250.

Retirement Accounts

Which retirement account rules would be suspended?

For the calendar year 2020, no one would have to take a required minimum distribution from any individual retirement accounts or workplace retirement savings plans, like a 401(k). That way, you aren't forced to sell investments that may have fallen in value, which would lock in losses. If you don't need the money now, you can let the investments sit and hope that they recover.

This change would not affect old-fashioned pensions.

What if I have to take money out of my I.R.A. or workplace retirement plan early?

You could withdraw up to $100,000 this year without the usual 10 percent penalty, as long as it's because of the outbreak.

You would also be able to spread out any income taxes that you owe over three years from the date you took the distribution. And if you want, you could put the money back into the account before those three years are up, even though the rules may normally keep you from making a contribution that large.

This exception applies only to coronavirus-related withdrawals. You qualify if you tested positive, a spouse or dependent did or you experienced a variety of other negative economic consequences related to the pandemic. Employers could allow workers to self-certify that they are qualified to pull money from a workplace retirement account.

Can I still borrow from my 401(k) or other workplace retirement plan?

Yes, and you could take out twice the usual amount. For 180 days after the bill passes, with certification that you've been affected by the pandemic, you'd be able to take out a loan of up to $100,000. Usually you can't take out more than half your balance, but that rule would be suspended.

If you already have a loan and were supposed to finish repaying it before Dec. 31, you'd get an extra year.

Charitable Contributions

I want to help people who are suffering from the pandemic. Does the bill do anything about charitable donations?

Yes. The bill would make a new deduction available -- and not just for 2020 -- for up to $300 in annual charitable contributions. It's available only to people who don't itemize their deductions, and you calculate this new one by subtracting the amount you give from your gross income.

To qualify, you would have to give cash to a qualified charity and not to a donor-advised fund, which is a charitable account that affluent people often use to bunch contributions in a particular year in order to maximize deductions. If you've already given money since Jan. 1, that contribution counts toward the $300 cap.

I am lucky to have substantial wealth, and I want to give more to charity than I usually do. Have the limits on charitable deductions changed?

Yes, they have. As part of the bill, donors can deduct 100 percent of their gift against their 2020 adjusted gross income. If you have $1 million of income, you can give $1 million to a public charity and deduct the full amount in 2020.

The new deduction is only for cash gifts that go to a public charity. If you give cash to, say, your private foundation, the old deduction rules apply. And while the organizations that manage donor advised funds are public charities, you do not get the higher deduction for donating cash to your donor advised fund.

If your assets are substantial enough that you can give more than your income this year, you won't lose the deduction for the excess amount. You can use it next year, as has always been the case.

Other Features of the Bill

Would there be damage to my credit report if I took advantage of any virus-related payment relief, including the student loan suspension?

No. There is not supposed to be, at least.

The bill states that during the period beginning on Jan. 31 and continuing 120 days after the cessation of the national emergency declaration, lenders and others should mark your credit file as current, even if you avail yourself of payment modifications.

If you had black marks in your file before the virus hit, those will remain unless you fix the issues during the emergency period.

Credit reporting agencies can make errors. Be sure to check your credit report a few times each year, especially if you accept any help from any financial institution or biller this year.

Is there any relief for renters in the bill?

Yes. The bill would put a temporary, nationwide eviction moratorium in place for any renters whose landlords have mortgages backed or owned by Fannie Mae, Freddie Mac and other federal entities. This will last for 120 days after the bill passes, and landlords also can't charge any fees or penalties for nonpayment of rent.

Would this bill change any rules for health savings accounts and health care flexible spending accounts?

Yes. Menstrual products are now eligible for reimbursement after at least 15 years of lobbying and debate.

Did the legislation make it illegal for any internet provider to cut off service to an individual or small business that can't pay its bills?

No.

Did the legislation make it illegal for utility providers to cut off service?

No.

Paul Sullivan contributed reporting.

https://www.nytimes.com/article/coronavirus-stimulus-package-questions-answers.html
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The New York Times

March 27, 2020 Friday, Late Edition - Final

**How to Spin Mind-Boggling Spending**



Section: Section A; Column 0; National Desk; Pg. 23; ON POLITICS WITH LISA LERER

Length: 1708 words

Byline: By Lisa Lerer

Body
American politics were rewired after the Great Recession. The current crisis could shake things up again.

Hi. Welcome to On Politics, your guide to the day in national politics. I'm Lisa Lerer, your host.

Sign up here to get On Politics in your inbox every weekday.

During the Great Recession, with the economy in free fall, Congress rushed to pass the largest bailout and stimulus measures in American history. Those decisions helped stabilize the American economy but shook up the political landscape, birthing the conservative Tea Party movement and revitalizing progressive politics.

The $2 trillion economic stabilization package expected to be finalized this week makes the $700 billion Wall Street bailout in 2008 and the $800 billion stimulus bill in 2009 look like pocket change.

Like the Great Recession, this current national crisis could have political implications that reverberate far longer than the public health and economic impacts. Activists on both the right and the left say this mind-boggling amount of government spending could rewire our politics, perhaps in extraordinary ways.

"This crisis is exposing a lot of problems and vulnerabilities and injustices," said Sarah Miller, head of the American Economic Liberties Project, a new organization dedicated to pushing government to confront corporate power. "Now, this bill is really laying them out into the sunshine for the public."

For critics of the legislation, the devil is in the details. Sure, the bill includes something for everyone: loans and grants for corporations and small businesses, increased unemployment benefits for workers who are laid off or working fewer hours, and direct payments of $1,200 per adult and $500 per child for low- and middle-income individuals and families.

But the biggest portion of spending -- more than $500 billion -- goes to large corporations and industries. Provisions include $32 billion for the airline industry, $17 billion for "businesses critical to maintaining national security"-- a category seen as intended at least partly for Boeing -- and a tweak to federal tax law sought by restaurants and retailers that could save their industries $15 billion a year.

Some companies owned by the family of President Trump's son-in-law and White House adviser, Jared Kushner, could benefit. And despite Democratic efforts, Mr. Trump's companies would not be prohibited from benefiting from some elements of the bill.

And that may be only the first round of spending.

And that may be only the first round of spending.

"Everything about this is deeply concerning," said Jenny Beth Martin, a co-founder of one of the first Tea Party organizations, the Tea Party Patriots. "There are going to be so many unintended consequences from the month of March 2020. It will be years before we sort out what just happened."

Yet, for Tea Party supporters like Ms. Martin, the situation is complicated. For years, they excoriated big government, helping to elect a new class of lawmakers determined to slash spending.

That is, until Mr. Trump took office.

Mr. Trump's incoming chief of staff, Mark Meadows, and his departing acting chief of staff, Mick Mulvaney, both tied their congressional careers to the Tea Party movement. Now, Mr. Mulvaney, Mr. Meadows and other Tea Party politicians are top supporters of the administration – and of the record-breaking level of spending pushed by the White House, even before the coronavirus crisis.

All have been cautious not to use the B-word (bailout) or even the S-word (stimulus) when it comes to describing the economic stabilization package.

Tim Phillips, president of Americans for Prosperity, a group that helped fund and organize Tea Party activists, drew a firm distinction between the 2008 bailout and today's package.

"This is very different than in 2008-2009, which was an abject cronyistic bailout," said Mr. Phillips, who said he had discussed the package on town-hall-style events conducted via telephone with thousands of his group's supporters. "The American public gets that this is a very different situation. It affects almost everyone."

That position may be hard to maintain if the money becomes, as critics fear, a "slush fund" for big corporations. Senate Democrats successfully maneuvered to include more oversight and transparency in the legislation, but how the Treasury Department handles the distribution of the funds will be closely watched, particularly as average Americans struggle to survive the crisis.

During the previous administration, the Wall Street bailout came to be associated with President Barack Obama even though it was passed under his predecessor. Some liberal activists unhappy with the program were reluctant to drive their economic message against a president popular with progressives.

They will face no such hesitation this time around, with Mr. Trump's administration providing an easy foil and prominent leaders of the movement – like Representative Alexandria Ocasio-Cortez of New York -- already making their case.

"We see this giant slush fund that Steven Mnuchin has a lot of authority over with limited strings attached," Ms. Miller said, referring to the Treasury secretary. "This was a bill that fundamentally restructures our economy, and while it does provide some critical help, it also is going to exacerbate these massive imbalances of economic power."

Coronavirus ad wars continue

Super PACs supporting Democrats have clearly struck a nerve with their ads on the Trump administration's response to the coronavirus.

In Tuesday's newsletter, we took a look at the roughly $12 million being spent by Democratic outside groups attacking President Trump for his comments this year playing down the severity of the coronavirus outbreak. One particularly stark ad came from Priorities USA, a major Democratic super PAC, showing the exponential curve of coronavirus cases trending upward as Mr. Trump's voice is heard saying that "this is their new hoax" and that "we have it totally under control."

On Wednesday, the Trump campaign sent a cease-and-desist letter to television stations across the country, telling them to stop airing the ad from Priorities USA because it contained false representations of Mr. Trump's remarks, particularly the word "hoax." The president and his supporters have said that he was referring to Democrats' criticism of his response to the virus, not to the virus itself.

In response, officials at Priorities USA announced today that they were expanding their ad buy, effectively thumbing their noses at the Trump campaign by spending $600,000 to air the ad in Arizona. The group previously announced it would spend $6 million to run the ad in Pennsylvania, Michigan, Wisconsin and Florida.

"The fact that Trump is going to such great lengths to keep the American people from hearing his own words adds to the urgency of communicating them far and wide," said Guy Cecil, the chairman of Priorities USA, in a statement announcing the new ad buy in Arizona. "Trump doesn't want voters to know the truth. We will not be intimidated."

The "hoax" remark, which was also featured in an ad by Unite the Country, a super PAC supporting Joe Biden, led Fox News to decline to air it, as we reported in yesterday's newsletter.

Drop us a line!

In my house, I'm suddenly an elementary schoolteacher, a chef and a sanitization specialist. (P.S.: I'm not great at any of it.)

How has the virus changed the dynamics in your family life? Is Dad taking charge of bath time, after years of declining to take the lead? Is all the distance learning falling to Mom -- and she's getting awfully tired of it?

Tell us your stories at onpolitics@nytimes.com Don't forget to include your name and location. We can't wait to hear from you!

Need inspiration? One of our colleagues interviewed Shiri Kenigsberg Levi, the Israeli mother whose rant over distance learning went viral.

From Opinion: Debating the coronavirus response

The $2 trillion economic stabilization package is intended to mitigate the economic consequences of shutting down the economy. As Times columnist Bret Stephens told Gail Collins in The Conversation, a huge government intervention is what's needed now.

"The biggest challenge right now is to keep people and businesses liquid, lest they go bankrupt," Stephens said. "Millions of people are being shut out from their jobs. Businesses across the country are being shut out from their customers. All through no fault of their own, and all on account of government orders. So there's a moral obligation as well as an economic necessity."

But President Trump is seeking an early return to business as usual to jolt an economic recovery. The Editorial Board argues that, "as the president's own health advisers warn, the worst of the coronavirus pandemic is yet to come," and that "it's time for a national lockdown." In other words, easing restrictions now would cost lives for the sake of potential economic gain. This trade-off, though, may not be quite what it seems.

Times columnist Jamelle Bouie says that the Trump administration has convinced itself "that an extended lockdown is more harmful than anything the virus can do." Bouie concludes: "Trump will sacrifice Americans to coronavirus if it will save the market and his prospects for re-election."

-- Adam Rubenstein

... Seriously

Donuts Delite, in Rochester, N.Y., is selling out of doughnuts featuring the likeness of Dr. Anthony Fauci. The Democrat & Chronicle reports:

Decorating the specialty treats involves printing an image of 79-year-old Fauci on wafer-thin edible paper and placing the paper on top of a thick layer of buttercream frosting. Fauci's image is then encircled with piped frosting decorated with red, white and blue sprinkles.

My question: Does the shop deliver? Clearly, this is a crisis that calls for C.D.C. intervention ... and some serious carbs.

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https://www.nytimes.com/2020/03/26/us/politics/on-politics-coronavirus-congress.html
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The New York Times

March 27, 2020 Friday, Late Edition - Final

**What Happens When Washington Holds the Levers of Capitalism**

Section: Section B; Column 0; Business/Financial Desk; Pg. 7

Length: 1450 words

Byline: By Jim Tankersley, Alan Rappeport, David Gelles, Peter Eavis and David Yaffe-Bellany

Body

The $2 trillion aid package is expected to save jobs and bail out companies, but it reorders the relationship between government and private industry.

The $2 trillion coronavirus rescue package that the Senate passed on Wednesday will fundamentally transform the U.S. government by placing thousands of businesses and millions of workers on federally funded life support.

The government will pay the wages of some workers who remain on their companies' payrolls. It will sustain other workers who have lost their jobs with checks that are as large as -- or even larger than -- what they were earning before they were laid off. And it will cushion some of the country's largest corporations from bankruptcy, with taxpayers taking shares in those companies as collateral.

Rarely before has the government involved itself so deeply in the business of business. Amid a historic drop-off in economic activity, the bill temporarily transfers financial responsibility from private industry to the federal government, allowing the United States to control the levers of capitalism and potentially decide who wins and who loses. The level of intervention this week far outstrips the financial scope and breadth of recovery efforts during the 2008 financial crisis.

That is a controversial proposition in normal times but one lawmakers deemed necessary now, as companies large and small, from airlines and big banks to nail salons and brew pubs, face unprecedented hardship. The ripple effects have already sent millions of Americans into unemployment.

"We went to bed as America and woke up the next morning looking like social democratic Europe," Erik Gordon, professor at the Ross School of Business at the University of Michigan, said. "We've made fun of Europe propping up their failing steel companies and car companies, and when push comes to shove we're going to outdo them."

The government's intervention will come in a variety of ways, including direct payments to individuals and businesses, generous loans in which the government agrees to backstop losses and equity stakes in companies. But there are strings attached, such as limits on executive pay and provisions that require companies receiving assistance to maintain employment levels at 90 percent of what they were.

Midsize companies, or those with between 500 and 10,000 employees, get to borrow at an interest rate that is not higher than 2 percent annually, and don't have to repay principal or interest for six months. The midsize companies cannot "outsource or offshore" jobs from the start of the loan until two years after it has been repaid.

Businesses with 500 or fewer employees will get loans directly from banks to cover more than two months of payrolls and some other operating expenses, with the government paying off the balance so long as the companies either do not lay off workers or rehire ones they've already let go.

The government will inject more than $60 billion into the airline industry, including $25 billion in grants to pay employees of passenger airlines and $4 billion for those who work at cargo airlines. About $17 billion has been set aside largely for Boeing, which, because of two deadly crashes, was troubled before the virus brought many commercial flights to a standstill.

Not all businesses will be eligible for help, and not every eligible company will agree to the government's terms. And some industries, including cruise lines and energy companies, were left on the sidelines.

The major cruise companies appear not to qualify for loans because they are domiciled outside the United States and their employees are spread across the world.

"We didn't seek or expect a cash bailout, and it doesn't appear anyway that we would qualify under the terms," said Roger Frizzell, a spokesman for Carnival Corporation. "We have a significant employee presence in the U.S., but a majority of our employees are on ships, not in any location, certainly not based in the U.S."

The legislation also does not include $3 billion that the Trump administration requested to buy crude oil for the Strategic Petroleum Reserve. Such a purchase could have helped lift demand for oil, and thus its price, which in the United States has tumbled to less than $25 a barrel in recent weeks. Solar and wind businesses were upset that lawmakers did not make it easier for them to benefit from tax credits for renewable energy.

The epicenter of the intervention will be the Treasury Department, where Secretary Steven Mnuchin will oversee nearly a third of the $2 trillion in economic relief funds that Congress is approving.

The money will be held in two pots: $350 billion will be devoted to loans and loan guarantees for small businesses. And $500 billion will be divided among airlines and companies that are critical to national security, including Boeing, and will prop up the Federal Reserve's new emergency lending facilities, which are intended to inject nearly $4 trillion into the economy.

Mr. Mnuchin said on Thursday that the distribution of the money would be fully transparent. "When we do take actions, either through our direct program or throughout programs with the Fed, there will be disclosures to the American public much faster than they would normally occur," he said on CNBC.

Businesses will also have to cede some control to the federal government in exchange for lifelines. Companies that borrow money are forbidden to repurchase their stock or pay dividends during the loan and for a year after it is repaid. They must not cut staffing by more than 10 percent through the end of September.

Loans to small businesses, with 500 employees or fewer, are limited to $10 million. Loans to cover salaries of over $100,000 wouldn't qualify for forgiveness, and businesses must demonstrate that they had not recently laid off employees, or a smaller amount of the loan would be subject to forgiveness.

Businesses would not have to repay loans covering up to eight weeks' worth of payroll expenses. That means that once businesses receive their loans, a new clock will begin to tick: They'll have to use the money within two months to avoid repaying it; they also can't pay any employee more than $10,000 in those two months if they want that amount to be forgiven.

Lawmakers also placed restrictions on compensation and pay increases for executives, moves intended to address one of the criticisms about bailouts during the 2008 crisis. But pay limits will not necessarily do away with multimillion-dollar paydays for corporate bosses.

Executives who made more than $3 million in 2019 could be awarded $3 million, plus half of any sum in excess of $3 million. As a result, a chief executive who earned $20 million in 2019 would be allowed compensation of $11.5 million. The restrictions would apply from the time the federal support began to one year after it ended.

Even as the government takes on an outsize role in overseeing companies, Mr. Mnuchin maintained that it should not be in the business of dictating what private companies did.

"We don't believe in mandating and regulating certain big businesses," he said.

And big business, despite its need for help, has seemed unwilling to cede too much control to the government. On Tuesday, Boeing's chief executive, David Calhoun, suggested that he wasn't interested in the government's taking an equity stake in the company, despite the beleaguered state of the aerospace giant.

"I don't have a need for an equity stake," Mr. Calhoun said in an interview on Fox Business Network. "If they forced it, we'd just look at all the other options, and we have got plenty."

Boeing, which had lobbied for government aid, was not specifically named in the bill. It nonetheless signaled its approval of the stimulus package on Wednesday night. "The bill's access to public and private liquidity, including loans and loan guarantees, is critical for airlines, airports, suppliers and manufacturers to bridge to recovery," Boeing said in a statement.

The House is now expected to take up the legislation, and President Trump has signaled that he would sign it quickly into law.

Many of the provisions are intended to offer lifelines to companies and workers over the coming months, as the country struggles to contain the pandemic and braces for a recession. But the long-term consequences of a $2 trillion bailout of the American economy are unknown.

"This is going to be hard to unravel," said Mr. Gordon, the University of Michigan professor. "Industries that are propped up stay propped up for a long time."

Reporting was contributed by Niraj Chokshi, Jesse Drucker, Emily Flitter, Clifford Krauss and Ivan Penn.

https://www.nytimes.com/2020/03/26/business/economy/coronavirus-relief-bill.html
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The New York Times

**Poof! How the Fed Will Turn $454 Billion Into $4 Trillion**



Section: Section B; Column 0; Business/Financial Desk; Pg. 8

Length: 1193 words

Byline: By Jeanna Smialek

Body

The central bank takes Treasury Department loan guarantees and uses them to stand up huge programs. Here's how that works.

Treasury Secretary Steven Mnuchin has a favorite talking point: With the Federal Reserve's help, the government will turn a $500 billion spending package working its way through Congress into a $4 trillion booster shot for the United States economy.

How, you might ask, does that figure?

The answer lies in the central bank's emergency lending authorities, given to it by the Federal Reserve Act. When the Fed declares that circumstances are unusual and exigent, and Treasury signs off, it can set up special programs that essentially buy debt from -- or extend loans to -- businesses large and small.

The Fed could simply print the money to back that lending, but it avoids taking on credit risk, so it asks for Treasury funding to insure against losses. But those taxpayer dollars can be leveraged: Because the Fed expects most borrowers to pay back, it does not need one-for-one support. As a result, a mere $10 billion from Treasury can prop up $100 billion in Fed lending. And voilà -- the $454 billion Congress dedicated to Fed programs in the aid bill can be multiplied many times. A separate $46 billion in the package will go to specific industries.

This is how the mechanics work and who might get the money:

What's in the bill?

Congress allotted at least $454 billion to the Treasury specifically to support Fed programs. It attached a few strings -- for instance, companies that get direct loans backed by Treasury funding could be prevented from paying out dividends or buying back shares. Mr. Mnuchin is also required to push the Fed to set up specific programs, including one that would help medium-sized businesses.

Another $46 billion in the legislation will go to specific industries, including airlines. The Fed won't be involved in that set of loans.

Who gets it?

The Treasury and the Fed will work together to decide how the $454 billion should be deployed. The central bank designs and runs the programs, but Treasury consults on the broad-brush outline and must sign off on any plan.

The Fed has already announced a number of emergency lending programs in recent weeks, including one that supports corporate debt issuers and another meant to keep money flowing in the market for short-term business loans. It has said it will establish a "Main Street" lending facility for small businesses, though details on what that will look like are scant.

The Fed is also indirectly helping the market for local debt through one facility, and some economists have speculated that it could go further by actually buying state and local bonds in an emergency measure. The legislation instructs Mr. Mnuchin to push for a program that supports state and local borrowing, something lawmakers have long clamored for.

The Treasury fund used to back those efforts contains just $94 billion, so congressionally-approved money would pave the way for serious scaling up.

Depending on how much the money is leveraged -- which in turn depends on the credit risk of the programs it supports -- it could result in trillions of temporary support for companies and local governments. Mr. Mnuchin has repeatedly estimated the injection at about $4 trillion. (It could be bigger now: When he made that estimate, the congressional allotment was $425 billion.)

That seems like a lot of money.

It is worth noting that this setup will not necessarily pump $3.5 trillion of monopoly money into the economy permanently.

When it makes a loan, the Fed temporarily sends fresh dollars out into the financial system. But that loan must be paid back with interest, sucking the funds back out. When the Fed buys bonds using its emergency powers, it takes an asset out of the system in exchange for central bank cash.

"When it comes due, cash essentially has to be taken out of the private banking system and given back to the Fed," said Matthew Luzzetti, chief United States economist at Deutsche Bank.

That said, money can be hard to fully snuff out once it is created. The Fed swelled its asset holdings significantly during and after the 2008 financial crisis. It struggled to shrink them again, leaving outstanding reserves -- central bank deposits that it had used to buy bonds -- permanently higher.

Why can't the Fed go it alone?

The Fed is legally prohibited from lending to bankrupt companies, and it avoids lending to risky businesses without backup. That's partly because it is afraid of losing money on loans and facing political repercussions, lawyers who study the matter say.

That may seem silly. The Fed is no ordinary bank: It creates money at the touch of a digital button. If it is not paid back, it will not go out of business. But if it took a significant loss, it would mean that the central bank had tried to prop up failing companies rather than simply striving to improve market functioning amid a temporary cash crunch. Keeping the gears of commerce chugging is the Fed's job. Picking winners and losers is not.

"Losses look really, really bad," Kathryn Judge, a professor at Columbia Law School, said in an email. "Most people are comfortable with the Fed providing liquidity, even a lot of it, to keep markets functioning."

If the Fed does take on a risk but Treasury backs at least the first round of losses, it means the elected government is agreeing to the plan. That puts a veneer of accountability on the whole enterprise, giving unelected central bankers some cover.

Is it a bailout?

While the $46 billion in Treasury-determined funding will go to specific industries, the Fed-tied money is likely to be used more broadly.

So far, the Fed's emergency programs benefit wide groups: The Fed is buying high-grade corporate bonds, for instance, because such debt had become hard to issue or renew, threatening to choke off funding to a broad range of companies.

The goal is to keep critical markets functioning through the coronavirus crisis.

"The government has stepped into the breach in a dramatic way, and has made Treasury the Federal Reserve's deputy," said Peter Conti-Brown, a Fed historian at the Wharton School of the University of Pennsylvania. "The Federal Reserve has become your friendly neighborhood loan officer."

Tell me the nerdy details.

Since you asked. When we say that the Fed "essentially" buys debt and makes loans with its emergency lending programs, it's because the way many of the operations are structured is a bit complicated.

Legally, the Fed is not allowed to buy debt that is not backed by the government. To achieve a degree of separation, it sets up a special purpose vehicle and then lends into it -- which is why all of these programs are called "emergency lending." The vehicle then snaps up bonds or makes loans to the private sector.

It's also worth noting that it is a big deal in the wonky world of central banking that Congress is poised to explicitly give the Fed so much backup.

"I know of no other time that a legislature has delegated to a central bank such far-reaching authority to allocate credit," Ms. Judge wrote in an email.

https://www.nytimes.com/2020/03/26/business/economy/fed-coronavirus-stimulus.html
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March 27, 2020 Friday, Late Edition - Final

**Passing the Stimulus: Nonstarter at 9 A.M. To 96-0 at Midnight**



Section: Section A; Column 0; Foreign Desk; Pg. 6

Length: 2747 words

Byline: By Carl Hulse and Emily Cochrane

Body
Markets shuddered as the $2 trillion economic stabilization package stalled before negotiators cemented a historic deal.

WASHINGTON -- As Senator Chuck Schumer walked the two miles from his apartment to the Capitol early Sunday morning, getting his steps in since the Senate gym had been shut down to stem the spread of the novel coronavirus, he knew he and his fellow Democrats had a momentous decision to make.

After 48 hours of intense bipartisan negotiations over a huge economic stabilization plan to respond to the pandemic, Republicans were insisting on a vote later that day to advance the package. Mr. Schumer, the Democratic leader, suspected Republicans would present Democrats with an unacceptable, take-it-or-leave it proposition and then dare them to stand in the way of a nearly $2 trillion measure everyone knew was desperately needed. As soon as he arrived at the Capitol, the choice was clear: Democrats would have to leave it.

During an 8:45 a.m. conference call with staff, Mr. Schumer, of New York, was startled to learn that Republicans had boosted to $500 billion the size of a bailout fund for distressed businesses, but failed to meet Democrats' request to devote $150 billion to a "Marshall Plan" for hospitals on the front lines of the virus.

What was worse, the corporate aid came with little accountability over dollars to be doled out unsupervised by the Treasury Department -- a red flag to Democrats after the 2008 Wall Street bailout, and one that would be particularly hard to accept given President Trump's disdain for congressional oversight.

Mr. Schumer told his staff that the proposal was a nonstarter, and he directed them to quickly spread the word that Democrats would oppose the bill as it was, according to several people involved in the discussions who, like more than dozen lawmakers and senior officials interviewed for this story, spoke on the condition of anonymity to describe the roller coaster negotiations that led to the passage of the largest stimulus measure in modern American history.

Then he called his colleagues -- including Senator Elizabeth Warren of Massachusetts, a former presidential candidate who is influential on the left -- to alert them to what he saw as a Republican ploy to muscle through a corporate giveaway. Within hours, Ms. Warren declared on Twitter that she would oppose the "giant slush fund" and urged other Democrats to join her. On a conference call later that day, Senator Patty Murray of Washington, not known for a temper, said she would be "a damn no" on the bill and urged her colleagues to do the same, which they did unanimously in a vote that sent futures markets plummeting.

It was a shocking and politically perilous decision in the middle of a paralyzing national crisis, a moment when lawmakers are traditionally expected to put aside differences for the good of the country, or face a political backlash.

The move was particularly infuriating for Republicans who had been willing to momentarily abandon their small-government zeal and agree to large additions to safety-net programs, including direct payments to Americans and a substantial increase in jobless aid, in the interest of sealing a quick deal with Democrats. Senator Mitch McConnell, Republican of Kentucky and the majority leader, would later call it a "stupid vote," but Democrats said it proved crucial.

"It showed McConnell that he was going to have to deal with us," Mr. Schumer said.

The moment was a turning point for the rapid and fitful negotiations over the stimulus measure, which came together over a handful of frenzied days on Capitol Hill, as global markets convulsed with worry and lawmakers scrambled to agree before Covid-19 could infect their ranks and cripple Congress.

After days of intrigue, gamesmanship and partisan assaults, the Senate finally came together late Wednesday after nearly coming apart. As midnight was about to toll, lawmakers approved in an extraordinary 96-to-0 vote a $2 trillion package intended to get the nation through the crippling economic and health disruptions being inflicted on the world by the coronavirus.

The House is expected to approve it by voice vote on Friday, avoiding the need to force hundreds of lawmakers to

jeopardize their own health and travel from homes around the county as tens of millions of Americans are required to shelter in place.

The bill came together despite a toxic dynamic between the two parties in the normally courtly Senate, where Mr. McConnell conceded from the start that quickly enacting a mammoth emergency government aid plan could be done only with the assent of Democrats.

In a private lunch the week before, where Republican senators dined in a larger-than-usual room to try to maintain social distance, Mr. McConnell told his colleagues that they would ultimately have to deal with "Cryin' Chuck," using Mr. Trump's derisive nickname for the Democratic leader in an acid comment that caught the attention of some in the room.

"Sometimes the president has a good sense of humor," Mr. McConnell said in an interview, acknowledging the dig. "It got a couple of laughs."

But there was a more serious subtext: With Democrats in control of the House and Republicans wielding a thin majority in the Senate, Mr. Schumer would have to be accommodated in any final bill.

Mr. Trump had a hand in the agreement, if only by keeping his distance from the talks. At one point, Senator Patrick J. Toomey, Republican of Pennsylvania, and Steven Mnuchin, the Treasury secretary, called the White House to ask the president to weigh in on a dispute they were having about whether airlines should have to reimburse the government for aid.

Work it out yourselves, Mr. Trump told the pair on a conference call.

In the end, Democrats won what they saw as significant improvements in the measure through their resistance, including added funding for health care and unemployment along with more direct money to states. A key addition was tougher oversight on the corporate bailout fund, including an inspector general and congressionally appointed board to monitor it, disclosure requirements for businesses that benefited, and a prohibition on any of the money going to Mr. Trump's family or his properties -- although they could still potentially benefit from other provisions.

"We had to do the right thing," Mr. Schumer said in an interview. "This bill was not going to be with us a matter of days, but for weeks, months and years. It is riskier to pass a really bad bill than to delay it."

The giant and complex aid package known as Phase 3 was assembled and passed in remarkably short order given its scope -- quick on the heels of two smaller but not insignificant aid packages.

Adding to the tense atmosphere as the measure hung in the balance, senators learned that one of their own -- Senator Rand Paul, Republican of Kentucky -- had tested positive for Covid-19 after going about his Senate business in proximity to his colleagues, even sneaking into the senators-only gym to swim laps in the pool. It was a surprising turn that crystallized the threat both to the nation and to the lawmakers as they remained at work on Capitol Hill.

The roots of the Senate fight dated to about 10 days earlier, when Mr. McConnell had ceded the task of finding consensus on an earlier relief measure to Mr. Mnuchin and Speaker Nancy Pelosi. The two spent so much time on the phone hammering out the deal -- a bill that would provide hundreds of billions of dollars for provide paid leave, free coronavirus testing and food and health care aid to low-income Americans -- that Ms. Pelosi arrived at a late-night news conference celebrating its passage missing a teal and gold earring, as it rolled under her desk during the many calls.

As the House was completing that package on March 13, Mr. McConnell canceled a recess set for the following week to give the Senate time to take it up. He then closed up shop for the weekend and flew home to Louisville with Justice Brett M. Kavanaugh of the Supreme Court, whose confirmation was the subject of a bitter Senate fight two years ago. They attended a ceremony installing a McConnell-backed federal judge, underscoring the leader's well-known passion for judicial confirmations while giving the majority leader's detractors a fat target. Democrats and their progressive allies accused him of not recognizing the urgency of the moment and taking a break, even though the House bill was not yet ready for Senate consideration.

Now the majority leader was determined to put his own stamp on the next economic aid plan, which was shaping up as far larger, and wanted to make sure Republicans controlled and got credit for the final product.

Republicans plunged ahead, pulling together their own ideas. On March 19, Mr. McConnell unveiled the Republican approach -- a $1 trillion proposal that centered on $1,200 cash payments to working Americans to tide them over, guaranteed loans and large tax cuts for corporate America and a newly created program to provide grants to small businesses that kept their workers on the payroll.

Democrats had their own ideas, calling for a major infusion of cash to beleaguered hospitals and health care workers, more money for states and a major expansion of unemployment benefits -- "unemployment on steroids" as Mr. Schumer called it – though they were not opposed to the cash payments. Democrats criticized the corporate aid in the Republican bill, saying they wanted restrictions on using the money for stock buybacks and raising executive pay among other conditions.

Democrats drew a particularly hard line on unemployment insurance, one Senate official said, with Mr. Schumer instructing his side to refuse to negotiate on the tax relief sought by Republicans until they had a deal on the jobless benefits. The idea was to boost the aid to the level of a laid-off worker's pay, but when that proved logistically difficult, the two sides agreed on a $600 across-the-board supplement.

Lawmakers blew through a 5 p.m. Saturday deadline set by Mr. McConnell for getting their ideas into legislative form for a vote the next day. Still, as a handful of veteran Republican senators joined Mr. McConnell, Mr. Mnuchin and White House staff in Mr. McConnell's office to assess the state of play, a sense of optimism prevailed. They believed they were on the cusp of a deal and that Democrats were comfortably on board.

"We all felt good, the people who were all working it out," said Senator Lisa Murkowski, Republican of Alaska and the chairwoman of the Energy and Natural Resources Committee. Mr. McConnell issued a statement saying that because of the progress made, he had asked "chairmen to draft final legislative text that reflects their compromise products."

The announcement alarmed Democrats, who were not yet satisfied with the deal, and Mr. Schumer's spokesman issued a statement about 10:30 p.m. Saturday cautioning that there was "not yet an agreement, and we still have not seen large parts of the Republican draft."

When Mr. Schumer saw it on Sunday morning, things went downhill fast. On her way into a meeting in Mr. McConnell's office, Ms. Pelosi, who had returned from San Francisco in time to join the talks, threw cold water on the prospect for an agreement, saying that as far as she was concerned, the two sides remained apart.

Mr. Mnuchin opened the meeting by asserting that "essentially, it seems to me that we've reached a bipartisan agreement," but Ms. Pelosi and Mr. Schumer balked and began outlining a number of issues that needed work in order to gain their support: expansion of unemployment insurance, additional funding for state and local governments, more aid to hospitals.

When Ms. Pelosi, who is Catholic, quoted Pope Francis and his prayer to "enlighten those responsible for the common good," Mr. Mnuchin responded, "You quoted the pope, I'll quote the markets," she later recounted in televised interviews this week.

Mr. McConnell insisted that they would move ahead with a scheduled procedural vote later in the day. But as she left the room, Ms. Pelosi informed them that she would be introducing her own version shortly.

Republicans seized on Ms. Pelosi's entry into the talks, claiming that the speaker had forced Democrats to abandon a compromise they had helped write.

"We tried to go forward on a totally bipartisan basis, and then leadership got ahold of it," Mr. McConnell said in an interview.

Republicans were further outraged when they saw the draft House bill, a $2.5 trillion measure that included an array of progressive policies well beyond the scope of emergency aid, saying Democrats were trying to use the crisis to advance a liberal agenda. They seized on a comment by Representative James E. Clyburn of South Carolina, the No. 3 House Democrat, who said on a private conference call with Democrats that the pandemic presented "a tremendous opportunity to restructure things to our vision" – a comment Mr. McConnell brought up repeatedly.

As uncertainty swirled on Sunday in the Capitol over the fate of the legislation, Mr. Paul announced that he had tested positive for the disease. Senators were alarmed. The virus they were fighting was circulating among them.

Democrats quickly broke up their lunch and continued their discussion by conference call, and two Republican senators who had had contact with Mr. Paul, Mitt Romney and Mike Lee, both of Utah, quarantined themselves. It created another incentive for the Senate to bridge its divide as soon as possible to allow members -- nearly half of them over 60 -- to exit the capital.

And with members of the House falling ill and quarantine orders going into effect around the country, it was becoming clear that lawmakers from that chamber would not be returning to Washington to consider the plan. The emerging compromise would have to be acceptable enough to Democrats and Republicans that it could pass without a recorded vote.

In the Senate, Democrats' vote to block the measure set off Republican rage, but also intensified round-the-clock negotiations to find an agreement. White House officials scrambled for a deal that would calm the markets.

"Failure could be catastrophic," Eric Ueland, the legislative affairs director and a former top Senate aide, said as he

shuttled offers and counteroffers between Mr. McConnell's office and Mr. Schumer's suite a short walk away on the second floor of the Capitol.

Tensions reached a breaking point on the Senate floor on Monday as Republicans assailed Democrats for holding up the aid even as Mr. Schumer and Mr. Mnuchin -- now "Chuck and Steven" to one another -- narrowed their differences just down the corridor. Democrats voted again to block the measure.

"This is disgraceful," exclaimed Senator Susan Collins, Republican of Maine, in a lecture blasting the delay after Mr. Schumer objected to allowing her to speak.

After daylong negotiations on Tuesday, the two sides finally announced an agreement after midnight Wednesday and the final product drew praise and support at the White House from Mr. Mnuchin and Mr. Trump, who said the administration had been treated fairly by the Democrats.

But there was a final bit of drama as staff put the finishing touches on the 880-page bill. A group of Republican senators including Lindsey Graham of South Carolina and Ben Sasse of Nebraska objected to granting workers the extra $600 a week in unemployment benefits, arguing that it would encourage layoffs and discourage workers whose wages would be lower than the aid level from seeking jobs.

"They are very upset that somebody who is making 10, 12 bucks an hour might end up with a paycheck for four months that is more than they received last week -- Oh, my God, the universe is collapsing," said Senator Bernie Sanders, independent of Vermont and a contender for the Democratic presidential nomination. He also said that the bill was too slanted to big corporations, but that it was worthy of support.

A bid by Mr. Sasse to remove the extra jobless aid was defeated, though widely supported by Republicans. He summed up the sentiment of many in his party when he said of Mr. Sanders: "I appreciate his candor in admitting that this is kind of a big crap sandwich."

In the end, however, no senator wanted to reject it. Every one of them voted "yes."

Jim Tankersley and Catie Edmondson contributed reporting.

https://www.nytimes.com/2020/03/26/us/coronavirus-senate-stimulus-package.html
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The Wall Street Journal

**Big Cruise-Ship Lines Wouldn't Qualify for Aid Under Stimulus Package**
**Democrats, Labor had opposed aid to offshore-based cruise industry, which has been hit hard by the coronavirus crisis**

**By Ted Mann, Brody Mullins and Dave Sebastian**

**Updated March 26, 2020 8:48 pm ET**

**WASHINGTON—A last-minute legislative change has shut major cruise ship lines out of the roughly $2 trillion coronavirus stimulus package headed for a House vote Friday, despite being one of the hard-hit industries President Trump has pledged to help.**

**The cruise industry was among the first to take a public hit from the virus, along with airlines and hotels, as vacationers canceled plans, local governments halted tourism and passengers on board fell ill, leading to entire vessels full of passengers being quarantined.**

**But the aid package approved by the Senate and now headed for the House limits aid to U.S.-incorporated companies with a majority of workers based in the U.S.—two criteria that effectively exclude the major cruise-ship operators like Carnival Corp., Norwegian Cruise Line Holdings Ltd.,and Royal Caribbean Cruises Ltd.**

**That is despite comments from Mr. Trump and Treasury Secretary Steven Mnuchin that the administration intended to help the industry, whose publicly traded major players have seen their stock prices crushed since the coronavirus crisis began.**

**At a press briefing Thursday, Mr. Trump said he would like to provide assistance to the cruise industry, which supports local economies in the U.S. But he conceded that it was "very tough to make a loan to company when they're based in a different country." He also said he liked the idea of having cruise companies register in the U.S. and pay federal taxes.**

Anne Madison, a spokeswoman for Cruise Lines International Association, said the stimulus package would help small and medium-size businesses such as travel agents that support cruise companies.

"CLIA had not sought a bailout" for the cruise operators, Ms. Madison said, adding that the group's lobbying efforts have been geared toward helping those travel agents receive assistance.

The world's four biggest cruise lines, which include Swiss-based MSC Cruises, have suspended their sailings for about a month after coronavirus outbreaks aboard ships underscored the pathogen's easy spread in confined spaces and various governments imposed travel restrictions.

Earlier versions of the Senate bill that became the relief package didn't include the language that now stands between the cruise lines and a share of the federal aid. But late in the negotiations over the bill, a provision was added restricting aid to companies operating under U.S. laws—a provision that congressional staffers of both parties said would effectively bar the foreign-incorporated cruise companies from getting federal aid.

In the final legislation, Mr. Mnuchin's powers to make investments and loans to help corporations were limited to those "that are created or organized in the United States or under the laws of the United States and that have significant operations in and a majority of its employees based in the United States."

Labor unions and Democrats in Congress were firmly opposed to including federal assistance to the cruise industry because they don't employ a unionized American workforce, and environmentalists accuse the companies of polluting U.S. waterways.

Still, the industry won small concessions that could open the door to federal help in the future.

A spokesman for Sen. Dan Sullivan (R., Alaska) said the senator supported the cruise-ship industry because of its contributions to small business in the state. "He'll continue to work to educate his colleagues on the importance of the cruise-ship industry for tourism in Alaska as well as other states," the spokesman said.

All the major cruise operators are incorporated outside the U.S. The companies don't pay U.S. federal income taxes, and most of their cleaning staff, restaurant servers, bartenders and other employees are foreign nationals.

Even the individual ships are typically owned by foreign LLCs and domiciled in low-tax countries such as the Bahamas, Bermuda and the Dominican Republic.

They do, however, pay state income taxes and port fees.

Share prices in the resort and cruise-ship industry, including major hotel chains, are down more than 51% overall this year, according to FactSet.

Shares of Carnival rose 14.6% as the Dow Jones Industrial Average re-entered the bull market Thursday. Royal Caribbean and Norwegian Cruise Line shares fell 4.2% and 7.4%, respectively.

The U.S. State Department has warned Americans not to travel on cruise ships because of the outbreak. The Centers for Disease Control and Prevention has specifically warned that cruise ships pose a "risk for rapid spread of disease beyond the voyage" and identified more than 800 cases of coronavirus infection linked to cruise ship voyages.

In the appropriations bill, the Senate allocated $7.5 million toward the Agency for Toxic Substances and Disease Registry's geospatial analysis and mapping of infectious disease hot spots, including cruise ships.

The bill offers to provide $500 billion in liquidity measures such as loans to local governments and businesses operating under U.S. laws that have incurred losses due to the pandemic.

"There's a risk that cruise ships are laid up for an extended period of time," Wedbush Securities Inc. analyst James Hardiman said. "They'll continue to burn cash without any revenue coming in the door."

In 2019, Carnival, incorporated in Panama and traded on exchanges in the U.S. and U.K., reported global income-tax expense of $71 million on revenue of $20.83 billion. Royal Caribbean, incorporated in Liberia, had $32.6 million in global income-tax expense on revenue of $10.95 billion.

Bermuda-incorporated Norwegian Cruise Line had a global income-tax benefit of $18.86 million on revenue of $6.46 billion. MSC Cruises is privately held.

Ms. Madison of the trade group said the cruise industry paid more than $23 billion in wages and salaries, including taxes, and contributed $53 billion to the U.S. economy in 2018. Nearly 40% of the jobs generated by the industry are U.S. jobs, she said.

Companies record tax expense as they earn income, and it doesn't necessarily reflect the cash taxes they pay during the period, though over time the measures largely match up.

Airlines, by comparison, recorded more income-tax expense. United Airlines Holdings Inc.,for example, reported $905 million in global income-tax expense on revenue of $43.26 billion in 2019.

—Michael C. Bender contributed to this article.

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Corrections & Amplifications
Anne Madison, a spokeswoman for Cruise Lines International Association, said the group hadn't sought a bailout for cruise-ship operators. An earlier version of this article misquoted Ms. Madison as saying the CLIA hadn't thought of a bailout for those companies. (March 26)
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The Wall Street Journal

Mnuchin Says U.S. Financial Markets to Remain Open
Treasury secretary doesn't rule out limiting trading hours if needed due to coronavirus pandemic

By Paul Kiernan

March 26, 2020 5:48 pm ET

WASHINGTON—The nation's top financial regulators on Thursday stressed the importance of keeping financial markets open during the coronavirus pandemic, though Treasury Secretary Steven Mnuchin didn't rule out limiting trading hours.

"I have made a comment in the past [that] if, for whatever reason, we get to a point where the underlying regulators determine that the market can't stay open full hours, we may consider limiting the trading hours," Mr. Mnuchin said in a webcast meeting of the Financial Stability Oversight Council. "But that is not our preference."

Mr. Mnuchin is chairman of the council, which brings together regulators including the Treasury, Federal Reserve and Securities and Exchange Commission.

Officials at the SEC and the Commodity Futures Trading Commission have stressed that the markets they oversee continued to function despite extreme volatility in recent weeks. At Thursday's meeting, SEC Chairman Jay Clayton suggested that shutting markets could be counterproductive.

"This continued flow of capital greatly reduces the possibility that this unexpected and unprecedented, exogenous shock to our economy will transition to a systemic financial risk," Mr. Clayton said.

Last week, Mr. Mnuchin's mention of shortened trading hours at a press conference prompted an unusual rebuke from CME Group,the country's largest exchange operator. In a statement on March 17, CME Group said it was "quite surprised" by Mr. Mnuchin's remark. "Shorter hours make no sense," it said.

A group of trade associations representing stock exchanges, brokers, hedge funds, banks and other market participants later sent a joint letter to the SEC and other regulators, urging them to more forcefully signal that financial markets would remain open.

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The Wall Street Journal

Small Businesses in Limbo as They Await Coronavirus Assistance for Them
Putting off bills and haggling with landlords—layoffs too—are some of the ways small businesses are trying to stay above water until federal assistance arrives

By Kristin Broughton

March 26, 2020 6:34 pm ET

Small businesses are trying to defer bills and secure emergency loans to stay afloat amid the coronavirus scourge

as they await relief earmarked specifically for them in the $2 trillion stimulus package working its way through Congress.

The bill, approved by the U.S. Senate Wednesday and now awaiting action in the House of Representatives, also would provide an infusion of capital to small businesses deserted by clientele or shuttered as a result of lockdowns aimed at slowing the advance of the virus.

Until the House approves the bill—it is expected to take it up on Friday—many small businesses are hunting for cash to pay what they owe, particularly to landlords and other lenders unwilling to bend on terms. Small businesses were fearful that even once the stimulus was approved, it could take a while to tap new loans. But Treasury Secretary Steve Mnuchin said Wednesday the process of getting an SBA-backed loan could be streamlined so it can be disbursed the same day.

"We're nervous," said Maurice Brewster, chief executive of RM Executive Transportation Inc., a San Jose, Calif.-based ground transportation provider that does business as Mosaic Global Transportation. "A lot of business—my sized business, small-, medium-sized business—we're primed to go out of business."

The Federal Reserve's initial response to the unfolding crisis focused largely on providing liquidity to big corporations. The central bank last week said it would purchase short-term debt, or commercial paper, that large companies use to fund their operations. But many small businesses generally don't issue debt and have minimal cash on hand.

Lawmakers authorized more funding this month for disaster loans provided through the Small Business Administration. The stimulus bill in the House also includes $350 billion in small business loan guarantees. And the Fed said this week that it will start lending to small and midsize businesses.

"A big difference between the last crisis and now is that the last crisis started on Wall Street and hit the big firms first, and then went down to the smaller firms," said Rodney Ramcharan, a former Fed economist and now a professor at the University of Southern California's Marshall School of Business. "I think this crisis is going the other way—it's starting on Main Street and then going up."

Small businesses like Mosaic are taking steps to shore up their cash positions, calculating which costs to cut and which payments to defer as they await emergency loans—and brace for the possibility of a prolonged slowdown.

The transportation company laid off most of its 114 employees two weeks ago, after companies started canceling conferences in the Bay Area, according to Mr. Brewster. California last week ordered all nonessential businesses to close.

Mosaic, which posted $11 million in revenue last year, still generates cash by providing daily shuttles for the employees in the Bay Area of Silicon Valley firms, including Facebook Inc.At present, Mosaic is running just eight shuttle routes, down from 70 before the pandemic, Mr. Brewster said.

He called his lenders to ask for deferrals on loan and vehicle lease payments, but said he got only a mixed response. He halted insurance on vehicles that aren't in operation, one of Mosaic's major expenses. And he applied for a disaster loan from the SBA, which he hopes to use to rehire employees.

"I'm hoping and preparing for two months," Mr. Brewster said. "But my gut is telling me this is going to take a lot more than that."

Other smaller businesses with less cash on hand are scrambling to fill budget holes. Darren Turner, owner of the Darren & Co. hair salon in Cincinnati, said a state-mandated closure last week gave him little time to prepare. He anticipated using income from booked appointments to pay employees, but came up $10,000 short.

Hoping to cover back pay, Mr. Turner contacted his payment processor, Heartland Payment Systems, and his bank, the PNC Financial Services Group,but was turned away, he said. He is in the process of applying for an SBA disaster relief loan; the website keeps crashing, he said.

Mr. Turner also owes state and local taxes. He expects to be delinquent. He also owes rent to a landlord who has demanded payment. Covering his expenses through April will require about $20,000, he said.

If he had had more time to prepare, he would have made sure he paid his employees first. Before his business had to close, he paid Duke Energy Corp.the salon's monthly power bill, he said, only to get an email days later saying Duke customers who couldn't pay on time wouldn't lose power.

"I would have rather had my employees get their paychecks," Mr. Turner said

"I would have rather had my employees get their paychecks," Mr. Turner said.

Write to Kristin Broughton at Kristin.Broughton@wsj.com
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The Wall Street Journal

U.S. Coronavirus Cases Surpass Those of China, Italy
Confirmed infections top 85,000 across country, exceeding all other national totals

By Talal Ansari, Jennifer Calfas and Chun Han Wong

Updated March 27, 2020 4:31 am ET

The U.S. has overtaken China as the country with the most cases in the world of the novel coronavirus, marking a new milestone in the fight against the global pandemic.

China had held the top spot since the deadly virus began spreading there in December.

There were 85,991 confirmed infections across America, according to data compiled by Johns Hopkins University. The first case in the U.S.—a man in Washington state who had recently traveled to Wuhan, China—was reported on Jan. 21. Within six weeks, the U.S. began to see a surge in new infections and the country's first deaths.

New York is the center of the pandemic in the U.S., with its 37,802 infections accounting for nearly half of all cases in the country and tens of thousands more than any other state. The New York City metro area accounts for 35% of all new cases in the U.S., Deborah Birx, response coordinator for the White House's coronavirus task force, said in a briefing Thursday.

By contrast, 19 states have fewer than 200 confirmed cases, Dr. Birx said.

The Trump administration is planning to issue guidelines categorizing counties across the nation as high-risk, medium-risk or low-risks, aiming to help state and local authorities decide whether to tighten or relax social-distancing measures designed to help slow infections.

State officials have so far enacted a patchwork of rules to fight the spread of the virus, and cities have sought ways to decrease crowding in parks, trails and outdoor spaces. Chicago officials closed the city's Lakefront Trail and beaches Thursday, while the New York Police Department mobilized to crack down on socializing.

China said Thursday it would close its borders to nearly all foreigners and drastically slash international flights in a bid to curb the reintroduction of the fast-spreading coronavirus from abroad.

The near-blanket restrictions on international travel to China come after months in which Beijing publicly opposed similar curbs imposed by other countries on travel from China, where the pandemic first exploded.

The country bas reported a sustained decline in the number of new domestically transmitted infections in recent weeks, even as infections have risen among people arriving from abroad. China had 81,782 total infections, according to Johns Hopkins data. Health authorities logged no new local infections on Tuesday and Wednesday, compared with 114 new imported cases over those two days.

The U.S. has only a fraction of China's population, with just over 330 million residents compared with 1.4 billion in China.

World-wide, there were more than 533,000 cases Friday, according to Johns Hopkins data. Testing for the new coronavirus hasn't been uniform across the U.S. or globally, which affects total case counts.

Hospitals in U.S. bot spots including New York and Seattle have passed a tipping point, as a relentless surge in cases forces some to move patients to outlying facilities, divert ambulances and store bodies in a refrigerated truck. Fatalities in the U.S. from the new coronavirus topped 1,296 Frida.

The economy is also straining under the weight of the pandemic as employers lay off workers and state officials order nonessential businesses to close. A record 3.28 million U.S. workers applied for unemployment benefits last week, far surpassing the previous record of 695,000 set in October 1982.

Congress is aiming to give families and businesses a financial shield against the worst of the fallout, with the largest economic stimulus package in recent memory. The House is expected to consider the legislation, already approved by the Senate, on Friday. Treasury Secretary Steven Mnuchin indicated that the government would take stakes in airline carriers in exchange for billions in direct grants to the companies as part of the stimulus package, according to people familiar with the matter.

U.S. stocks soared Thursday as investor optimism over the stimulus package appeared to outweigh the bad jobs data.

Across the Atlantic, European Union leaders agreed late Thursday to ready options for further economic steps to respond to the crisis but pledged no specific new action. After a fractious teleconference meeting that ran hours over schedule, leaders said eurozone finance ministers should present proposals on possible next steps within two weeks.

The European Central Bank, meanwhile, sent a powerful signal to investors that it would aggressively support indebted eurozone countries battling the coronavirus, starting purchases under a new €750 billion bond-buying program and stating that it wouldn't be bound by earlier limits on its bond buys.

While Italy continues to be the epicenter of the pandemic fight on the Continent, with 80,589 confirmed cases, infections in Spain have risen 10-fold during its national lockdown, to 57,786. The country's death toll from the respiratory illness surpassed China's on Wednesday and now stands at 4,365. Only Italy has a higher toll, with 8,215 fatalities.

More than 24,082 people have died world-wide after contracting the pneumonia-causing virus, according to Johns Hopkins data. About a quarter of people sickened have recovered.

The soaring case numbers globally have led government officials to extend nationwide lockdowns and to sound warnings to people who are continuing to travel or congregate despite stay-at-home orders and closures of restaurants, bars and other venues.

Spain said it would extend its lockdown another 15 days, to April 12. Lebanon also lengthened its nationwide lockdown to April 12 and imposed a broad new nightly curfew throughout the country.

Starting Saturday, Chinese authorities will suspend entry for foreigners currently holding regular visas and residence permits, and freeze a swath of visa-free travel and transit programs, according to a joint statement issued late Thursday by China's Foreign Ministry and its National Immigration Administration.

Exceptions will be made for foreign diplomats and crew members of international transport, among others, the statement said. Foreigners seeking entry for certain trade, science and humanitarian purposes can also apply for visas, it said.

"The suspension is a temporary measure that China is compelled to take in light of the outbreak situation and the practices of other countries," the statement said.

Chinese diplomats had waged a concerted campaign urging other governments not to restrict travel to and from China, saying such measures were out of line with World Health Organization guidance. Their complaints softened, however, as the pandemic took hold around the world amid declining new infections in China, presenting Beijing with the specter of a second wave of contagion brought in by travelers.

In a separate announcement, China's civil-aviation regulator said it would cap the frequency of international passenger routes in and out of the country, starting Sunday. Foreign airlines can maintain one weekly route to China and Chinese airlines can keep one weekly route to each of the countries to which they offer passenger flights, the Civil Aviation Administration of China said.

CAAC said it could further order airlines to slash flights, depending on the situation, and told airlines to submit flight plans for advance approval.

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The Wall Street Journal

Mnuchin Forms Task Force on Mortgage Firms' Cash Crunch
Wave of missed payments is expected as homeowners lose jobs in coronavirus-induced downturn

By Andrew Ackerman

March 26, 2020 7:37 pm ET

WASHINGTON—Treasury Secretary Steven Mnuchin has formed a task force to recommend ways to ease a cash crunch that is expected to afflict mortgage firms as homeowners stop making payments on their home loans.

Mortgage firms are bracing for a wave of missed payments starting April 1 as borrowers lose their jobs as a result of the coronavirus epidemic. The firms, which collect money from borrowers on behalf of investors, are concerned they will have to come up with tens of billions of dollars on short notice, a daunting task since most are nonbank firms that don't have access to emergency lending from the Federal Reserve.

Mr. Mnuchin, speaking during a telephone meeting Thursday of the Financial Stability Oversight Council, said he had asked the task force to offer recommendations by March 30. Mr. Mnuchin chairs the panel, which also includes the heads of the Federal Reserve and Securities and Exchange Commission.

The cash crunch comes as regulators and Congress take steps to allow homeowners harmed by the outbreak of the coronavirus to seek "forbearance," or agreements of up to 12 months allowing them to miss some payments and make them up later.

If homeowners miss payments, the mortgage companies are contractually obligated to continue sending money to investors who buy mortgage bonds as well as tax authorities and insurers.

Although the servicers are repaid by the government, that process can be lengthy for some government-backed mortgage bonds, particularly pools of mortgages backed by Ginnie Mae, which guarantees some $2.137 trillion of debt.

The mortgage companies and their trade groups had lobbied Congress to create a facility to help finance the billions of dollars of payments they will have to make, but the Senate this week completed its work on a rescue package worth about $2 trillion without including such a facility.

Now the industry is focused on pressing Trump administration officials to lend them a hand.

In a worst-case scenario, the servicers could shut down en masse. That would force Ginnie Mae as well as Fannie Maeand Freddie Mac —two other government-backed mortgage giants—to orchestrate the transfer of servicing and take other actions to ensure the orderly functioning of the market. But such steps would now have to occur in the midst of a global economic downturn.

"If they're all having financial difficulty, where do you move the servicing to," said Ted Tozer, who ran Ginnie Mae for seven years after the financial crisis and is now a senior fellow at the Milken Institute.

—Paul Kiernan contributed to this article.

Write to Andrew Ackerman at andrew.ackerman@wsj.com
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U.S. airlines to dash for cash grants, not loans, even with potential government stake

Friday, 27 March 2020 04:00 GMT
(Adds amount of funds American is eligible for; paragraph 18)

By Tracy Rucinski and David Shepardson

CHICAGO/WASHINGTON, March 26 (Reuters) - U.S. airlines are preparing to tap the government for up to $25 billion in grants to cover payroll in a sharp travel downturn triggered by the coronavirus, even after the government warned it may take stakes in exchange for bailout funds, people familiar with the matter said.

After the U.S. House of Representatives approves the airline bailout and President Donald Trump signs it as early as Friday, airlines are to receive initial payments within 10 days.

Treasury Secretary Steven Mnuchin can demand equity, warrants or other financial instruments in order to "provide appropriate compensation to the federal government." A Treasury spokeswoman declined to comment on a report that Mnuchin would demand equity.

Airlines can ask for the equivalent of their payroll between April 1 and Sept. 30 of last year, according to the terms of the bill, meaning some large airlines could get $4 billion or more in total.

Delta Air Lines, for example, paid roughly $5.6 billion in salaries and related costs over the last six months of 2019 to around 91,000 full-time employees, according to regulatory filings.

Despite the prospects of payroll grants, airlines including Delta have already moved to reduce employee costs

through temporary voluntary unpaid leave and early retirements.

More than 17,000 Delta workers such as flight attendants have already volunteered for unpaid leave for 30, 60 or 90 days, and Chief Executive Ed Bastian has asked employees to work only three or four days a week between April and June to save around 25% in payroll costs, according to a memo seen by Reuters.

With operations sharply cut back, airlines' biggest expense right now is employee wages and the government grants give them around six months to reassess whether air travel demand is really returning.

In a company memo on Thursday, American Airlines Group Inc's leaders said they were extending voluntary leave options to non-union employees after negotiating agreements with groups representing union jobs such as pilots and flight attendants.

"We are hopeful the uptake will be robust and are working hard to make sure all have the ability to continue employment, even if at reduced levels, while this crisis runs its course," Chief Executive Doug Parker and President Robert Isom told their employees.

American had around 133,000 full-time employees in 2019, about 85% of whom were unionized. Executives at American and Delta are also forgoing or cutting their pay.

Aside from the grants, airlines without other available financing options can also apply for $25 billion in loans and loan guarantees under the rescue package.

Some major airlines, which continued to tap debt markets this week while lobbying Washington for aid, have told U.S. officials they may skip the government loans entirely, people familiar with the discussions said.

The 5-year government loans would carry tougher terms than grants or loans from private banks, and could burden balance sheets just as companies are trying to recover from the crisis.

"However, if demand trends don't improve during the second half of 2020, we would not be surprised if some of the carriers began to express an interest in the loan program," Deutsche Bank analyst Michael Linenburg said in a note.

If they do, companies would have to restrict executive compensation and suspend dividend payments until 12 months after loan re-payment.

With the grants, limits on executive compensation would expire on March 24, 2022, and dividends and share buybacks can resume on Sept. 30, 2021.

Between loans and grants, American would be eligible for $12 billion, Parker said on Thursday. Despite uncertainty over exact funding conditions, he said he was "optimistic that the terms will not be onerous."
(Reporting by Tracy Rucinski and David Shepardson; Editing by Alistair Bell, Sonya Hepinstall and Daniel Wallis)
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Virus Bill Set for Swift House Passage, But Stimulus May Be Slow
Bloomberg
Billy House, Mike Dorning and Steven T. Dennis
BloombergMarch 27, 2020

(Bloomberg) – The success of a massive stimulus package set for House passage on Friday will depend on how quickly the aid can get to beleaguered consumers and businesses – a huge challenge for federal and state agencies that aren't built to move quickly.

Congress has moved at a remarkable pace for such an enormous piece of legislation. The Senate unanimously approved the $2 trillion package of loans, aid and payments Wednesday night, and the House is expected to quickly pass the bill Friday.

"We'll have a strong bipartisan vote and hopefully by noon be finished," House Speaker Nancy Pelosi said in an interview Thursday on Bloomberg Television. That will send the bill to President Donald Trump for his signature.

Then the hard work begins. Government institutions, especially the Treasury, will be asked to deliver enormous amounts of aid, racing against skyrocketing jobless claims.

Investors reacted positively to the action in the Senate, even with Thursday's report that 3.28 million Americans filed for unemployment last week. The S&P 500 closed near session highs Thursday, posting its first three-day rally since February. The Dow Jones Industrial Average saw its biggest three-day gain since 1931 – and is now 21% above its March 23 trough.

Douglas Holtz-Eakin, who was on President George W. Bush's economic team during the 2001 recession, said he's "cautiously optimistic" about the impact of the coronavirus package, but it probably won't prevent a dramatic drop in the economy.

"I hope it works. It's designed sensibly on paper. Now we have to get the money out the door," Holtz-Eakin said. Even still, "we're probably going to have a second quarter growth rate that is double-digit negative."

It Takes Time

For pure scale, as well as speed, the virus rescue package dwarfs the stimulus plan President Barack Obama signed into law in February 2009 – a roughly $800 billion package designed to last about two years and pull the country out of a deep recession triggered by the financial crisis.

It took time for that money to flow. Just $114 billion of the spending side of Obama's package was spent by Sept. 30 of that year, according to the Congressional Budget Office.

By contrast, this plan is intended to deliver a larger and more compressed jolt to the economy until the crisis abates. New programs, like the $377 billion in fresh subsidies for small businesses, are intended to get out the door in weeks, not months or years, though it will be a challenge for the banking system and the government to quickly process the millions of transactions expected.

The biggest single portion of the stimulus is the billions earmarked for large companies and state and local governments. But the rules for deciding who will get that and how it will be distributed are a work in progress. The legislation specifies that 10 days after it becomes law, Treasury will publish guidelines on application requirements and how to get loans.

The Fed's Role

Holtz-Eakin said Treasury Secretary Steven Mnuchin should let the Federal Reserve handle the entire corporate bailout. That would be the best way to distribute the aid according to need rather than based on political influence or popularity, said Holtz-Eakin, now president of the American Action Forum, a conservative issue advocacy group. The Fed is less likely to favor, for example, a coal mining company over a solar energy business.

The Fed already announced an initiative that provides a framework for backstopping bank loans to businesses, and the role mirrors actions it took in the 2008 financial crisis, Holtz-Eakin said.

"They have stood up everything they need, they are experienced at it, having done it in 2008-2009. People will come to the Fed out of need, who will then provide it to the people who need it the most," he said. "The Treasury, in contrast, doesn't lend to people. They borrow."

Small businesses, which employ about half the private sector workforce, will be supported with a aid and federal loan guarantees going through banks and the Small Business Administration.

There is concern about whether the SBA can handle the strain of the demand and move quickly enough to deal with the urgency of the financial pressure facing many small businesses.

North Carolina Representative Patrick McHenry, the ranking Republican on the House Financial Service Committee, said the banking component is especially important because the SBA may not be able to move quickly enough.

"It is going to be a week to 10 days before they can access SBA programs," McHenry said on Bloomberg Television. "Those community bankers will have greater capacity to work with people to structure their loans to get them through this cash crunch for the next month to three months that they are experiencing."

Speed is Key

Mnuchin said he has authority to create regulations to allow FDIC-backed banks to give quick loan approvals."By the end of next week we want all the banks to be able to originate loans same day," Mnuchin said.

Speed is also key for millions of workers have lost jobs and are counting on unemployment insurance to cover housing costs, auto payments, student-debt payments, as well as other daily costs.

But that could be a choke point for the stimulus.

The record number of Americans filing for unemployment benefits last week was more than quadruple the previous high in 1982, according to Labor Department figures released Thursday. That is putting a heavy burden on state websites and other systems to process them.

The money available is significant. The stimulus bill provides funding to allow states to boost weekly unemployment benefits by $600 through July 31. Maximum state benefits range from $235 in Mississippi to $823 in Massachusetts depending on income. The added boost would be four months for those laid off now, but less time for those losing their jobs closer to July 31.

"We want people to take advantage of all of this quickly," Pelosi said Thursday. Some of that will "depend on how the states do it, and they are not all uniform."

'Stressed Systems'

Seth Harris, who was deputy secretary of labor in the Obama administration, said the expanded coverage in the legislation, especially to contractors and those employed in the gig economy, may be a logistics challenge for some states.

"These under-resourced, strapped, stressed systems in many cases do not have the latest technology or data systems," he said. "Now they're being hit by the largest tsunami of unemployment claims in the history of those data being collected. Now Congress is asking them to change the way they do things."

Andrew Stettner, a senior fellow with The Century Foundation and an expert on jobless benefits, said getting bigger checks to current unemployment recipients should be accomplished in a matter of weeks. Adding in new classes of workers like contractors may take longer.

"States are dealing with unprecedented volume and went into this crisis with very low staffing levels and more than half have '80s-era mainframe computers," he said. "However, the fact that 3.2 million people were able to file a claim last week is evidence to their scalability."

The House vote Friday will be conducted under unusual circumstances after two House members tested positive for the coronavirus, and others are in self-quarantine after possible exposure.

Leaders of both parties are working together to make sure enough members are in Washington Friday to constitute the quorum needed for a recorded vote – which is at least 218 in the 435-seat chamber – just in case there are objections raised on the floor to a voice vote.

Those lawmakers who make it back to the Capitol will vote in groups of 30 to maintain social distancing. The House's sergeant at arms and attending physician urged members to avoid elevators, refrain from gathering in groups and to clean their hands before going into the chamber.


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The Washington Post
The dealmaker's dealmaker: Mnuchin steps in as Trump's negotiator, but president's doubts linger with economy in crisis
The bill the treasury secretary helped forge faces a critical test: Can his economic rescue plan quickly stabilize an economy headed toward calamity?

By Jeff Stein, Josh Dawsey and Robert Costa
March 27, 2020 at 9:51 a.m. EDT
At a White House news conference on Wednesday, President Trump lavished praise on Steven Mnuchin for shepherding the $2 trillion stimulus package sailing through Congress, thanking his "great" treasury secretary for successfully handling negotiations on Capitol Hill.

But in the tense days of negotiations leading up to the final votes, Trump routinely fielded phone calls from conservative lawmakers and allies lamenting that Mnuchin was cutting a raw deal for the president.

Trump at times seemed to waver on bis emissary, telling confidants he was worried that Mnuchin would "give away the store on the 'green stuff,'" or agree to whatever House Speaker Nancy Pelosi (D-Calif.) demanded, according to two people familiar with the president's private remarks.

Trump at one point asserted that he should be handling negotiations, as Mnuchin hurried between meetings with Senate Majority Leader Mitch McConnell (R-Ky.) and Senate Minority Leader Charles E. Schumer (D-N.Y.) that sometimes stretched beyond midnight.

Ultimately, Mnuchin survived the process and delivered a deal — punctuated by a 96-to-0 Senate vote late Wednesday night — that has invigorated Wall Street enough to drive the Dow Jones industrial average up by more than 3,000 points over three days.

Mnuchin was an ever understated, if occasionally awkward, central player at every step. At critical moments in the negotiations, Mnuchin persuaded McConnell to let him handle talks with Schumer, persuaded Schumer to close the deal and shelve certain requests and, most importantly, persuaded Trump to move as quickly as possible and ignore the gripes of some senators and White House advisers.

Now the treasury secretary must hope the bill he helped author can quickly stabilize a broader economy headed toward calamity, after putting his own credibility with the president on the line to pass it. The 57-year-old former banker, Hollywood financier and campaign money man is poised to emerge from this as one of the most powerful Cabinet members in modern history, with broad discretion over tremendous amounts of funding that is critical to millions of American households and businesses during one of the worst economic crises in generations.

"Treasury and Mnuchin will really be at the heart of everything now. So much of the driving force of the Senate bill goes directly under Mnucbin's control," said Steven Rosenthal, a fellow at the nonpartisan Urban-Brookings Tax Policy Center and former counsel at the Joint Committee on Taxation, who added that Mnuchin's power over the crisis response dwarfs that of former treasury secretaries during the Great Recession.

Treasury's power over $500 billion loan program becomes key sticking point in coronavirus aid bill

Mnuchin will play a leading role deciding bow to run a nearly $500 billion funding program, in which money can go to businesses, cities and states, as well as administering a separate fund for airline companies. As millions of people seek unemployment benefits, he will be responsible for quickly disbursing emergency checks of $1,200 to more than 100 million American households, a policy he persuaded the president to support over competing ideas by top aides. And Mnuchin will face competing demands from corporate executives, who will push to secure federal aid without giving up control of their companies, and the taxpayers whose money he will be wielding.

For each decision, Mnuchin will find himself on a tight leash, under constant scrutiny by Democrats, Republicans, a new inspector general, a new congressional oversight panel, as well as Trump, who has frequently criticized and sometimes mocked Mnuchin in front of other White House advisers over a range of decisions.

"There were people calling the president constantly, complaining about this provision or that provision," said one person close to Mnuchin, who like others interviewed for this story spoke on the condition of anonymity to discuss internal deliberations about the negotiations. "[Mnuchin] convinced [the president] that if you have as big a package as possible, it's going to change the psychology of the country and get the economy moving again."

Senate aid package quietly carves out billions intended for Boeing, officials say

Mnuchin's ascendancy is due in part to his capacity to forge bipartisan agreements, a rare skill in an administration heavily staffed by longtime conservatives with fierce ideological commitments often viewed warily by congressional Democrats.

But even as Mnuchin successfully steered the legislation through the Senate, the process was marked by second-guessing from some of the president's allies.

Senate Banking Committee Chairman Mike Crapo (R-Idaho) and Sen. Patrick J. Toomey (R-Pa.), a leading fiscal conservative and former banker, stewed as Mnuchin allowed Democrats to add new oversight measures to loan programs for major businesses. Crapo and Toomey were frustrated as Mnuchin did little behind the scenes to defend the framework they arranged on a bipartisan basis over the weekend on oversight of the fund, according to two Senate GOP aides close to them.

Sen. Lindsey O. Graham (R-S.C.) said he and Trump share the frustration that the deal included a much more generous expansion of unemployment insurance than conservatives initially envisioned, a policy Mnuchin had a central role in approving. He gave Mnuchin credit, though, for working bard to bridge divides and ultimately bring all sides together.

"He worked his ass off," Graham said of Mnuchin.

On Wednesday, Trump expressed his full confidence in Mnuchin. "He's a fantastic guy and he loves our country, and he's been dealing with both sides — Republican and Democrat," Trump said at a White House news conference.

Referencing the long hours Mnuchin spent at the Capitol, the president added: "He, sort of, lived over in that beautiful building. ... And he's gotten to know it, Steve, very well."

The praise follows months during which Trump complained about Mnuchin's recommendation to nominate Jerome H. Powell for chair of the Federal Reserve. Powell, who had already served on the Federal Reserve Board of Governors, easily won bipartisan support for the chairmanship, but Trump has complained about him ever since because he did not move quickly to cut interest rates. Trump has brought up Powell with Mnuchin dozens of times, a senior administration official said, sometimes mocking the treasury secretary in front of others for the recommendation.

But Mnuchin, who declined a request to be interviewed for this story, also has several strengths that have made him indispensable to Trump at this key moment, and he has helped bridge high-stakes divides multiple times in negotiations.

Initially, Republican lawmakers did not want to approve billions of dollars in federal assistance for states expected to be devastated by the economic impact of the coronavirus. The issue emerged as a major source of contention in private negotiations on Monday. Mnuchin relented, and started to say, "'Okay, let's get there,'" according to one person involved in the talks. The final package includes about $150 billion in emergency assistance for state and local governments.

For days, Mnuchin was also upbeat in his assessment of where talks stood, even on Monday, when Republican senators exploded at Democrats for delaying a vote. He refused to publicly bad-mouth Democrats during talks and kept insisting a final deal was within reach.

In days of negotiations in the Dirksen Senate Office Building, the treasury secretary ceded to a Democratic demand that expanded unemployment benefits reach workers for four full months. When the impasse emerged, Sen. Ron Wyden (D-Ore.), the ranking Democrat on the Senate Finance Committee, used the calculator feature on his iPhone to show Mnuchin what a fourth month of unemployment insurance benefits would cost. Mnuchin listened and then agreed, locking in a major expansion of jobless benefits that would incense several Senate Republicans but give Democrats a key reason to support the agreement.

"Mnuchin has played a critical role here going between the administration and Congress when almost nobody else in the president's economic policy apparatus can," said David Wessel, a senior fellow at the Brookings Institution, a nonpartisan think tank. "Early on in the administration, Mnuchin seemed to make himself more of a spokesman for the president than a serious policymaker. But confronted with a crisis like this, he seems to have been very involved in the important task of fashioning a compromise between Democrats and Republicans."

Cruise lines, early source of coronavirus infections, out of bailout package

Mnuchin may occasionally frustrate the president, but some former administration officials say he is adept at understanding what the president wants — accomplishments Trump can celebrate as his own — without worrying too much about narrow policy concessions that may be more important to more ideological aides.

"Trump sees the ability for Steven Mnuchin to deliver things for him that other people have not been able to deliver. He's a very savvy Trump reader," said a former administration official, who spoke on the condition of anonymity to discuss the relationship. "He's always been very good at walking into a heated situation ... and portraying the things he's been able to achieve for the president as major achievements for the president, even when they were not."

Mnuchin has had a sometimes rocky tenure at the helm of the Treasury Department. He worked for Goldman Sachs for close to two decades, rising through the ranks at one of the financial institutions frequently maligned by Trump's 2016 presidential campaign. He was part of an investment group that ran OneWest Bank, a financial institution that aggressively foreclosed on homeowners and was accused of refusing to lend to minorities. (Mnuchin has repeatedly denied any wrongdoing.) He still keeps in close touch with numerous Wall Street contacts, including private equity billionaire Stephen A. Schwarzman.

Even as he has grown into his role as a Cabinet secretary, his public comments have caught some as tin-eared and out of touch with working-class and everyday Americans. He was criticized for posing for a photo with newly printed sheets of $1 bills at the Bureau of Engraving and Printing with his wife, the Scottish actress Louise Linton. He also has had to apologize to a government ethics office for promoting a film, "The Lego Batman Movie," for which he was an executive producer.

And during the coronavirus negotiations, the Treasury Department's demands have often appeared to reflect the wishes of big business rather than workers. Treasury pushed for widespread discretion to allocate hundreds of billions of dollars in emergency loans for large firms, proposing to give taxpayer funding to corporations with virtually no strings attached to guarantee employee protections.

"Look at their plan and you can see exactly who this guy is: Mnuchin is pushing a giant slush fund to give handouts to corporate America and was forced to add unemployment insurance for millions of Americans losing their jobs and money for hospitals in the middle of a pandemic," said Alex Lawson, executive director of Social Security Works, a left-leaning advocacy group. "These were concessions he had to make. He sees a global pandemic as an opportunity to move taxpayer money into the wallets of his Wall Street friends."

Mnuchin has repeatedly denied that the funding programs would amount to a "bailout," though Trump has said they would amount to a bailout in some circumstances.

Mnuchin's ability to deliver for Americans broadly will soon be tested. The day after the Senate's passage of the legislation started off rocky, as Mnuchin told CNBC that the record number of unemployment claims were not "relevant," given that they predate the bill. His choice of words earned an apparent rebuke on Twitter from Gary Cohn, the president's former chief economic adviser, and were ridiculed as out of touch.

Taller tasks loom ahead. Mnuchin will soon have to prove he can meet his promise that $1,200 stimulus checks will reach most taxpayers in a matter of weeks, a claim that is already under scrutiny, as congressional aides and tax experts caution it could take significantly longer.

About $450 billion of the new emergency funding will be disbursed through the Federal Reserve's lending facilities, a system that was activated during the last financial crisis, which could limit Mnuchin's ability to directly steer the funding, said Ernie Tedeschi, a former Obama administration economist. The criteria for accessing that funding must be "broad-based" and cannot benefit any one company, Tedeschi said, but Mnuchin will play a central role in writing those rules and preventing the fund from being wasted.

And he will have to do this while seeking to maintain the support of the president, a contrast from prior treasury secretaries who in moments of crisis had the full backing of the chief executive, noted former congressman Barney Frank (D-Mass.), who was instrumental in the government's response to the 2008 financial crisis. Mnuchin is responsible for delivering to Trump economic forecasts, which are expected to be brutal as the unemployment rate rapidly rises and jobless claims anticipated to grow. Months of devastating economic data could lead Trump to seek fresh voices.

"There is a lot of responsibility on Mnuchin's shoulders," said Rosenthal, the Tax Policy Center fellow. "It is remarkable for one man to be playing such a lead at this time of crisis."

— Ashley Parker contributed to this report.

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The Washington Post
The stimulus package is a missed opportunity for American workers

By Helaine Olen
Opinion writer
March 27, 2020 at 10:25 a.m. EDT
On Wednesday, the Senate passed a $2.2 trillion emergency stimulus plan, meant to be a financial lifeline for people and corporations left reeling by the coronavirus epidemic. The bill includes four months of turbocharged unemployment benefits for those suddenly left jobless, as well as a check for $1,200 ($500 for children) for each

unemployment benefits for those suddenly left jobless, as well as a check for $1,200 ($500 for children) for each member of a household (subject to income restrictions).

The help is desperately needed. But the trade-off it includes is not one we should welcome.

The just-passed stimulus bill is not only a missed opportunity to permanently give American workers the benefits enjoyed by those in other wealthy countries, but yet another successful cash grab by corporate interests and the wealthiest among us. The bill is, as the Revolving Door Project's Jeff Hauser told me in an interview Thursday, "facilitating a corporate coup."

If you are in any doubt, contemplate the fact that the Dow Jones industrial average shot up Thursday by more than 6 percent — even as news dropped that more than 3 million Americans filed for unemployment benefits last week.

The Opinions section is looking for stories of how the coronavirus has affected people of all walks of life. Write to us.

The legislation puts Treasury Secretary Steven Mnuchin — who, lest you forget, served as the Trump campaign's finance chair in in 2016 — in charge of monitoring and administering the Fed's coronavirus corporate rescue fund, which, with leverage, amounts to an estimated $4 trillion to $4.5 trillion.

With that money, Hauser points out, the nation's largest corporations can scoop up smaller companies and competitors. "The empowerment of Steve Mnuchin to utilize the Fed's magnified buying powers to pick winners and losers is unprecedented in American history. He will have $4.2 trillion to extend to would-be corporate allies," he told me.

Little wonder that Sen. Elizabeth Warren (D-Mass.), among others, described that money as a "slush fund."

Unemployment, at a 50-year low mere weeks ago, is today soaring into the stratosphere. People are frightened for both their health and their finances. They need help now, not a protracted Washington fight.

And Democrats say they did the best they could in difficult circumstances — the difficult circumstances being a Senate led by the Republican Party, which believes in extreme financial discipline for the majority of the citizens while giving corporate miscreants chance after chance after chance. (As recently as the day of the vote, a quartet of Republican senators stepped forward to say the bill's unemployment provisions were too generous, claiming that they incentivized workers to remain off the job. Meanwhile, the bill could give billions to Boeing, whose corner-cutting ways have come under scrutiny after two airplane crashes that killed more than 300 people.

The circumstances left Democrats at something of a disadvantage, because they actually care about helping Americans. And in a series of tweets Wednesday night, Warren laid out the case for voting yes, despite the fact that the bill lacked many of the significant limits on handing out money to corporations that she had argued for days earlier.

"This is not the bill I wanted, but its immediate investments are vital," she said. "I will make you this promise: I will spend every waking moment watching the Trump administration and do everything I can to hold it accountable."

Here's how that will work in practice: Sometime in the not-too-distant future, we'll get a few congressional hearings where miscreant CEOs do the walk of shame before continuing on with business as usual.

Journalist Naomi Klein coined the term "shock doctrine" more than a decade ago, to describe how wealthy corporate interests use the disorientation and chaos of mass tragedy to increase their share of the economic pie at the expense of everyone else. The stimulus bill gives us yet another example of how this works.

While millions of Americans are panicking and thrilled to take any scrap of help, corporations and the wealthiest Americans are once again feeding at the trough. We needed a shock doctrine for the people — using the crisis to expand, add and make permanent worker protections that other First World nations take for granted (even with the coronavirus raging, we still can't get guaranteed paid sick leave for all workers).

Instead, we're experiencing yet another instance of corporate shock doctrine, which comes in the guise of extending a helping hand. Alas, by the time most of us figure out that we've been tricked, it will be too late to do much about it at all.

Helaine Olen is a contributor to Post Opinions and the author of "Pound Foolish: Exposing the Dark Side of the Personal Finance Industry." Her work has appeared in Slate, the Nation, the New York Times, the Atlantic and many other publications. She serves on the advisory board of the Economic Hardship Reporting Project. Follow

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**Treasury**
**The Wall Street Journal**

**House Leaders Rush to Get Quorum for Vote on $2 Trillion Rescue Package**
**GOP lawmaker from Kentucky suggests he might object to voice vote on Friday**

**By Natalie Andrews and Siobhan Hughes**

**Updated March 26, 2020 10:15 pm ET**

**WASHINGTON—House leaders were scrambling to bring back enough legislators to form a quorum to pass a $2 trillion economic rescue package after a Republican lawmaker suggested he might object to holding the vote using a procedure that avoids putting members on the record.**

**Rep. Thomas Massie (R., Ky.) told a local radio station that he would vote against the bill, and suggested that he might object to allowing the bill to pass by voice vote. If Mr. Massie forced a roll-call vote, the House would need a majority of the chamber—216 votes—in order to proceed with a vote. Otherwise, voting would be delayed until enough lawmakers could return to Washington.**

**A spokeswoman for Mr. Massie didn't respond to a request for comment about his plans.**

**"We have notified our Members of the possibility that the bill may not pass by voice vote," the press office for House Majority Leader Steny Hoyer (D., Md.) said in a statement. "The Majority Leader's Office has sent a notice to Members that if they are able and willing to be in Washington, DC by 10:00 a.m. tomorrow, they are encouraged to do so, while exercising all due caution."**

**House Minority Whip Steve Scalise (R., La.) echoed that sentiment.**

**Many lawmakers had planned to stay away from the Capitol because of the risks of traveling during the coronavirus pandemic.**

**Congress's attending physician has cautioned members to use extreme care and deliberation when deciding whether to travel.**

**The bill, which passed the Senate late Wednesday, is the largest economic-relief package in history and will extend aid to many struggling Americans through direct payments and expanded unemployment insurance, which also cover freelance and gig workers. It will give loans and grants to businesses, refill drained state coffers and send additional resources to sapped health-care providers.**

**The risk of contagion has prompted Congress to examine its own voting and social practices, which often put members in physical proximity.**

**The House will first attempt to pass the legislation by a voice vote, which doesn't require all members to be present. But if the House doesn't have 216 members, one lawmaker could object to a quorum not being present. A lawmaker could also request to have a roll-call vote, where names are recorded.**

**President Trump credited the stimulus package for a surge in U.S. stocks this week, saying economic uncertainty remained in the U.S., "but we've come a long way."**

**"We're doing a really good job in terms of running this whole situation having to do with the virus," Mr. Trump told reporters at the White House. He and his administration were "doing a good job keeping very important people informed."**

**"There was a great fear," Mr. Trump said. "And a lot of good things are happening."**

**In a caucus call Thursday afternoon, Democratic leaders leaned on lawmakers who could safely travel to do so to ensure there are enough votes to pass the bill, as long as it wouldn't jeopardize the health of members or their families.**

**"Millions of Americans are waiting" for the help the bill could bring, Mr. Hoyer said on the call, according to a Democratic aide. The call prompted some lawmakers to start driving to Washington.**

**The House is expected to convene at 9 a.m. on Friday and debate the bill for two hours. Should a lawmaker use a procedural maneuver that requires a roll-call vote, House Democrats could move the vote to Saturday to allow**

more members to travel to have a quorum, the aide said.

A voice vote would put all lawmakers who want to be present on the floor at once, violating Centers for Disease Control and Prevention guidelines to limit group gatherings to 10 people.

Separately, Mr. Hoyer's office sent a message to lawmakers Thursday encouraging those who won't be in Washington to record video statements so they can express their views remotely. The statements will be shared on social media and on C-Span.

Because of the pandemic, the House will take new precautions for the vote. House Sergeant at Arms Paul D. Irving and Brian Monahan, Congress's attending physician, on Thursday directed lawmakers who aren't involved in the floor debate to stay in their offices until the vote is called. They will be required to use hand sanitizer when entering and departing the chamber. Lawmakers were also cautioned against using elevators and told that no guests would be allowed.

The Senate passed the legislation unanimously, 96-0, late Wednesday night. Four Republican senators were out due to illness or exposure to coronavirus, showing how lawmakers are being affected by the pandemic even as they pass legislation to combat it.

Two House members have also tested positive for the virus, and at least two others are awaiting results of Covid-19 tests after falling ill. Many lawmakers are in self-quarantine, either after experiencing symptoms themselves or because of known exposure to someone who was sick.

One of those members, Rep. Ben McAdams, has been reliant on oxygen support for his recovery. In a text-message interview from the hospital, the Utah Democrat urged his colleagues from both parties to support the legislation, while also counseling lawmakers to use caution.

"It's insensitive to use any ploy that will delay passage of the bill for people who need it," he said. "Members of Congress should not take risks of catching this and spreading it; that will undercut our ability to continue responding to this very real crisis."

Mr. Irving's and Dr. Monahan's memo said they would monitor social-distancing practices during the gathering. Should a roll-call vote be called for, the lawmakers will vote in groups of 30, by alphabetical order, they wrote.

Several lawmakers have already arrived in Washington. Democratic Rep. Haley Stevens of Michigan drove to Washington this week with her boyfriend and two dogs, Terra and Hydra, so she could represent the freshman class in the floor debate about the bill. Several other Democratic aides said lawmakers were still debating traveling to Washington.

A number of Republicans who opposed the last spending bill are planning to return.

Rep. Jody Hice (R., Ga.) said he plans to "go to the airport and check in and fly up there."

"I would like to see all those who can and are healthy to come back," said Rep. Louie Gohmert (R., Texas), who is already in Washington and reviewing the bill with staff.

House Minority Leader Kevin McCarthy encouraged House lawmakers to permit a voice vote. "Hopefully, through this, we'll learn to wash our hands more," the California Republican said about how he thinks the virus might change long-term behaviors in the Capitol.

Once the bill is passed and signed by the president, lawmakers are expected to depart Washington for a lengthy period. Senate Majority Leader Mitch McConnell (R., Ky.) set the next vote in the Senate for April 20. The date of the House's return will be determined after the stimulus vote.

Still, lawmakers are already discussing what could be needed in a subsequent economic-relief package—which would be the fourth to address the health crisis. House Speaker Nancy Pelosi (D., Calif.) said she wanted to see worker-safety protections added, and for those who become sick from the virus to get free health care.

"There are a number of issues that we are not holding up this bill to do, but that we need to do," Mrs. Pelosi said. "And we're probably going to need more money."

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The Wall Street Journal

U.S. Stock Futures Drop, Signaling End to Three-Day Rally

[Crude futures decline after U.S. suspends purchase of 30 million barrels for reserves]

**By Avantika Chilkoti and Chong Koh Ping**

**Updated March 27, 2020 9:00 am ET**

U.S. stock futures dropped Friday, signaling an end to a three-day rally in American equities as volatility climbs amid concerns about the coronavirus pandemic's toll on human lives and the economy.

Futures tied to the Dow Jones Industrial Average fell almost 3%, suggesting the index may open over 600 points lower. The gauge of blue-chip stocks soared into bull-market territory Thursday, even though a fifth of its value has been erased since the start of the year.

Other indicators point to investors remaining on edge. The Cboe Volatility Index, a closely watched measure of turbulence in U.S. stocks, jumped to near historic levels.

The U.S. this week overtook China as the country with the most coronavirus cases with 85,991 confirmed infections, while fatalities topped 1,296. Hospitals in the New York metro area and Seattle have been overwhelmed despite stringent measures to curtail the contagion.

Adding to concerns about how long the pandemic may damp economic activity, China said Thursday it would close its borders to nearly all foreigners and drastically slash international flights in a bid to curb the reintroduction of the virus from abroad.

"We want to see the peak of the virus curve, because the clock starts then for when the lockdown stops," said James Athey, senior investment manager at Aberdeen Standard Investments.

The spread of the virus—and the economic fallout from measures put in place to halt the outbreak—has fueled debates on whether the U.S. needs to continue enforcing a strict lockdown that is eroding business activity and output. The Trump administration is planning to issue guidelines aimed at helping state and local authorities decide whether to tighten or relax measures designed to help slow infections.

Overnight, House leaders were scrambling to bring back enough legislators to form a quorum to pass a $2 trillion economic rescue package. The bill, which passed the Senate late Wednesday, is the largest economic-relief package in history and would extend aid to many Americans through direct payments and expanded unemployment insurance.

Investors and business leaders are also concerned that emergency measures by the Federal Reserve and U.S. lawmakers, including the much-anticipated stimulus package, may not prevent a sharp U.S. recession that could have global consequences.

"What we're trying to do is put the economy on ice and sow the seeds of a strong rebound as soon as the crisis is over, recouping as much economic ground as possible," said Richard McGuire, head of rates strategy at Rabobank. "It's a volatile environment where we will, within that context, see repeated bold policy responses, but they are pushing on an open door."

Ahead of the opening bell in New York, shares in cruise operators declined after a last-minute legislative change on Thursday left major cruise ship lines excluded from the U.S. stimulus package. Carnival retreated almost 10% in offhours trading. Royal Caribbean Cruisesalso fell.

U.S. crude futures declined after the U.S. Department of Energy suspended the purchase of 30 million barrels of crude oil it was going to add to its Strategic Petroleum Reserve because it had failed to secure funding for the purchase. The meeting of G-20 leaders also disappointed some traders after it failed to produce any statement that related to oil or the price war raging between Saudi Arabia and Russia. WTI futures declined 3% to $21.90 a barrel.

European stocks also declined. The pan-continental Stoxx Europe 600 index dropped 3.6%, led lower by the finance and commodities sectors.

There is currently "fear selling" in markets, but not "panic selling" as in the global financial crisis of 2008, according to Gregory Perdon, co-chief investment officer at private bankers Arbuthnot Latham.Investors who are trying to divest their holdings of risky assets and reduce the use of borrowed funds in their portfolios are also exacerbating the market rout, he said.

"One of the factors that's really moving stocks is you've seen a big deleveraging in the hedge fund community, and that definitely drives markets," said Mr. Perdon. "The hedge fund community is a very levered community and since they have very strict risk budgets, the minute we approach those risk budgets they have to delever."

Given that cases are still surging in the U.S. and Europe, and the collateral damage of coronavirus lockdowns has yet to be fully exposed, CMC Markets analyst Margaret Yang termed this week's rebound in U.S. stocks as "a false rally in the middle of a bear market."

Investors continued to seek out U.S. government bonds as a safe place to park their money. The yield on the 10-year U.S. Treasury note edged down to 0.754%, from 0.806% Thursday.

In Asia, most major markets drifted higher by the close of trading. Japan's Nikkei 225 was the best performer, rising 3.9% to end what was the gauge's best week in its 70-year history.

At about 10 a.m., the University of Michigan's consumer-sentiment survey for March will provide some clues on households' confidence and willingness to spend.

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The Wall Street Journal

High-Frequency Traders Feast on Volatile Market
Profits climb sharply with help from sophisticated computer algorithms and strategies that take advantage of rips and dips: 'a quarter for the record books'

By Scott Patterson and Alexander Osipovich

March 27, 2020 8:00 am ET

Fast-trading investors have made big profits during the market's volatility, with strategies ranging from sophisticated computer algorithms to ones as simple as "selling the rips and buying the dips."

High-frequency traders, which typically deploy sophisticated algorithms and powerful computers to move in and out of markets at lightning speeds, tend to do well when markets are volatile.

Virtu Financial Inc.,one of the largest high-speed traders, last week said it expects to post trading income of between $509 million and $519 million in the first quarter, more than double the amount from the same period last year and its highest quarterly trading income since the company went public in 2015.

Virtu's results are "a quarter for the record books," Piper Sandler analyst Richard Repetto wrote in a note. Virtu's stock is up 42% this year while the S&P 500 is down 19%. The only other publicly traded high-speed trading firm, Amsterdam-based Flow TradersNV, is up 22% year to date.

High-frequency firms have struggled in recent years amid a period of low volatility and steadily rising markets. Still, they are estimated to account for around half the trading volume of the U.S. stock market, having largely replaced the floor traders who once controlled exchanges' ebb and flow. Virtu is a designated market maker for the New York Stock Exchange.

Like market makers, high-speed traders often make money on the difference between buy and sell orders, known as the spread, by selling high and buying low as stocks tick up and down. Spreads in heavily traded stocks, such as Apple Inc.,which are typically 1 or 2 cents, have ballooned to 30 cents or more in recent weeks because of the highly volatile, fast-moving markets. While wide spreads indicate riskier market conditions, firms that can exploit the difference can earn sizable profits.

Some plain-vanilla rapid-trading strategies are also faring well, traders said.

"Our traders are having some of their best months in years," said Dennis Dick, a trader at Bright Trading, a Las Vegas broker dealer that provides computer-driven trading platforms for day traders. He said one of the strategies that has worked best is "selling the rips and buying the dips"—selling stocks after big moves higher and buying after sharp downturns.

Mr. Dick said traders are looking for stocks that get pushed too low or too high during big market swings that drag the entire market up or down. Right now, he said, many are buying stocks that are low in debt and selling stocks with lots of debt that will likely suffer as the economy deteriorates. If a low-debt stock gets pummeled during a big selloff, traders will swoop in and buy, expecting it to rebound.

Thomas Peterffy, chief executive of Interactive Brokers Group, an electronic brokerage popular among day traders, said daily volume handled by his firm has more than doubled to more than two million trades a day in the past three weeks. New accounts are also surging, he said, a sign that people confined to their homes might be turning to trading.

The losers among the computerized trading strategies, at least so far, are those that bet on longstanding correlations between different financial instruments. Such dislocations can cause losses in statistical arbitrage, or stat arb, strategies.

Among the correlations that broke down during the worst of the selloff last week were between stocks and Treasury-bond prices, which usually move in opposite directions. But during the recent selloff, investors fled both. "Treasury selloffs on big down equity days mean that correlation is finally getting challenged," said Pav Sethi, chief investment officer at Gladius Capital Management, a Chicago trading firm.

Mr. Sethi said another breakdown in correlations has been between stocks and a broad measure of market volatility, the Cboe Volatility Index, or VIX, known as the fear index. Typically the VIX rises when stocks fall as fear spreads through Wall Street, and vice versa. While the VIX soared to record levels as the market plunged in recent weeks, the link hasn't always worked as expected.

Such haywire trading patterns mean trouble for quantitative investment firms, said David Magerman, a former executive at Renaissance Technologies, one of the biggest and most successful of what are known as quant firms. The models the firms deploy, often based on years of returns, get scrambled as investors head for the exits all at once.

"The big jolts to the markets are a coin flip for quant funds," Mr. Magerman said. "Once the markets calm... quant funds that are still around should clean up."

Although volatility has mostly benefited electronic trading firms, "you can still be caught by surprise," said Rob Creamer, CEO of Chicago-based firm Geneva Trading. "There are a lot of markets that have been so dislocated that it's been incredibly challenging."

One victim of the extreme moves was Ronin Capital LLC, a Chicago-based trading firm that incurred hundreds of millions of dollars in losses on strategies tied to the VIX, people familiar with the matter said. Futures-exchange operator CME Group Inc.said March 20 that it auctioned off some of Ronin's portfolios after it failed to meet capital requirements.

A person reached at Ronin's office didn't respond to requests for comment.

Some quick-draw traders that don't use complex algorithms are also benefiting from the market's swings. Daniel Schlaepfer, CEO of Select Vantage, which has more than 2,000 day traders world-wide, said his firm's top 10 record days have occurred this month. Daily trading volumes across the firm have doubled since markets began their slide, he said.

Traders at Select Vantage typically hold stocks for less than 15 minutes and never sit on positions overnight, he said. In ways, the firm acts like a vast, human-driven high-frequency firm that rapidly buys and sells stocks throughout the day.

"We're way up. We're up full-force," Mr. Schlaepfer said.

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The Wall Street Journal

U.S. Moving Forward With Rule to Limit Chips to Huawei
Proposal would require export license for many chips shipped to Huawei that are produced by U.S.-designed chip-making tools

By Bob Davis and Katy Stech Ferek

Updated March 26, 2020 10:53 pm ET

WASHINGTON—The Trump administration is moving ahead with new restrictions aimed at cutting off Chinese telecom-equipment maker Huawei Technologies Co. from one of its main suppliers of advanced semiconductors, according to people familiar with the situation.

At a meeting on Wednesday, top cabinet officials agreed to advance a proposal to hobble Huawei, according to these people. The U.S. alleges Huawei gear could be used by Beijing to spy globally, which Huawei has repeatedly denied.

Specifically, the rule would require an export license for many chips shipped to Huawei that are produced by U.S.-designed chip-making tools. That would give the Commerce Department the ability to block the sale of semiconductors manufactured by Taiwan Semiconductor Manufacturing Co., TSM 1.78% ▲ for Huawei's HiSilicon unit, which designs chips for the company.

The restrictions would also disadvantage U.S. companies that produce the semiconductor manufacturing equipment used by TSMC, the world's largest contract-chip maker. The semiconductor industry has waged a monthslong campaign against the anti-Huawei rules, arguing that the chips being sold don't pose national-security concerns and would undermine U.S. companies' ability to compete with foreign firms.

A TSMC spokeswoman said the company wouldn't answer hypothetical questions about the restrictions and doesn't comment on any individual customer. Huawei didn't immediately respond to a request for comment.

The rule now has to be written, a process that could take weeks, if not longer, giving the semiconductor industry time to try to get it revised or watered down. The plan currently is to have the proposed restrictions go into effect before the industry has a chance to comment, said the people familiar with the situation.

The potential curbs could still hit barriers within the administration or with President Trump. Last month, Mr. Trump denounced efforts to halt the export of restricted technologies—including jet engines and semiconductors—to China.

"We don't want to make it impossible to do business with us," Mr. Trump tweeted.

The Wednesday meeting was largely called to figure out a way to write regulations to carry out Mr. Trump's orders to scrap an earlier plan to limit engine sales. The chip-tool proposal is a small part of restrictions initially planned for Huawei, but which were abandoned after Mr. Trump made his preferences clear.

An outline of the chip-tool plan was earlier reported by Reuters.

The new rule is aimed at a crucial slice of the global semiconductor-manufacturing industry.

The U.S.'s top three semiconductor equipment makers— Applied Materials Inc., Lam Research Corp.and KLA Corp. —control roughly 40% of the global market by revenue. Much of the equipment used in chip assembly lines world-wide incorporate American-made technology. In addition, the most widely used software to design chips is American-made.

The rules would tighten the country's U.S. export-control system that has already placed some restrictions on Huawei.

In May, Commerce Department officials put Huawei on an export blacklist that they keep of companies considered to be national-security threats.

The move was designed to cut Huawei off from some U.S. semiconductor makers— Micron Technology Inc., Qualcomm Inc.and Intel Corp. —and other companies that have sent billions of dollars' worth of components to Huawei.

But some Trump administration officials have been frustrated that this step doesn't appear to have hurt Huawei financially. Shortly after the ban, some semiconductor makers found exceptions in the blacklist's rules that enabled them to resume shipments in cases where chips were produced mainly overseas.

The Commerce Department had come up with ways to limit those sales too, but has given up on that attempt because Mr. Trump said he didn't want to halt chip sales, said people familiar with the situation.

Huawei leaders, meanwhile, have boasted about finding ways to make its equipment without U.S.-made semiconductors.

—Asa Fitch and Alex Leary contributed to this article.

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The Wall Street Journal

Banks Urged to Issue More Small-Dollar Loans in Response to Outbreak
Regulators encourage banks to issue more short-term, small dollar loans to consumers harmed by coronavirus

By Andrew Ackerman

March 26, 2020 12:12 pm ET

Banks should re-enter the business of offering short-term, small-dollar loans to cash strapped-customers in light of the outbreak of the coronavirus, a group of regulators said on Thursday.

The move, announced in a joint statement of the Federal Deposit Insurance Corp. and a group of other regulators, marks an effort to revive a riskier lending sector that dried up in the years after the 2008 financial crisis. In encouraging financial firms to move back into this market, regulators say they hope to steer consumers away from more-predatory, payday forms of lending.

Small-dollar loans, the agencies said, can help consumers "meet their needs for credit due to temporary cash-flow imbalances, unexpected expenses, or income shortfalls during periods of economic stress or disaster recoveries."

Regulators had taken a dim view of the business during the Obama administration, leading many to banks refrain from offering the products without an explicit regulatory blessing such as the one provided on Thursday.

The joint statement doesn't outline a particular set of terms, leaving it up to the banks, savings associations and credit unions to develop specific products.

The push to encourage more small-dollar loans has been under way for a couple of years. In 2018, the Office of the Comptroller of the Currency, a national bank regulator included on Thursday's statement, modified its policy, encouraging banks to offer loans, typically in the $300-to-$5,000 range, to be repaid over two to 12 months.

At least one large lender, U.S. Bancorp,expanded its consumer credit offerings in response. Its short-term loans charge $12 for every $100 borrowed, to be repaid within three months. The loans have an effective annual rate of 71%—lower than typical payday rates that can climb up to 400%.

In response to the virus outbreak, U.S. Bank essentially halved its fees on the product to $6 for every $100 through at least the end of March, according to a spokesman.

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The New York Times
Scrubbing In to Vote, the House Returns to Consider a $2 Trillion Stimulus Plan
Members of the House who return to Washington on Friday to clear the stimulus measure for President Trump will find a chamber transformed by the coronavirus pandemic.

March 27, 2020
Updated 7:55 a.m. ET

By Sheryl Gay Stolberg
WASHINGTON — The microphones have been removed from the well of the House to guard against transmission of the coronavirus. Lawmakers who enter the chamber must clean their hands with sanitizer and enter through one door, then scrub again and leave through another, as if coming and going from an operating room. Once inside, they must keep their distance and take turns voting in small groups.

When members of the House return to Washington on Friday to approve a $2 trillion economic stimulus package and send it to President Trump, they will enter a Capitol where every facet of life has been altered by a pandemic.

For starters, there will be fewer of them than usual. Many of the lawmakers are at home either because they are sick or in states mandating quarantine, or because it would be difficult to travel. To accommodate them, Speaker Nancy Pelosi and top Democratic leaders have planned for a voice vote — a plan that could fall through if there are procedural objections.

Those who do show up will operate under a different set of rules, laid out on Thursday by the sergeant-at-arms and the attending physician of the Capitol.

Only lawmakers and those who have an office in the building will be allowed to enter, meaning that staff members cannot accompany their bosses. If members want to speak on the House floor, they must notify their leaders first, and those who are not participating in debate must refrain from entering the chamber.

This is legislating in the age of the novel coronavirus, which has already infected at least two members of the House and one senator, sending dozens more lawmakers who may have been exposed into self-quarantine out of an abundance of caution.

"We have members on both sides of the aisle who have the virus," Representative Kevin McCarthy, Republican of California and the minority leader, told reporters on Thursday. "We have members who are quarantined. We have members who have challenges with their flights canceled. The floor will look different."

The precautions in the House build upon steps taken by the Senate in recent days, as lawmakers remained in Washington — against the advice of public health officials to avoid congregating in large groups — to hammer out the details of the legislation.

Votes typically scheduled for 15-minute intervals were lengthened to 30, and gloved staff served food in both the Senate lunches and in the cafeterias, so that aides and reporters in Capitol Hill eateries did not have to touch even the pre-wrapped sandwiches or bottles of soda.

Senator Mitt Romney, Republican of Utah, was spotted using his suit jacket to open doors, while other senators used elbows or tissues to push elevator buttons and turn handles. (Mr. Romney later joined the ranks of the quarantined, after having contact with Senator Rand Paul, Republican of Kentucky, the first senator to test positive for the disease caused by the coronavirus, Covid-19.) Senator Bill Cassidy, Republican of Louisiana and a doctor, was among the most vigilant, wiping down the Senate rostrum with disinfecting wipes and chastising colleagues to "social distance" on the floor of the chamber.

In the House, where lawmakers have been back home in their districts for more than a week, Ms. Pelosi's plan for a voice vote is highly unusual for a measure of such consequence. But leaders settled on it so that lawmakers who wanted to speak could make their views known and those who were not physically present would not be required to record a vote.

But there is a risk: Technically, the House cannot legislate without the presence of a quorum, defined by the Constitution as a simple majority. (The House currently has 430 members; 216 are required for a quorum.) If even one member asserted that the House lacked a quorum and called for a recorded vote, the House would have to cease its business until 216 lawmakers arrived.

Representative Alexandria Ocasio-Cortez, a liberal freshman Democrat from New York, warned on Wednesday that she might do so. Representative Thomas Massie, Republican of Kentucky, who plans to vote no on the bill, has also hinted that he might try to slow down its passage, provoking anger among Democrats.

"Dear @RepThomasMassie," Representative Dean Phillips, Democrat of Minnesota, wrote on Twitter on Thursday evening. "If you intend to delay passage of the #coronavirus relief bill tomorrow morning, please advise your 428 colleagues RIGHT NOW so we can book flights and expend ~$200,000 in taxpayer money to counter your principled but terribly misguided stunt."

Representative Steny H. Hoyer, Democrat of Maryland and the majority leader, has alerted Democrats that a Republican may object. If that happened, House leaders would reschedule the vote for Saturday, and lawmakers would have to return.

"There could be one vote, one grandstander, you could have one grandstander, for that we will take a little time," President Trump said at the White House on Thursday. "It will pass. We will take a little longer. Let's see whether or not we have a grandstander."

It was unclear how many members would show up on Friday. On a private conference call on Thursday, many House Democrats expressed an unwillingness to travel, participants said. Mr. Hoyer told the rank and file that they should try to come to Washington if they felt comfortable doing so. But in a memo to House members, the sergeant-at-arms and the Capitol physician urged caution.

"Members should use extreme care and deliberation when making the determination to travel to Washington, D.C.," they wrote, adding that the physician's office continued to recommend teleworking for all congressional offices.

"In all cases, members and staff must maintain six-foot social distance spacing as much as practicable when in the offices or the Capitol."

Still, some decided to heed Mr. Hoyer's call. Representative Joe Courtney, Democrat of Connecticut, said he knew of several colleagues who had decided to return to Washington for the vote, including one who found a flight that was to arrive at 3 a.m. Mr. Courtney and his wife, Audrey, decided to drive.

"The one thing she was insistent about was that she didn't want me flying in a plane," Mr. Courtney said.

So at 10:30 a.m. Thursday, the couple left their home in Connecticut and got into their Ford Taurus with the congressman in the passenger seat, conducting business — including a conference call with one of the governors of the Federal Reserve — while his wife drove. The roads were empty, he said. They arrived in Washington six hours later.

"There's definitely some nervousness about whether or not there's going to be a quorum call," Mr. Courtney said, "and if I was home and missed that, I would never forgive myself."

Nicholas Fandos and Emily Cochrane contributed reporting.
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The New York Times
The National Debt Is About to Soar. Without a Rescue, It Would Probably Soar Even More.
The case is strong for spending a large amount of money in the short term to fend off worse economic woes down the road.

March 27, 2020
Updated 10:11 a.m. ET
The United States government is poised to take on a huge amount of debt to contain the effects of the coronavirus pandemic, with budget deficits on a scale not seen since World War II looking likely.

But the only thing worse for the public debt outlook would be if it didn't. That's why a broad range of economic analysts — including even many fiscal conservatives who generally view high public debt as a long-term threat — support aggressive action.

The very large deficits on the way in 2020 are more likely to leave the United States in a better fiscal situation for the years ahead than an alternative in which the government is more tightfisted but fails to prevent the widespread collapse of American businesses or help workers in desperate financial straits.

Economists focus not on the absolute level of the debt, but on the interest costs to service it relative to the size of the economy. So a prolonged recession tends to be worse for the debt picture than some extra spending. Moreover, signals from financial markets suggest that the government should have little trouble borrowing vast sums of money on favorable terms.

Finally, this spending is meant to last only as long as needed to get the economy on track after the containment of the coronavirus pandemic, meaning it should be a one-time increase to public debt rather than an increase to permanent deficits.

The arithmetic of the budget deficit is stark. In forecasts prepared just before the outbreak became severe, the Congressional Budget Office projected a $1.1 trillion deficit this fiscal year, or 4.9 percent of G.D.P.

William Foster, the lead U.S. analyst at the credit rating firm Moody's, now expects it to be more like 10 percent to 12 percent. Fitch, another rating firm, estimated it will be 13 percent. Those numbers would exceed the previous post-World War II record for the deficit, which was in 2009, when it was 9.8 percent of G.D.P.

The exact numbers are still unknowable. The $2 trillion stimulus package has come together so quickly that the budget office has not had time to do its customary modeling of its fiscal impact. (Parts of the legislation are designed as loans, so the hit to the Treasury will be less than the headline number.) G.D.P. is a guessing game at this point.

But even many analysts who generally prefer fiscal restraint believe it's a good time to be borrowing a lot of money.

As the economic outlook dimmed over the last month, interest rates plunged to unprecedented lows. The United States government can issue 30-year bonds at only a 1.44 percent interest rate at Thursday's close — and in inflation-adjusted terms, borrowing costs are negative.

The market for Treasury bonds has had periods of dysfunction in the last few weeks, causing a spike in longer-term rates, as major investors and foreign governments sold bonds and there were few buyers. But most signs are that this was caused by a global cash crunch, not fears of rising indebtedness by the United States.

Fitch Ratings, in affirming the nation's AAA credit rating Thursday, said that it believes "recent dislocations and illiquidity in the market for U.S. Treasuries reflect changes in the structure of the market and exceptional conditions, and do not signal heightened perceptions of U.S. credit risk on the part of investors."

If anything, with global central banks expanding bond-buying programs, a shortage of safe bonds in years ahead could be likelier than a glut. That would tend to keep interest rates low.

The Fed is now doing open-ended quantitative easing, buying Treasury and other bonds on a vast scale to try to push cash into fraying financial markets. And it has actively encouraged the rest of the government to take advantage of this cheap money.

"He told me, think big, because the interest rates are low," House Speaker Nancy Pelosi said of the Fed chair, Jerome Powell, in an interview with the PBS NewsHour.

An important factor in projecting the impact on deficits and debts: Spending on the virus response is intended as a one-off, not as an increase in the structural spending levels and budget deficits the United States should expect to have indefinitely.

"This is not permanently raising government spending," said Louise Sheiner, a senior fellow at the Hutchins Center on Fiscal and Monetary Policy at the Brookings Institution. "It's a one-time thing. A big one-time thing, but it raises the level of debt and doesn't do anything to the trajectory of debt after that, which makes it less challenging in the grand scheme of things."

Simple math shows why. If the national debt were to rise by $2 trillion compared with what had been forecast, and the government paid for it by issuing 30-year bonds at current rates, the debt service cost would be about $29 billion a year, a trivial amount in a $20 trillion economy. And unlike a private borrower, the government never need pay down its debt; theoretically the debt can remain on the books indefinitely so long as the cost of interest payments is manageable, which in turn depends on economic growth.

"We are certainly expecting a much faster accumulation of debt than we had previously," said Mr. Foster, the Moody's analyst. "But if this is effective, it will cushion the blow to growth, and the economy will pick up faster, and that would have positive spillover in terms of debt dynamics," meaning the result of successful stimulus would be a larger economy and thus a lower debt-to-G.D.P. ratio than if the government hadn't acted.

"At this stage, the government can't be preoccupied with deficits," he said. "The downside risk of an inadequate response is much more severe."

"Public debt levels will have increased," Mario Draghi, the former president of the European Central Bank, said in an essay published this week in The Financial Times. "But the alternative — a permanent destruction of productive capacity and therefore of the fiscal base — would be much more damaging to the economy and eventually to government credit."

The $800 billion fiscal stimulus the Obama administration enacted starting in early 2009 was widely attacked for increasing the deficit. But the budget deficit peaked that year and declined over subsequent years as the United States economy recovered.

The Fed may one day need to raise interest rates and sell off its holdings of Treasury bonds to prevent inflation. But that would most likely occur at a time when the economy had returned to its pre-coronavirus trajectory and was seeing higher inflation levels than have been evident over the last decade.

All evidence now suggests that day is far away. Currently deflation, or falling prices, is more likely to be a problem. The price of oil, at around $23 a barrel, is roughly one-third the level at which it started the year, and bond prices imply that inflation will average only about 1.07 percent annually over the coming decade.

If that were to change — if inflation were to become a problem and the Fed needed to raise rates abruptly — it would very likely coincide with a much stronger economy that would make debt payments easier for the government to manage.

For all those reasons, even many stalwart opponents of deficit spending are embracing aggressive federal action in the virus response — and bemoaning that the pre-coronavirus deficits were as high as they were.

"One of the primary reasons to be fiscally responsible during periods of economic expansion is to have the capacity to fight downturns or emergencies," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget. "This is precisely the kind of moment, where borrowing is warranted and necessary, that we should have been preparing for over the past years."

Neil Irwin is a senior economics correspondent for The Upshot. He is the author of "How to Win in a Winner-Take-All-World," a guide to navigating a career in the modern economy. @Neil_Irwin • Facebook

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~~The Washington Post~~

Enormous coronavirus bill heads for House vote, as many lawmakers reluctantly return to Washington

Possible procedural objections from GOP member force lawmakers' physical presence

By Paul Kane, Mike DeBonis and Erica Werner
March 27, 2020 at 10:36 a.m. EDT
The House of Representatives prepared to vote Friday on a $2 trillion economic relief package to address fallout from the coronavirus, with scores of lawmakers begrudgingly returning to the Capitol after one GOP member threatened to raise a procedural objection.

With the economy reeling, House leaders had hoped to pass the sweeping measure by a "voice vote" that would not require members to show up in person. Those who wanted to could come to the Capitol to speak in favor of or against the legislation that will send $1,200 payments to many Americans and free up large loans for businesses of every size.

If they used a "voice vote," members in quarantine or who simply did not want to travel would not have to do so. There are now roughly 86,000 confirmed cases of coronavirus in the United States, and 1,300 people have died just in the past few weeks.

As the House opened at 9 a.m., about two dozen lawmakers were on hand, sitting spread out across the chamber. Rep. Thomas Massie (R-Ky.) -- whose possible objection forced his colleagues to return to the Capitol -- sat in the second-to-last row, a normal spot for the most conservative members. His intentions were unknown.

Rep. Thomas Massie, R-Ky., speaks to reporters at the Capitol after he blocked a unanimous consent vote on a long-awaited $19 billion disaster aid bill in the chamber on Tuesday, May 28, 2019. (AP Photo/J. Scott Applewhite)
Rep. Thomas Massie, R-Ky., speaks to reporters at the Capitol after he blocked a unanimous consent vote on a long-awaited $19 billion disaster aid bill in the chamber on Tuesday, May 28, 2019. (J. Scott Applewhite)
President Trump erupted at Massie over Twitter on Friday morning, labeling him a "third rate Grandstander."

...& costly. Workers & small businesses need money now in order to survive. Virus wasn't their fault. It is "HELL" dealing with the Dems, had to give up some stupid things in order to get the "big picture" done. 90% GREAT! WIN BACK HOUSE, but throw Massie out of Republican Party!

— Donald J. Trump (@realDonaldTrump) March 27, 2020
As Trump posted those tweets, the Kentucky Republican was off the House floor. A minute or two later he returned, staring at this phone, and took his seat near the center aisle. It was unclear if Massie was going to speak during debate.

Sign up for our Coronavirus Updates newsletter to track the outbreak. All stories linked in the newsletter are free to access.

House Majority Leader Steny H. Hoyer (D-Md.) said that lawmakers were "Working together to overcome the greatest challenges with the greatest resolve."

Looking around the floor, Hoyer observed lawmakers were "keeping a distance from one another not out of hostility but love for each other."

The House is almost assuredly going to pass the legislation at some point Friday, and Trump has promised to sign it into law. But the final stages of the legislative process caused consternation in Congress, as many lawmakers fretted about shuttling back in forth in a country where many people are sheltered at home.

Massie has suggested he might raise procedural objections over the absence of a quorum if only a few lawmakers showed up to vote. He could raise this objection if a majority of the House -- at least 216 members right now - fail to appear on Friday. To ensure any such objection could be voted down, leadership in both parties worked Thursday night to ensure a quorum could be present, and lawmakers responded to the call even as they voiced displeasure at having to do so.

His move angered lawmakers of both parties, as some New Yorkers returned to Washington even though the federal government has said people from that state should quarantine.

Heading to Washington to vote on pandemic legislation. Because of one Member of Congress refusing to allow emergency action entire Congress must be called back to vote in House. Risk of infection and risk of legislation being delayed. Disgraceful. Irresponsible.

— Rep. Pete King (@RepPeteKing) March 27, 2020
Coronavirus live updates

A tweet from one lawmaker – Rep. Dusty Johnson (R-S.D.) – showed four lawmakers on an otherwise empty plane.

A bipartisan (and socially distanced) flight to DC this morning to vote on Coronavirus economic relief. @RepPeteStauber @RepAngieCraig @BettyMcCollum04 pic.twitter.com/8o48sSvYrW

— Rep. Dusty Johnson (@RepDustyJohnson) March 27, 2020
Hoyer said Friday morning he had not personally spoken to Massie about his intentions but said he was working closely with Minority Leader Kevin McCarthy (R-Calif.) in hopes of passing the package by a voice vote. "We're working together to get this done," he said.

A notice sent out late Thursday by Hoyer's office stated that, "There is now a possibility that a House Republican may suggest a quorum is not present and attempt to call for a recorded vote on final passage. We have notified our Members of the possibility that the bill may not pass by voice vote. The Majority Leader's Office has sent a notice to Members that if they are able and willing to be in Washington, DC by 10:00 a.m. tomorrow, they are encouraged to do so, while exercising all due caution."

Flying back to DC to vote for the stimulus bill. It could pass on a voice vote but some members want to make a statement by potentially asking for an in-person vote. Not all my colleagues can go back for health reasons. So, I'm doing it for them & for my constituents. pic.twitter.com/FytRLD2laZ

— Jimmy Gomez (@JimmyGomezCA) March 27, 2020
Massie said Thursday that he opposed the bill, approved unanimously by the Senate on Wednesday, as it would add to the national debt. The libertarian lawmaker also is concerned that voting without a quorum present — the majority of the House chamber — would violate the Constitution. He said he has yet to decide whether to press the issue.

Massie did not respond to requests for comment early Friday morning. Under House rules, with a quorom present, Massie could not force an actual recorded roll call vote unless 20 percent of the members there agreed with him. That is not expected to happen.

Many members were not happy about needing to come back to the tight quarters of the Capitol. Two members have tested positive for covid-19, the disease caused by the coronavirus, and a number of others were quarantined after showing symptoms or coming into contact with potentially infected individuals.

Rep. Ruben Gallego (D-Ariz.) wrote on Twitter that "Heading to the airport now to vote in DC. am going just like every person that picks our food, works at a hospital, picks up the garbage."

He wrote that he was returning to Washington "because it is my [expletive] job. But I get a comfortable salary, our essential workers should get same."

As some members boarded red-eyes or early flights, others were making long drives.

Tomorrow the House is expected to vote on a sweeping coronavirus relief package to help hard-working families, small businesses, & medical professionals on the frontlines. Driving is a safer alternative than flying, so I'm on the road to make sure Rhode Islanders are represented. pic.twitter.com/GrvZyXVVdJ

— Jim Langevin (@JimLangevin) March 27, 2020

The House Sergeant at Arms set out strict procedures for Friday's proceedings in the House, including urging members and staff to maintain a six-foot distance from one another and limiting access to the House chamber to those scheduled to speak at any given time. Members were urged to use the stairs instead of elevators, which at normal times are stuffed with lawmakers rubbing shoulders with one another. The Speaker's Lobby, the area off the floor where reporters gather in crowds to interview lawmakers, will be shut.

The developments Friday were just the latest twist for a bill that underwent a week of contentious negotiations in the Senate before ultimately passing 96-0 on Wednesday night.

The bill contains multiple provisions aimed at propping up an economy shuddering from the impacts of the coronaviurs, which has sent jobless claims skyrocketing and the stock market plummeting as many Americans stay in their homes to avoid contracting or spreading covid-19.

More than 150 million households would receive checks under the legislation, which will send payments of $1,200 to many individual Americans plus $500 for children. People with incomes above $99,000 are not eligible and the total benefit is phased out for people earning between $75,000 and $99,000 total benefit is phased out for people earning between $75,000 and $99,000.

The bill includes almost $400 billion to help small businesses retain their payrolls and $250 billion to boost

unemployment insurance, offering $600 per week for four months for laid-off workers, on top of whatever benefits their states may provide.

It contains hundreds of billions of dollars in emergency federal aid for large corporations suffering due to the coronavirus outbreak, a provision that sparked days of intense partisan conflict and a frenzied push from lobbyists and corporations eager to secure a chunk of the funding.

The final legislation will provide $25 billion in grants and $25 billion in loans to passenger airlines; $17 billion in loans to industries deemed critical to "national security" – a provision aimed at helping Boeing – and $425 billion in loans and loan guarantees for other large firms, a fund for which cities and states can also apply.

Trump touted the legislation in an interview Thursday night with Sean Hannity on Fox News.

"The workers are going to get $3,000 for a family of four. They're going to get all sorts of things that they, frankly, in many cases, they wouldn't have even gotten if they had the job, if they didn't have to go through this hell. And it's – it's a wonderful thing," Trump said.

The president went on to say that, "A lot of this money is going to save Boeing. It's going to save the airline industry. And, you know, that means not only does it mean what it says, it also means tremendous jobs. We can't let Boeing go. You know, Boeing had a problem, big one to start off with, and on top of it, this happened. And we'll save Boeing and we'll save the airlines and we'll save other companies."

The conditions on the large pool of funding became a major sticking point through congressional negotiations. Democrats won some concessions but not others. In the final bill, businesses receiving the loan cannot cut their employment levels by more than 10 percent until Sept. 30. They have some restrictions on executive compensation above $425,000 annually and cannot issue stock buybacks, a limitation supported by Trump.

Included are measures ensuring swift disclosure of funding recipients, as well as an oversight board to probe the Treasury's decisions. Tbe president, vice president, members of Congress, and members of the cabinet are also prohibited from benefiting from the aid – a measure that also applies to their spouses and children. The direct grant funding for the airlines also has strict limitations and is required to go directly to workers or their benefits.

As Massie sat in the chamber on Friday, one lawmaker after another, Republican and Democrat, stood up to insist the severity of the crisis required immediate action.

"Congress must act aggressively and work together now," said Rep. Kevin Brady (R-Texas).

Two podiums were set up for speakers during debate, with a hand sanitizer bottle under the podium and a canister of disinfectant wipes on the chair next to the podium. When each speaker finished, he or she took their turn wiping down the podium and the microphone from which they were speaking, before giving way to the next speaker.

With tensions running high, there was an uproar at one point as Rep. Haley Stevens (D-Mich.), tried to speak over her allotted time, wearing pink latex gloves and gesturing in animation as she asked for more time to thank medical professionals at the frontline of the crisis.

"You will see darkness, you will be pushed," Stevens warned, urging passage of the bill.

Rep. Alexandria Ocasio-Cortez (D-N.Y.), from the epicenter of the health crisis in Queens, rose to denounce the bill and the choice lawmakers are being forced to make faced with legislation that she said creates a corporate bailout while also provided needed finds to hospitals and front-line workers.

"Our community's reality is this country's future if we don't do anything. Hospital workers don't have the necessary equipment," she said, calling it "sbameful, and the option that we have is either to let them suffer with nothing or allow this greed."

John Wagner contributed to this report.

Paul Kane is The Washington Post's senior congressional correspondent and columnist. His column about Congress, @PKCapitol, appears throughout the week and on Sundays. He joined The Post in 2007.

Mike DeBonis covers Congress, with a focus on the House, for The Washington Post. He previously covered D.C. politics and government from 2007 to 2015.Follow

Erica Werner has worked at The Washington Post since 2017, covering Congress with a focus on economic policy. Previously, she worked at the Associated Press for more than 17 years.Follow

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The Washington Post
U.S. markets sharply turn after three straight days of gains
The selloff offers a stinging reminder that the government's $2.2 trillion rescue package won't blunt investor anxiety just yet

By Rachel Siegel and Thomas Heath
March 27, 2020 at 10:41 a.m. EDT
U.S. markets plunged deep in the red Friday morning, interrupting a stellar three-day run and offering a stinging reminder that the government's $2.2 trillion rescue package won't blunt investor anxiety just yet.

Stocks soared this week as the landmark stimulus package came into sharper view. The Senate passed the sprawling bill late Wednesday. The House is now aiming to expedite its own vote on Friday, even while one GOP lawmaker could cause a delay.

But as lawmakers scramble to get the legislation to President Trump, the pandemic's toll continues to multiply. The United States now has the most confirmed cases in the world and has surpassed 1,000 deaths. A record 3.3 million Americans applied for unemployment benefits last week, according to the Labor Department, and economists say more than 40 million Americans could lose their jobs by mid-April.

The Dow Jones industrial average sank 900 points, or 4 percent, midmorning Friday. The Standard & Poor's and Nasdaq also posted sharp losses of 3.6 and 3.5 percent, respectively.

It was the worst week for the economy in decades. The pain is just beginning.

Analysts caution that stocks are far from recovery and that investors should prepare for significant drops even lower than markets have recently seen.

"Don't be too quick to uncork the champagne," said Sam Stovall of CFRA Research in a note Friday morning. "Friday's futures imply that investors are looking to take some profits ahead of a traditional 'retest' of the recent lows."

Thursday's rally led to the Dow to close up 1,352 points, or 6.4 percent — capping its second-best three-day run in history. With Thursday's close, the blue chip index had climbed 21.3 percent since Monday. Much of those gains were powered by Boeing, which has seen its stock price soar on the expectation of billions of dollars in government relief.

What's in the $2.2 trillion coronavirus Senate stimulus package

Markets across Europe slid, too. Britain's FTSE 100 dropped 6 percent as Prime Minister Boris Johnson said he tested positive for coronavirus and is self-isolating. Germany's DAX fell 3.6 percent, and the benchmark Stoxx 600 shed 3.8 percent.

Asian stocks were on the upswing. Japan's Nikkei 225 ended the day with gains of 3.88 percent. Hong Kong's Hang Seng ticked up 0.56 percent, and the Shanghai composite 0.26 percent.

With an economic stimulus bill on the way, "attention will turn back to the health crisis," wrote Wayne Wicker, chief investment officer of Vantagepoint Investment Advisers, in a note Thursday afternoon.

"More bad headlines are coming, more people's health will be negatively impacted, which will negatively affect investor psychology," Wicker wrote. "That will provide opportunities to get back in the market if you feel you've missed it."

Rachel Siegel is a national business reporter. She previously contributed to the Post's Metro desk, The Marshall Project and The Dallas Morning News.Follow

Thomas Heath is a local business reporter and columnist, writing about entrepreneurs and various companies big and small in the Washington metropolitan area. Previously, he wrote about the business of sports for The Washington Post's sports section for most of a decade.Follow
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The Financial Times
US charges Venezuela's Nicolás Maduro with narco-terrorism
State department offers $15m reward for information leading to capture and conviction
Katrina Manson in Washington and Gideon Long in Bogotá

Katrina Manson in Washington and Gideon Long in Bogota
March 27, 2020

The US has charged Nicolás Maduro and other Venezuelan officials with participating in an alleged narco-

terrorism scheme, in a major escalation of the Trump administration's campaign to oust the Latin American leader even as the country faces a growing humanitarian crisis.

William Barr, the US attorney-general, said on Thursday that Mr Maduro, 57, and his associates conspired with a dissident faction of former Colombian leftwing guerrilla group, the Farc, to use Venezuela as a safe haven and "flood" the US with cocaine.

The US state department also offered a $15m reward on Thursday for information leading to the arrest or conviction of the Venezuelan leader.

Geoffrey Berman, the US attorney for the southern district of New York, said that the Venezuelan regime had "deliberately deployed cocaine as a weapon" to undermine health in the US.

Mr Maduro faces a possible sentence of life in prison if convicted on charges that include participating in a narco-terrorism conspiracy and conspiring to import cocaine into the US. More than a dozen other serving and former Venezuelan officials have also been charged with narco-terrorism, corruption, drug-trafficking and other criminal charges in New York, Washington and Miami.

"The scope and magnitude of the drug trafficking alleged was made possible only because Maduro and others corrupted the institutions of Venezuela and provided political and military protection for the rampant narco-terrorism crimes described in our charges," Mr Berman said.

The charges come as Venezuela deals with a humanitarian crisis that could be exacerbated by an outbreak of coronavirus. The government said there are fewer than 100 cases and no deaths so far, but health officials in the cash-strapped country warn the numbers may be much higher.

One recent study concluded the country was the worst-prepared in the Americas to deal with a pandemic, behind the likes of Haiti and Honduras. Most clinics lack basic equipment like gloves, soap and surgical masks and gowns — or even clean water.

Mr Maduro has blamed this on US sanctions, but his critics say the health system has been in steep decline even before Washington imposed its first sectoral measures in 2017. They have also said the sanctions do not prevent the government from allowing humanitarian aid into the country.

In a televised address on Thursday night, Mr Maduro described the US charges as "vulgar, miserable and false" and accused US President Donald Trump of acting like "a racist cowboy from the 19th century" — a reference to the Wild West-style "wanted posters" that the US Department of Justice issued on Thursday for Mr Maduro and members of his inner circle.

The Trump administration has repeatedly promised to bring to bear an extraordinary campaign of maximum pressure against Mr Maduro, who has been in power since 2013, in an attempt to force him out of the presidency and bring about new elections.

The US and more than 50 other countries view opposition leader Juan Guaidó as Venezuela's legitimate interim president. Mr Guaidó has been trying to assert his authority during the coronavirus outbreak but has no real power to import food and medicine, take measures to safeguard the economy or hold large rallies amid social distancing efforts.

For now, the US accusations appear to have extinguished any hope that the coronavirus crisis might have persuaded the Venezuelan government and the Guaidó-led opposition to bury their differences and reach a truce, allowing the country to tackle the epidemic.

In recent weeks, such an agreement seemed vaguely possible. Moderate members of the Venezuelan opposition suggested it was necessary and Mr Maduro insisted he was open to dialogue. Some diplomats, including Michelle Bachelet, the UN's High Commissioner for Human Rights, have urged the US to lift sanctions to let Venezuela address the pandemic, but that now appears a remote possibility.

When asked why the charges were being unsealed now, Mr Barr told reporters: "The best way to support the Venezuelan people during this period is to do all we can to rid the country of this corrupt cabal."

Moises Rendon, Venezuela expert at the Center for Strategic and International Studies, a bipartisan think-tank in Washington, said Mr Maduro would likely only consider leaving power if his inner circle including senior military generals abandoned him.

"The pressure is ramping up on Maduro and there's some divisions in the military, but they are not at the highest level. The bottom line is if he convinces his inner circle to stay then he's safe for now," said Mr Rendon.

Human rights organisations caution the drug trafficking narrative may be overstated. One such group, the Washington Office on Latin America, said in a report this month that US government data showed 90 per cent of US-bound cocaine was trafficked through Western Caribbean and Eastern Pacific routes, not through Venezuela's Eastern Caribbean seas.

While 210 metric tons of cocaine passed through Venezuela in 2018, the US state department reported that more than six times as much cocaine — 1,400 metric tons — passed through Guatemala the same year.

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The Financial Times
Investors should brace for another market dive
The equity rally reflects too much faith that policymakers can offset coronavirus effects
MICHAEL MACKENZIE
Michael Mackenzie
March 27, 2020
At the height of the market turmoil during the previous financial crisis, a Federal Reserve Bank of New York official confidently told me they would keep throwing stuff at the wall until something stuck. This week the US central bank ran some moves from its 2008 playbook — and then went far beyond it.

Adding to the open-ended buying of US government bonds, the Fed will load up on investment-grade corporate debt for the first time. It is providing an array of other facilities to reduce strains in funding markets, having also slashed overnight rates to zero at the lower bound.

This dovetails with $2tn of fiscal spending from Washington, a figure that amounts to about a tenth of annual economic output. Policymakers' efforts to combat the coronavirus pandemic have sent equity markets up more than 10 per cent this week, but have also propelled investors and institutions into a new and uncertain era.

Many of us stuck at home will share President Trump's desire to see an early end to the self-isolation measures. But the unknown path of infections and deaths has frozen economic activity, and with it longer-term investment decisions. Countries prepared to take economic pain early in order to contain Covid-19 stand a better chance of a sustained rebound.

The combined weight of emergency measures has, for now, placed a floor under financial markets. Investors should also welcome a modest retreat in the US dollar, a dip in measures of implied market volatility and some easing in constricted liquidity conditions — but as of yet these positive signals do not constitute a bona fide trend.

The unknown path of infections and deaths has frozen economic activity, and with it longer-term investment decisions

Another move lower in equities in the coming weeks should not come as a surprise, either. Shocking US economic data and poor earnings guidance from companies could pack a debilitating punch. This week's record surge in people claiming US unemployment benefits was just the opening shot. Further instalments will test the notion that the "bazooka" of central bank and government spending initiatives, alongside much cheaper risk asset valuations, can offset Covid-19's impact on the market.

However, for some investors a generational buying opportunity beckons, with the large potential gains reflected in the dramatic swings seen across various market segments in the past six weeks.

Earlier this year John Normand at JPMorgan highlighted how just five asset classes provided a yield to maturity, or dividend yield, above 5 per cent: emerging market bonds and frontier sovereign debt, US high-yield bonds and leveraged loans, along with European banks in the Stoxx index.

Now, Mr Normand counts 13 asset classes paying more than 5 per cent, with the likes of US high yield, the energy sector, leveraged loans, and EM frontier sovereigns well beyond that mark. But traditional portfolio hedges, such as developed-world sovereign bonds, gold and the trade-weighted US dollar are relatively expensive, trading well above their long-term averages.

The falls we have seen in equity markets have certainly improved the balance of risk and reward. The growing excitement among investors this week requires evidence that a sustained long-term expansion of economic

activity will come once the pandemic is behind us.

For some time, investors have called for fiscal stimulus to free economies from a straitjacket imposed by low long-term yields and mediocre growth. Synchronised fiscal measures are certainly flowing now, but given the scale of the economic shock, there are legitimate concerns that inflation is not far behind.
Others worry that the opposite will be true — a world of immense government deficits and central banks capping long-dated bond yields may well follow the path set by Japan over recent decades, that of low inflation and anaemic growth.

The weight of debt and the prospect of part-nationalisation of some sectors could also constrain long-term growth and productivity. The lagging performance of global banks versus the broad equity market since 2009 highlights what can happen to important sectors when the music changes. For lenders, that shift came in the form of higher capital standards and tougher regulatory oversight.

A prolonged period of balance sheet repair among companies and households entails a higher savings rate and far less borrowing to help generate longer-term growth. Large global businesses are suffering a sustained retreat in trade flows, eroding future profit growth. The likely reaction of retail investors saving for retirement is that they will become more risk averse, avoiding areas of equities and fixed income and simply putting more money aside, earning little interest.

The longer-term investment thesis must weigh up the collapse in asset prices against the effectiveness of the monetary and fiscal firepower to protect economies. Optimists have to hope the vicious economic and health shock can be dulled quickly, and followed up by a vigorous recovery.

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The Financial Times
House rushes to reconvene for $2tn coronavirus stimulus vote
US lawmakers expected to approve historic economic relief package on Friday
Lauren Fedor in Washington
March 27, 2020
As the global economy braces for recession, what questions do you have about the impact of coronavirus in financial markets? Our US markets editor Jenn Ablan will be taking your questions in our Reddit AMA on Friday 11am-12pm EDT/3-4pm GMT. Join us in r/iAMA.

The US House of Representatives rushed to reconvene on Friday morning for a vote on a historic $2.2tn stimulus package designed to prop up a US economy crippled by the spread of coronavirus.

Lawmakers will debate the measure for three hours before a vote on the House floor. The package includes one-off "helicopter money" cheques of up to $1,200 for individuals, an extra $600 a week in unemployment insurance for those without work and a $450bn bailout fund for US businesses, states and cities, among other provisions.

The bill, which passed the Republican-controlled Senate in a 96-0 vote earlier this week, is expected to be approved by the Democratic-controlled House, before being sent to President Donald Trump to be signed into law.

But the House vote may prove complicated. A handful of lawmakers have threatened to object to the bill, or force a "roll call" vote, which would require each member of Congress to appear on the House floor to vote. Before Friday, the House had been in recess for nearly two weeks amid concerns about the spread of coronavirus.

Nancy Pelosi, the Speaker of the House, had originally planned to pass the bill by "unanimous consent", which allows for swift approval so long as no member objects. Such a manoeuvre would have prevented lawmakers from having to rush back to Washington.

Two House members — Ben McAdams, a Democrat from Utah, and Mario Diaz-Balart, a Republican from Florida — have tested positive for Covid-19, while others have self-isolated at the advice of their doctors.

Many have also raised concerns that the US Capitol, where lawmakers and staffers spend long hours in close quarters, could be a hotspot for spreading the virus. A large share of lawmakers in both the House and Senate are over the age of 65, putting them at higher risk for severe illness, according to the Centers for Disease Control and Prevention.

After lawmakers from both parties raised issues with the bailout bill on Thursday, Ms Pelosi said a "voice vote", where members shout "aye" or "nay", would be held, allowing politicians to register discontent without forcing all 435 House members to return to Washington.

But Steny Hoyer, the Democratic House majority leader, advised members late on Thursday that "it is possible this measure will not pass by voice vote", after Thomas Massie, a Republican from Kentucky, said he would vote against the bill and suggested he could demand a "roll call", which requires a quorum of House members to be in the chamber.

Mr Hoyer said members should "follow the guidance of their state and local health officials" and return to Washington "with caution" if they were "able and willing".

Democrats and Republicans alike voiced their disapproval as they scrambled to get back to Washington. "Because of one Member of Congress refusing to allow emergency action entire Congress must be called back to vote in House," Peter King, a Republican congressman from New York, said on Twitter. "Risk of infection and risk of legislation being delayed. Disgraceful. Irresponsible."

Mr Trump also weighed in, calling Mr Massie a "third rate grandstander" and suggesting he be "thrown out" of the Republican party.

"He just wants the publicity," Mr Trump said on Twitter on Friday morning. "He can't stop it, only delay, which is both dangerous and costly. Workers and small businesses need money now in order to survive."

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The Financial Times
Why the Fed should put the Treasuries market on a war footing
Analysts say it is time to revive the yield curve control policy after more than 70 years
COLBY SMITH
Colby Smith
March 27, 2020
When cracks emerged in the $18tn US government bond market this month, the Federal Reserve sprang into action to ensure volatile trading conditions did not destabilise the world's largest and most liquid financial benchmark.

In addition to slashing US interest rates to zero, the Fed ramped up its interventions in short-term funding markets and announced it would buy at least $700bn in Treasuries and agency mortgage-backed securities. The US central bank went even further this week, awarding itself the power to buy an unlimited amount of government bonds.

These measures have helped to bring back a semblance of order to a market where it had become alarmingly difficult to get deals done. Volatility has abated, though it still hovers near levels seen during the global financial crisis, according to a Bank of America measure implied by options prices.

Now, fixed-income investors are encouraging the Fed to wade into even more unconventional waters, and consider a policy last used in the US during the second world war: yield curve control.

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Yield curve control has always been an extreme policy, but it is quite appropriate in the current environment because it serves to kill volatility
Mark Cabana, Bank of America

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The policy, long employed by Japan's central bank, and more recently adopted by Australia, calls for the Fed to set targets for bond yields. If they rise above those levels, the Fed then buys as many bonds as necessary to bring them back in line.

"[It] is the next logical major policy step . . . if the rates market misbehaves," said James Sweeney, chief economist and chief investment officer for the Americas at Credit Suisse.

Mark Cabana, an interest rates strategist at Bank of America, sees it as an effective tool to fix the malfunctioning

Treasury market.

"Yield curve control has always been an extreme policy, but it is quite appropriate in the current environment

because it serves to kill volatility," he said. By setting a yield level and committing to unlimited purchases to maintain it, the Fed "allows market participants to reduce their positions in a more aggressive way, and allows the market to resume normal functioning faster".

The central bank is currently buying Treasuries at a pace of $75bn a day, which Mr Cabana says could mean another two weeks or so of erratic trading conditions before the situation stabilises. By scrapping specific quantities, the central bank could solve the issue "within three days", he reckons.

The Fed has gone to great lengths to ease strains in other debt markets, including corporate bonds, municipal debt and commercial paper. Many of these markets remain under pressure despite the Fed's interventions, however.

According to Bob Michele, chief investment officer at JPMorgan Asset Management, there is more urgency for yield curve control now that US legislators have agreed to a $2tn stimulus package.
Spending of this magnitude means a greater supply of government bonds. Mr Michele believes yield curve control could help the market to absorb the flood of new securities.

"It is not just about allowing the Fed to support the [Treasury] market: it is about creating a palatable level for federal, state and local governments to fund themselves in the post-crisis recovery and for corporate America to fund itself," he said.

Tiffany Wilding, Pimco's US economist, said yield curve control could be put to use by the central bank as a way to signal its commitment to keeping interest rates at or close to zero until growth picks up. She envisions the Fed targeting two-year yields as a way to reinforce its guidance to investors on what it plans to do, and when.

Lael Brainard, a Fed governor, has endorsed this kind of approach. Last year chairman Jay Powell and vice-chairman Richard Clarida said it was something the central bank would consider in an economic downturn.

The policy is not without its risks — especially if the Fed targets longer-term rates but is slow to adjust to changing economic conditions. "How do you get out of it without some disorderly unwind?" Ms Wilding said.

Markets, too, could struggle to adapt to the end of such a policy, sending yields soaring. Analysts also warn it may be difficult to rein in fiscal spending if policymakers are accustomed to the Fed hoovering up any extra Treasury supply.

Moreover, Japan's experience with yield curve control does not inspire confidence, said Michael Darda, chief market strategist at MKM Partners. He notes that since the policy was established in 2016, the country has continued to struggle to liberate itself from decades of deflationary pressures and anaemic growth.

But these are risks the Fed may be willing to stomach. As Mr Cabana sees it: "Desperate times call for desperate measures."

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The Financial Times
Wall Street flees coronavirus and glimpses its mortality
Bankers hunker down in vacation homes and advisers counsel chief executives with children and dogs beside
James Fontanella-Khan, Joshua Chaffin and Laura Noonan in New York
March 27, 2020
Gregg Lemkau is having a difficult time in paradise. The co-head of investment banking at Goldman Sachs had come to Hawaii with his wife and four kids for a family vacation. Then the coronavirus spread. So the Lemkaus decided to stick around rather than return to New York.

From his island retreat, Mr Lemkau starts work at 1am each day to keep pace with the folks on Wall Street. The phone and video calls with chief executives thirsting for information and colleagues keen to keep in touch run late into the night. Soon, his children will be following the same topsy-turvy schedule as they begin "distance-learning" with their schools back east.

"Being in Hawaii sounds better than it actually is," said a sleep-deprived Mr Lemkau, who made himself a target of mockery this week by posting a photo on Twitter of his improvised office, complete with a view of a sun-kissed Hawaiian dune. ("God's work knows no time zones," wrote Eric Weiss, the founder of a blockchain company. Mr Lemkau's sister, Holly, offered to send candles and launched the hashtag #helpBrotherGregg).

Wall Street is in lockdown. Like Mr Lemkau, many of its troops have taken flight from their natural habitat in Manhattan to ride out the pandemic in second homes and vacation properties in Southampton, Palm Beach or the Hudson River Valley.

What has resulted is a clash of worlds: the sound of barking dogs and wayward children has become commonplace on conference calls. People who are accustomed to late nights in the office and marathon travel schedules are now spending unusual amounts of time with that unfamiliar group of people known as their families.

"You wake up, you have a cup of coffee with your family, check your emails and maybe exercise," said Ori Winitzer, a private equity investor, who has taken refuge with his wife and children in New York's Dutchess County, some 100 miles north of Wall Street. But for essential business, he added, "the general sense I have is that people are slipping a little into isolation. It takes a little longer for emails to come back. It's OK if a call gets pushed to the next day, instead of happening at 8:30pm. I personally wonder how many people still set an alarm every day."

George Muzinich, the veteran bond fund manager, expressed a twinge of guilt that he had been at his weekend home in Palm Beach when the outbreak gathered pace, and was actually getting on quite well — but for the lack of liquidity in the market. "Life isn't too bad," he confessed. "I feel terrible saying that!"

Amid the idyll, there are reminders of mortality: As with the aftermath of the September 11 terror attacks, all calls begin with a discussion of the unfolding tragedy. Everyone, Mr Lemkau and Mr Winitzer included, seems to know someone stricken with the virus — in some cases critically.

"We are trying to stay strong and positive while having to deal with the reality of our own cases of people testing positive," Mr Lemkau said, noting that it was "more than just a disruption to our business".

There is also financial mortality. As the markets have shifted in recent weeks, often violently, some hedge funds have buckled, and there is speculation about who is in danger. Of course, fortunes have also been made. Bill Ackman's Pershing Square Capital said it had booked a $2.6bn profit on a derivatives trade this week after correctly judging days ago that coronavirus "hell" was coming.

Gregg Lemkau, global co-head of investment banking at Goldman Sachs, posted this image on his Twitter account with the message: 'Week 2 #WFH. Awesome in concept... unfortunately "in concept" doesn't happen until the sun comes up 6 hours into the workday'

For now, the sense among many Wall Streeters is that this crisis is not as dire as the one they endured in 2008. In that case, Wall Street was the epicentre, and the threat was existential for financial institutions. This time, Wall Street is yet another industry that is suffering collateral damage and hoping that life — and work — will resume when the outbreak ends.

"The general feeling is that we will bounce back faster than we did after the financial crisis so everyone wants to be ready for that," said Leon Kalvaria, the chairman of the institutional clients group at Citigroup, who has taken refuge with his family in Southampton.

In the meantime, there is the challenge of working remotely, and a business life now conducted almost entirely by virtual means. For Ros L'Esperance, the global co-head of banking at UBS, who was accustomed to working weekends from her home in Locust Valley, on the north shore of Long Island, the technical set-up was already in place. Her day is a blur of video and conference calls that begins with a 6am check-in with Europe and Asia.

"Being connected with all of the bankers in the division is incredibly important as we need to keep internal communication as seamless as we can with both senior and junior bankers," she said. Down the hall, two of her adult children are working from their bedrooms, while two younger ones are studying.

"What I love [on zoom calls] is looking at people's book cases — the amount of John Grisham... they have on there. And these are educated people!" one senior banker said of the glimpse he has had into his colleagues' personal space.

For others, accustomed to the adrenalin rush of Wall Street, the quietude of quarantine is a struggle. "It's very monotonous. You get up and you read emails and you keep going," a hedge fund executive said. "Even in '08 there was a little bit of excitement. You were watching the news, you were in the middle of it. This is different."

Eric Schiele, a top corporate lawyer at Kirkland & Ellis, initially hunkered down at his home in Rye, New York, in Westchester County — only to discover there was a cluster of cases in neighbouring New Rochelle. So he and his wife and three kids fled to a remote area on the Georgia-South Carolina border where "social distancing" is the norm.

Mr Schiele has brought his frenetic life with him. "It's crazy. It's one call after the other with boards and executives," he said. "For exercising, I've sent pictures of the equipment I have access to down here to my personal trainer and he puts together a training plan for me each week, which is awesome."

Not everything can be hacked with video technology, clever workarounds or financial resources — even for a Wall Street bigwig. "What has been harder is keeping my six-year-old coming into my office with our three dogs behind him and interrupting a conference call with a CEO or a board of directors," Mr Schiele acknowledged. "But the truth is that everyone is going through this."


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Administration
The New York Times
After Considering $1 Billion Price Tag for Ventilators, White House Has Second Thoughts
A deal with General Motors and Ventec Life Systems to produce tens of thousands of the critical lifesaving devices seemed imminent. Then the announcement was pulled back.

By David E. Sanger, Maggie Haberman and Zolan Kanno-Youngs
Published March 26, 2020
Updated March 27, 2020, 9:33 a.m. ET

WASHINGTON — The White House had been preparing to reveal on Wednesday a joint venture between General Motors and Ventec Life Systems that would allow for the production of as many as 80,000 desperately needed ventilators to respond to an escalating pandemic when word suddenly came down that the announcement was off.

The decision to cancel the announcement, government officials say, came after the Federal Emergency Management Agency said it needed more time to assess whether the estimated cost was prohibitive. That price tag was more than $1 billion, with several hundred million dollars to be paid upfront to General Motors to retool a car parts plant in Kokomo, Ind., where the ventilators would be made with Ventec's technology.

Government officials said that the deal might still happen but that they are examining at least a dozen other proposals. And they contend that an initial promise that the joint venture could turn out 20,000 ventilators in short order had shrunk to 7,500, with even that number in doubt. Longtime emergency managers at FEMA are working with military officials to sort through the competing offers and federal procurement rules while under pressure to give President Trump something to announce.

But in an interview Thursday night with Sean Hannity, the president played down the need for ventilators.

"I don't believe you need 40,000 or 30,000 ventilators," he said, a reference to New York, where Gov. Andrew Cuomo has appealed for federal help in obtaining them. "You go into major hospitals sometimes, and they'll have two ventilators. And now all of a sudden they're saying, 'Can we order 30,000 ventilators?'"

A General Motors spokesman said that "Project V," as the ventilator program is known, was moving very fast, and a company official said "there's no issue with retooling."

A Ventec representative agreed.

"Ventec and G.M. have been working at breakneck speed to leverage our collective expertise in ventilation and manufacturing to meet the needs of the country as quickly as possible and arm medical professionals with the number of ventilators needed to save lives," said Chris O. Brooks, Ventec's chief strategy officer.

The only thing missing was clarity from the government about how many ventilators they needed — and who would be paid to build them.

The shortage of ventilators has emerged as one of the major criticisms of the Trump administration's response to the coronavirus. The need to quickly equip hospitals across the country with tens of thousands more of the devices to treat those most seriously ill with the virus was not anticipated despite the Trump administration's own projection in a simulation last year that millions of people could be hospitalized. And even now, the effort to produce them has been confused and disorganized.

At the center of the discussion about how to ramp up the production of ventilators is Jared Kushner, the president's son-in-law and a senior White House aide, who has told people that he was called in two weeks ago by Vice President Mike Pence to produce more coronavirus test kits and who has now turned his attention to ventilators.

He has been directing officials at FEMA in the effort. Two officials said the suggestion to wait on the General Motors offer came from Col. Patrick Work, who is working at FEMA. Some government officials expressed concern about the possibility of ordering too many ventilators, leaving them with an expensive surplus.

As the agency has sorted through offers, trying to weigh production ability and costs, hospitals in New York and elsewhere are reporting a desperate need for more ventilators, which are critical in treating respiratory problems in a fast-rising tide of severe coronavirus cases.

A spokeswoman for FEMA said Colonel Work presented information on each contract in such meetings but did not make any recommendations. A White House spokesman declined to comment.

The involvement of General Motors was first floated this month as the carmaker's factory floor in Kokomo was grinding to a halt and workers were being sent home — partly because the market was collapsing but also because workers would otherwise risk exposure to the coronavirus.

Last week, General Motors, Ventec Life Systems and a coalition of business executives called StopTheSpread.org issued a statement saying that Ventec would "leverage G.M.'s logistics, purchasing and manufacturing expertise to build more of their critically important ventilators," including some portable units.

By Sunday, Mr. Trump appeared to suggest on Twitter that a deal had been completed to mass-produce the ventilators, even though it was unclear who would pay to equip the General Motors plant or how long that process would take.

"Ford, General Motors and Tesla are being given the go ahead to make ventilators and other metal products, FAST! @fema," he wrote. "Go for it auto execs, lets see how good you are?"

Not for the first time has Mr. Trump jumped the gun.

Tesla officials had in fact met with engineers from the medical device company Medtronic in a separate negotiation, but no partnership has yet been announced. And while the chief executive of General Motors, Mary T. Barra, was enthused about the ventilator idea, Mr. Trump's own aides had not embraced the G.M.-Ventec partnership — in part because they had not seen the specifics of the proposal.

Administration officials said Thursday that they were struggling to understand just how many ventilators the new venture could make.

The initial projection, one senior administration official said, was that after three weeks of preparation it could produce an initial run of 20,000 ventilators, or about two-thirds of what Gov. Andrew Cuomo of New York recently said his state alone needed to cover the influx of coronavirus patients expected in two weeks, if not sooner.

That number then shrank to 7,500 ventilators in the initial run, or maybe 5,000, an apparent recognition that auto transmissions and ventilators had very little in common. Those numbers are in flux and so are the Trump administration's because the White House cannot decide how many ventilators it wants.

Targets have changed by the hour, officials said, as the Centers for Disease Control and Prevention, the Department of Health and Human Services, the Food and Drug Administration, which approves the use of medical devices, and the White House try to figure out how many ventilators to request and how much they should cost.

Those issues appeared to come to a head on Wednesday afternoon, when FEMA told the White House that it was premature to make a decision.

The $1.5 billion price tag comes to around $18,000 a ventilator. And the overall cost, by comparison, is roughly equal to buying 18 F-35s, the Pentagon's most advanced fighter jet.

So on Wednesday, despite the president's tweet three days earlier, FEMA was still weighing competing offers in order to make a recommendation to Mr. Kushner. And it seemed clear to several officials that the agency would have to select multiple manufacturers, in part to avoid the risk that one production line runs into technical troubles, or that its workers contract the very virus the ventilators are being built to defeat.

David Sanger and Zolan Kanno-Youngs reported from Washington, and Maggie Haberman from New York. Ana Swanson contributed reporting from Washington.

David E. Sanger is a national security correspondent. In a 36-year reporting career for The Times, he has been on three teams that have won Pulitzer Prizes, most recently in 2017 for international reporting. His newest book is "The Perfect Weapon: War, Sabotage and Fear in the Cyber Age." @SangerNYT • Facebook

Maggie Haberman is a White House correspondent. She joined The Times in 2015 as a campaign correspondent and was part of a team that won a Pulitzer Prize in 2018 for reporting on President Trump's advisers and their connections to Russia. @maggieNYT

Zolan Kanno-Youngs is the homeland security correspondent, based in Washington. He covers immigration, border issues, cyber security, transnational crime and other national security threats.
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The Financial Times
Trump and Xi speak after US and China trade barbs on coronavirus
Phone call signals potential thaw after countries exchanged insults over pandemic
Tom Mitchell in Singapore
March 27, 2020
Donald Trump and Xi Jinping spoke by telephone on Friday, signalling a potential thaw in relations between the world's two most powerful countries after weeks of bitter exchanges over the coronavirus pandemic.

In a tweet, the US president described his first interaction with his Chinese counterpart since the outbreak began three months ago as "very good".

"China has been through much [and] has developed a strong understanding of the Virus," Mr Trump added. "We are working closely together. Much respect!"

Chinese state media said that Mr Xi had spoken with Mr Trump "at the invitation of the US side", and offered to "unreservedly share [China's] experience in prevention and control efforts, and treatment with the World Health Organization and countries including the US".

Over recent days, Mr Trump has stopped referring to the coronavirus as "the Chinese virus", which had angered officials in Beijing and triggered domestic criticism that he was stoking anti-Asian sentiment as the virus spread rapidly across the US.

US officials countered that the designation was fair in light of some Chinese diplomats' endorsement of unproven conspiracy theories blaming the US military for the outbreak, which began in the central Chinese city of Wuhan in December or November.

However, other senior Trump administration officials were continuing to insist that the virus should be referred to as "the Wuhan coronavirus".

The war of words threatened to impede any prospects of meaningful co-operation between the US and China as the pandemic continued to spread rapidly around the world. It also coincided with a charm offensive by Beijing heralding its dispatch of medical supplies and teams to European nations struggling to contain the pandemic.

Mr Trump and Mr Xi spoke just hours after the number of officially confirmed cases in the US exceeded those in China. The Chinese foreign ministry also announced late on Thursday that it would ban almost all foreign nationals from entering the country even if they held valid work and residential permits.

While the number of locally transmitted cases in China has dwindled over recent weeks, the government has been alarmed by a spike in so-called imported cases from people arriving in the world's most populous nation. Most of the carriers, however, have been Chinese nationals.

China's aviation regulator also said on Thursday that it would restrict all international airlines still operating flights to and from China to just one weekly service, in a move that will make it even more difficult for expatriate Chinese to return home.

Earlier on Thursday, Mr Trump and Mr Xi had both participated in an emergency videoconference of G20 leaders to discuss the pandemic.

The US has recorded 85,505 coronavirus cases with 1,288 deaths, compared with 81,340 and 3,292 respectively in China. But China's official case numbers, unlike most other countries', do not include "asymptomatic" carriers who do not exhibit any symptoms. If such cases were included, it is estimated that China's official count could be as much as 50 per cent higher.

While Friday's phone call signalled better relations between the two countries, more trouble could be in store after Mr Trump signed into law an act obliging Washington to help bolster international support for Taiwan.

The Taiwan Allies International Protection and Enhancement Initiative (TAIPEI) Act requires the Trump administration to reward third countries that have strengthened or upgraded relations with Taiwan. The law also calls on Washington to advocate for Taiwan's participation in international organisations.

Analysts see the new law as an open rebuke of China's intensifying efforts to isolate Taiwan internationally. Beijing claims Taiwan as part of its territory and threatens to invade if Taipei formalises its de facto independence or resists unification indefinitely.

With additional reporting by Kathrin Hille
Get alerts on Coronavirus when a new story is published
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Others News
The Wall Street Journal

What's the Best Way to Spend Your Stimulus Money?
Here's a guide for how to handle the one-time rebate if you're lucky enough to have your basic expenses covered

By Bourree Lam

March 27, 2020 5:30 am ET

On Friday, the House is considering the $2 trillion stimulus bill passed by the Senate earlier this week in response to economic fallout from the novel coronavirus. As part of the package, all U.S. residents, even those with no income, qualify for a one-time $1,200 rebate; the payments will start to phase out for individuals making above $75,000 and couples making more than $150,000.

For many, the payment will be a way to stay afloat. But if you've got all that covered, how should you think about this money? Should you spend it now to keep the economy going? Should you hold on to it in case things get worse? Here's a guide:

Is It Free Money?

Let's start with where the money comes from. The last time economic stimulus payments went out to Americans was during the onset of the 2008 financial crisis. Then as now, the payments are funded by the federal government, with no strings attached

"I suspect that the way people will actually think about these payments will be free money from the government. To some degree, that's not the worst idea," said Dan Ariely, a psychology and behavioral economics professor at Duke University.

The money being "free" can induce people to spend. Jonathan Parker, a finance professor at MIT's Sloan School of Management and Golub Center for Finance and Policy, studied the effects of the stimulus payments of 2001 and 2008. His research, drawing on data from the Nielsen consumer panel and the Bureau of Labor Statistics' Consumer Expenditure Survey, found that households ended up spending about 50% to 90% of their 2008 stimulus payments in the first three months.

"We usually think the rational thing to do is the best thing to do," Mr. Ariely said. "In this particular case, the best thing to do for our society in general is probably not the rational thing. It's to spend it."

Keep It Liquid

"In a recession, people tend to cut consumption and try to maintain a liquid buffer," Mr. Parker said.

"We can see people started increasing spending the week they get the payments. How much they spend depends on their economic circumstance," said Mr. Parker of the 2008 payments. Those with lower income household spent more.

Given the sudden stop to the economy forcing so many Americans not to work, Mr. Parker said keeping the

Given the sudden stop to the economy forcing so many Americans not to work, Mr. Parker said keeping the money liquid—in an account that's easy to access—will be important for many who get the payments.

Spend It

"This is the thing about putting money in people's pockets: They are going to know best what they need to do right now," said Claudia Sahm, director of macroeconomic policy at the Washington Center for Equitable Growth who previously oversaw the Survey of Household Economics and Decisionmaking at the Federal Reserve Board.

While the payment may not make up for a lost paycheck, those who face economic uncertainty will use the money to support the expenses of their daily lives.

"A key feature of our reality is that we are never ready for a recession. There are a large number of families that live with very thin financial bumpers," Ms. Sahm said. "You have millions of Americans who do not know whether they will lose their jobs or whether they'll become sick."

In other words, spend it on whatever you would typically spend it on to keep consumption levels from dropping.

Where to Spend It

"This is a really weird time because it is much harder than normal to find places where you can spend your money," said Martha Ross, a fellow at the Metropolitan Policy Program at Brookings.

For those who have basic necessities covered, stimulus money can be spent on sectors and workers hit hardest by the pandemic due to lockdown orders or social distancing.

"I would put my stimulus dollars not towards an abstract 'economy' but towards people, fellow Americans, who are watching their earnings evaporate before their eyes. From retail workers, waiters, hotel housekeepers, after-school program staffers, hairdressers, just to name a few. Not because it makes us economically stronger, though it probably will, but because as a society we should care for one another," Ms. Ross said.

Ms. Ross adds that many of these workers may not be normally connected to community safety-net organizations, such as food banks, and may need assistance. Additionally, nonprofits serving those out of work will need more support.

While it is hard to spend at hotels and restaurants when they are closed, Ms. Ross points to the rise in gift-card purchases in order to give local businesses interest-free loans. If you employ housekeepers, gardeners, or child-care workers, paying them at the usual frequency has an economic benefit.

"Chances are you know someone, or know someone who knows someone, who is facing a dire financial situation, that they couldn't have imagined one month ago," Ms. Ross said. "Think of a couple businesses and doing big purchases, or spreading it out and spending it as you go about your week."

Save Some of It

It won't do the economy much good, but saving some of the payment might make individual sense.

"For those who are in a position to weather the storm, this is a good time to take a hard look at how you're spending your money," said Carrie Schwab-Pomerantz, president of the Charles Schwab Foundation and the firm's personal finance expert.

Ms. Schwab-Pomerantz said her general recommendation is building up enough for three to six months of essential expenses, especially for those who anticipate changes to their economic circumstances in coming months.

"The government is looking for you to spend it, but this is really a time where you also have to protect yourself," Ms. Schwab-Pomerantz said
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The New York Times

The World Is Running Out of Places to Store Its Oil
A chaotic mismatch between the supply and demand for oil is saturating the world's ability to store it all.

By Stanley Reed
Published March 26, 2020

Updated March 27, 2020, 8:59 a.m. ET

+

The world is awash in crude oil, and is slowly running out of places to put it.

Massive, round storage tanks in places like Trieste, Italy, and the United Arab Emirates are filling up. Over 80 huge tankers, each holding up to 80 million gallons, are anchored off Texas, Scotland and elsewhere, with no particular place to go.

The world doesn't need all this oil. The coronavirus pandemic has strangled the world's economies, silenced factories and grounded airlines, cutting the need for fuel. But Saudi Arabia, the world's largest producer, is locked in a price war with rival Russia and is determined to keep raising production.

Prices have plummeted.

"For the first time in history we are seeing the likelihood that the market will test storage capacity limits within the near future," said Antoine Halff, a founding partner of Kayrros, a market research firm. As storage space becomes harder to find, the prices, which have already fallen more than half this year, could drop even further. And companies could be forced to shut off their wells.

This chaotic mismatch in supply and demand has benefited consumers, who have watched gasoline prices slide lower.

And it has been a field day for anyone eager to snap up cheap oil, put it someplace and wait for a day when it'll be worth more.

That's where Ernie Barsamian comes in.

While the coronavirus epidemic threatens to bust parts of the United States oil industry, Mr. Barsamian's business, which finds places to park unwanted fuel, is thriving, at least for now.

"We usually do about two storage deals a day," said Mr. Barsamian, who runs a company in Princeton, N.J., called the Tank Tiger, a nod to the local university's mascot. "We have done about 120 in the last couple of weeks."

Mr. Barsamian matches clients like commodity traders or refiners that have oil they want to store with tank farm owners and others who have places to put it, collecting a fee of 1 cent per barrel a month from the latter.

People in the energy industry say they have never seen changes happening at the speed and magnitude that are occurring because of the coronavirus.

The first major downturn in demand occurred in February when China, the world's largest energy consumer, shut down much of its economy in an effort to stabilize the spread of the coronavirus. Now, the slowdown is rolling across the world, with much of Europe and major parts of the United States in lockdown.

Analysts at IHS Markit, a research firm, recently forecast that demand for oil could fall by as much as 14 million barrels a day — more than the daily consumption of China last year — in the second quarter.

The price war between Saudi Arabia and Russia has exacerbated the situation. The Saudis are slashing prices and threatening to ramp up oil output by about 25 percent to 12 million barrels a day, beginning in April. The surplus, IHS Markit forecasts, could add up to a tank-busting one billion barrels or more.

For now, Mr. Barsamian is finding places for it.

Mr. Barsamian, 60, set up his business five years ago after retiring from Hess, a midsize U.S. oil company, where he also worked in the storage terminal business.

He said the jump in calls from clients started on March 8 as the Saudis promised to raise production — rather than cut output, the usual response to diminishing demand.

Not only does oil need a place to go, but the state of the oil market has provided traders with an opportunity to make money. They are taking advantage of a market where prices in the future are much higher than current levels. For instance, a barrel of light, sweet U.S. crude is priced at about $25 a barrel for May, about $6 lower than August. So a trader or an oil company can make easy money by buying oil at today's depressed prices, selling it on the futures market and pocketing the difference minus storage and other costs — a situation known as contango.

Mr. Barsamian said the contango had jolted interest in storage in Cushing, Okla., where oil is delivered to settle the futures contracts for West Texas Intermediate crude oil. The price of putting a barrel of oil in a tank in

Cushing has more than doubled to about 55 cents per month, he said.

Knowing how much oil is stored around the world is a key metric to "understanding the health of the oil market," said Hillary Stevenson, an analyst at Genscape, a market intelligence firm. But, she warned, "capacity is finite; the safety net is only so big."

Ms. Stevenson said the most important storage areas in the United States, like Cushing, were about half full in the middle of March, but analysts say the safety net is being stretched like never before.

One firm, Kpler, uses satellite images to calculate how much oil is on ships and in tank farms. Over a recent weekend, the company detected 10 million barrels of oil, about 10 percent of the world's daily consumption in normal times, flowing into storage facilities.

"We are in an incredibly oversupplied market at this point in time," said Alexander Booth, Kpler's head of market analysis.

One sign of a glut: The volume of oil placed on ships to wait for better days has grown by about 25 percent in March. According to Mr. Booth, about 81 loaded tankers — an unusually high number — are loitering off coasts around the globe.

The fact that oil is being put on ships, a more costly proposition than storage on land, implies that the world is running out of room, at least in some places, Mr. Booth said. Chinese buyers, perhaps seeing current prices as a bargain, continue to import at high levels, he said. Mr. Booth estimated that three-quarters of a billion barrels of usable storage capacity remained around the world — not enough room for the buildup in supplies some forecasters are predicting.

In the wake of price-cutting by Saudi Arabia and other countries, oil companies in the United States are being paid less. On Tuesday, Enterprise Products, an Oklahoma company, posted prices for various grades of crude that ranged as low as $7.61 a barrel.

Already producers are beginning to dial back. Chevron, one of the key operators in the Permian Basin, the largest shale field in the United States, forecast on Tuesday that its output there would be 20 percent less than previously stated.

Space is running out in western Canada, whose 40 million barrels of storage is now more than three-quarters full, according to Rystad Energy, which estimates that producers will need to slash production by 11 percent. Jason Kenney, the premier of Alberta, has already suggested that production curtailments would be required.

Mr. Barsamian does not see an emergency yet, although he acknowledges that much of the capacity in the key tank farms is probably already booked.

"I always say that the world is never going to run out of storage," he said, arguing that operators will just add more tanks if market incentives are right. "I have never seen it happen."

This time, though, analysts say, the glut could be off the charts, and the new flows planned by Saudi Arabia, Russia and other producers have yet to hit the markets.

"That oil will just move from a tank in Saudi, probably, into someone else's tank or just sit on a vessel," Mr. Booth said. "It is certainly not needed."

Clifford Krauss contributed reporting.

Stanley Reed has been writing from London for The Times since 2012 on energy, the environment and the Middle East. Prior to that he was London bureau chief for BusinessWeek magazine. @stanleyreed12 • Facebook

A version of this article appears in print on March 27, 2020, Section B, Page 9 of the New York edition with the headline: As the World Gushes Oil, Storage Firms Scramble to Keep Pace. Order Reprints | Today's Paper | Subscribe
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# Flagging: The Washington Post: Coming to your $1,200 relief check: Donald J. Trump's name

**From:** [redacted]@treasury.gov>
**To:** DL Public Affairs <publicaffairsdl@do.treas.gov>, [redacted] treasury.gov>, [redacted]@treasury.gov>, "Vaughan, Frederick" <frederick.vaughan ry.gov>, "Blum, Jonathan" <jonathan.blum@treasury.gov>
**Date:** Tue, 14 Apr 2020 21:09:40 -0400

## The Washington Post: Coming to your $1,200 relief check: Donald J. Trump's name

**Lisa Rein**

The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.

The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.

It will be the first time a president's signature appears on an IRS disbursement, whether a routine refund or one of the handful of checks the government has issued to taxpayers in recent decades either to stimulate a down economy or share the dividends of a strong one.

While some people receiving the checks — the centerpiece of the U.S. government's economic relief package to stave of the effects of the coronaviruspandemic — may not care, or observe, whose name appears on them, the decision is another sign of Trump's effort to cast his response to the pandemic in political terms.

Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who spoke on the condition of anonymity because they were not authorized to speak publicly.

But the president is not an authorized signer for legal disbursements by the U.S. Treasury. It is standard practice for a civil servant to sign checks issued by the Treasury Department to ensure that government payments are nonpartisan.

The checks will instead bear Trump's name in the memo line, below a line that reads, "Economic Impact Payment," the administration officials said.

The IRS will mail the checks to people for whom it does not have banking information. Many of them have low incomes.

The checks will carry the signature of an official with the Bureau of the Fiscal Service, the Treasury Department division that prints the checks. The checks will follow direct deposits issued in recent days to the bank accounts of about 80 million people. Those payments do not include Trump's name.

The decision to have the paper checks bear Trump's name, in the works for weeks, according to a Treasury official, was announced early Tuesday to the IRS's information technology team. The team, working from home, is now racing to implement a programming change that two senior officials said will probably lead to a delay in issuing the first batch of paper checks. They are scheduled to be sent Thursday to the Bureau of the Fiscal Service for printing and issuing.

Computer code must be changed to include the president's name, and the system must be tested, these officials said. A Treasury Department spokesperson, however, denied any delay and said the plan all along was to issue the checks next week.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever," the spokesperson said in a written statement. She said this was a faster process than the stimulus checks the George W. Bush administration issued in 2008 to head off a looming recession.

"In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates," the statement said.

An IRS spokesperson referred questions to the Treasury Department.

The paper checks are scheduled to be issued at a rate of 5 million each week until September, starting with the lowest-income taxpayers. They're for taxpayers whose bank information is not on file with the IRS.

The $2 trillion stimulus, the government's largest and most recent coronavirus rescue package, was passed by a bipartisan Congress and signed by the president. The checks to individual taxpayers were not originally Trump's idea, but he embraced them after Sens. Josh Hawley (R-Mo.) and Mitt Romney (R-Utah) proposed them.

The White House had initially floated a payroll tax cut as a centerpiece of its stimulus effort but backed off that plan amid concerns it would not reach American households quickly enough.

Trump has repeatedly called the legislation "a Trump administration initiative" and placed himself singularly at the center of what the government is doing to help Americans during the coronavirus response — taking full credit.

About six months before he faces reelection, with his campaign on pause because the virus has prevented him from holding the rallies that are popular with his base, the checks provide Trump with a new form of retail politics. A check provides a touchable, bread-and-butter symbol to taxpayers right in their mailboxes.

But to critics and some IRS employees, many of whom started to learn of the decision on Tuesday, the presence of Trump's name on the checks reeks of partisanship in a corner of the government that touches all Americans and has, since the Nixon era, steadfastly steered clear of politics. After president Richard Nixon targeted a wide range of "enemy" groups for tax audits, including civil rights groups, reporters and prominent Democrats, Congress enacted laws to ensure that the agency conducts itself apolitically.

"Taxes are supposed to be nonpolitical, and it's that simple," said Nina Olson, who stepped down last fall after an 18-year tenure as the National Taxpayer Advocate, leading an arm of the IRS that helps individual taxpayers resolve tax problems, manages clinics for low-income taxpayers and advises the agency on service issues.

"It's absolutely unprecedented," Olson said.

She recalled that when the Bush administration delivered economic rebate checks of $300 to $600 to taxpayers in 2001 to share the benefits of a strong economy, the White House asked the IRS to include in a letter to taxpayers a sentence that took credit for "giving you your money back."

The IRS commissioner at the time refused, Olson recalled, because the move was perceived as too political.

When the Bush administration launched its $168 billion economic stimulus package in 2008, the checks were signed by a treasury official.

Only the IRS commissioner and general counsel are politically appointed. The current, Trump-appointed commissioner, Charles Rettig, a tax attorney confirmed by the Senate in 2018, was appointed to a five-year term designed to carry over into a possible new administration.

Chad Hooper, a quality-control manager who serves as national president of the IRS's

Professional Managers Association, said he was appalled by what he called "an abuse of government resources."

"In this time of need for additional resources," Hooper said, "anything that takes our focus from getting those checks out the door and hampers the equitable, fair administration of the tax code is not something we can support."

House Speaker Nancy Pelosi (D-Calif.) has dismissed suggestions about Trump signing checks or having his name attached. Last week she said the payments should go out as quickly as possible without "waiting for a fancy-Dan letter from the president."

About 150 million Americans and others are expected to receive the one-time payment. The first wave of recipients includes mainly people who filed a 2018 or 2019 tax return and gave the IRS their direct deposit information.

Under the stimulus plan, single filers earning up to $75,000 a year receive a payment of $1,200. Married couples earning up to $150,000 a year receive a payment of $2,400. Parents receive an additional $500 for each child under 17.

Erica Werner contributed to this report.

# Trump has no magic wand to reopen the economy — Earnings season tells the tale — Trump delays stimulus checks ... for his signature

**From:** POLITICO Pro's Morning Money <politicoemail@politicopro.com>
**To:** "Callanan, Brian" <brian.callanan@treasury.gov>
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**TRANSITIONS** — Via memo from Dan Colarusso, SVP of CNBC Business News and Lacy O'Toole, Managing Editor of CNBC Business News: "We're happy to announce Katie Slaman is moving to become CNBC's San Francisco bureau chief. As technology companies and the cultures around them become an even bigger part of the global markets, Katie is the ideal person to guide our growing West Coast television presence."

## ON THE CALENDAR

No events listed.

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**TODAY - JOIN CONGRESSWOMAN ALEXANDRIA OCASIO-CORTEZ FOR A VIRTUAL PLAYBOOK:** Join Playbook authors Anna Palmer and Jake Sherman today at 9:30 a.m. EDT for an important virtual interview with Rep. Alexandria Ocasio-Cortez (D-N.Y.) to discuss how the coronavirus is impacting New York, efforts to make sure African American and Latino communities get essential economic relief, and the impact that this global economic and health crisis will have on the

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**TRANSITIONS** — Via memo from Dan Colarusso, SVP of CNBC Business News and Lacy O'Toole, Managing Editor of CNBC Business News: "We're happy to announce Katie Slaman is moving to become CNBC's San Francisco bureau chief. As technology companies and the cultures around them become an even bigger part of the global markets, Katie is the ideal person to guide our growing West Coast television presence."

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# FW: POTUS name on Stimulus Checks

**From:** Treasury Public Affairs <press@treasury.gov>
**To:** [redacted]treasury.gov>
**Date:** Wed, 15 Apr 2020 09:03:19 -0400

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Tuesday, April 14, 2020 9:41 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** POTUS name on Stimulus Checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Can you confirm the Washington Post report that the Treasury Department has ordered for President Trump's name to be printed on the stimulus checks being sent out by the IRS? Will this have an impact on the timing of their delivery? Will his signature be in the memo line below a line reading "Economic Impact Payment," as the report suggests? Is this the first time a president's signature has appeared on an IRS disbursement? And how long has this decision been in the works? Any guidance or statements you are able to provide would be greatly appreciated.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
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April 15, 2020

**Public Affairs Notes:**

**This week:**

- **Today, Wednesday, April 15,** Secretary Steven T. Mnuchin will participate in the G7 Finance Ministerial and Central Bank Governors Meetings via video conference. Closed press.

- **On Thursday, April 15, and Friday, April 16,** Under Secretary Brent McIntosh will participate in the International Monetary Fund and World Bank Meetings via video conference. Closed press.

**SECRETARY MENTIONS**

**Treasury Reaches Agreement With Airlines On Bailout Terms. (WSJ, FT, WP, NYT, REU, AP, POLITICO, USAT, NBCNEWS, CQRC, HILL, DMN, FOXB, FORBES, BIZINDER, MYAJC, CHIT)**

The Wall Street Journal (4/14, Sider, Davidson) reports the Treasury Department has reached an agreement with 10 of the 12 largest airlines on accepting the terms of the funding provided through the CARES Act. The Journal reports airline executives had been negotiating with Treasury Secretary Steven Mnuchin over the terms of the aid, as the airline officials believed they would not have to pay back grant money. However, Treasury was not willing to budge from its position. The Financial Times (4/14, Bushey, Politi) reports airlines and unions had resisted efforts by the government to attach strings to the aid.

The Washington (DC) Post (4/14, Aratani, Duncan) reports that under the terms of the agreement with the large airlines, 70 percent of the cash would be given to the airlines, but airlines would be required to pay back the remaining 30 percent. The government would also receive warrants equivalent to 10 percent of the money provided to the airlines. he Post says. "The deal comes despite the earlier objections from airlines, unions and some Democratic lawmakers to the administration's plan to impose conditions on the payroll grants," as Mnuchin had "signaled early on that the administration would demand an e uity stake in airlines in exchange for providing aid."

The New York (NY) Times (4/14, Rappeport, Chokshi) reports Treasury announced that Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Hawaiian Airlines, JetBlue Airways, United Airlines, SkyWest Airlines, and Southwest Airlines have agreed to participate in the program, which will help the airlines pay their workforce through September. Mnuchin said, "We welcome the news that a number of major airlines intend to participate in the Payroll Support Program." He added, "This is an important CARES Act program that will support American workers and help preserve the strategic im ortance of the airline industry while allowing for appropriate compensation to the tax ayers." Under the terms of the agreement, airlines will not be allowed to layoff workers through September. Airlines will also be barred from repurchasing stock or paying dividends through September 2021, and executive pay will be limited until March 2022.

Reuters (4/14, Rucinski, Shepardson) reports the Treasury Department said in a statement, "We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible." The Associated Press (4/14, Koenig) reports Mnuchin "said Tuesday that the department would work to finalize the deals and hand over the money as quickly as possible. He said talks were continuing with other carriers."

Politico (4/14, Adragna) reports Mnuchin said Tuesday, "Conversations continue with other airlines regarding their potential participation. Treasury is also working to review and approve applications for smaller passenger air carriers as quickly as possible and will provide further guidance for cargo carriers and contractors very soon. We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible."

USA Today (4/14, Woodyard) calls large airlines one of the "winners" of the CARES Act bailouts, despite a drop in enthusiasm after the Treasury Department "let it be known that any grant or loan will come with strings attached." USA Today says small airlines are "losers" even though Mnuchin said the Treasury Department "specifically created an exemption for small airlines that we can process very quickly." Both commuter airlines and low-cost airlines are concerned about provisions in the CARES Act that require them to maintain service despite a deep drop in demand.

Outlets providing additional coverage include NBC News (4/14, Atkinson), CQ Roll Call (4/14, Wehrman), The Hill (4/14, Coleman), Dallas (TX) Morning News (4/14, Arnold), Fox Business (4/14, Burman), Forbes (4/14, Bogaisky), Business Insider (4/14, Slotnick), and Atlanta (GA) Journal-Constitution (4/14, Yamanouchi).

***Tribune: Why Government Bailouts For United And Boeing Are A Bad Idea.*** The Chicago (IL) Tribune (4/14, Board) editorializes that a deal from Secretary Mnuchin to protect Boeing during the economic fallout caused by the COVID-19 pandemic is "in the works," but that "these exercises in corporate favoritism are a bad idea." The Tribune argues that Boeing "should be forced to do what millions of entrepreneurs and mom-and-pop businesses are doing: adapting to a traumatic but necessary shutdown of the economy and figuring out how to survive – without a generous rescue from taxpayers."

**Congress At An Impasse Over Providing Additional Small Business Funds. (USAT, HILL, BLOOM, CNN, POLITICO)**

USA Today (4/14, Hayes) reports, "Billions of dollars in additional relief for small businesses in danger of shuttering due to the coronavirus has been left in the crossfire as congressional leaders fight over what should be included in the emergency package." House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer, in a joint statement Monday, said, "We have real problems facing this country, and it's time for the Republicans to quit the political posturing by proposing bills they know will not pass either chamber and get serious and work with us towards a solution." The two leaders "have both talked with Treasury Secretary Steven Mnuchin about their demands and are hoping for a bipartisan compromise but the White House has already voiced opposition to including additional provisions in this small business package, which together, has left the future for the funds – which could dry up in days – up in the air."

The Hill (4/14, Bolton) reports Secretary Mnuchin and Leader Schumer "are expected to reach a deal this week on an interim coronavirus relief bill that would provide money to businesses, hospitals and state governments. The deal could lead to legislation being passed quickly through the Senate on Thursday, and through the House no later than early next week." Democrats "say that Mnuchin, who is spearheading negotiations for Republicans, is open to a deal" despite McConnell's apparent lack of interest in negotiating with Schumer and Speaker Pelosi. Mnuchin, "speaking at the White House on Monday, said legislation should focus on small-business programs and that other issues such as funding for state governments and hospitals should be dealt with separately – though he also expressed a willingness to work with Congress on getting money to various needs." Mnuchin said, "This was a bipartisan program. We should top up that program now. I know the Democrats want to talk about more money for hospitals and states. Right now we're just sending the money out to the hospitals and states. They haven't come close to using that money."

However, Bloomberg (4/14, Wingrove, Litvan, House) reports Senate Majority Leader Mitch McConnell, in a statement Tuesday, "made clear that he won't consider any additional funding beyond the $250 billion for the small business loan program, money he tried unsuccessfully to move through the chamber last week by unanimous consent." McConnell "reiterated that the Paycheck Protection Program is the only stimulus initiative at immediate risk of running dry." McConnell said, "President Trump, Secretary Mnuchin, and Senate and House Republicans simply want to add more funding for this job-saving program that both parties designed together. There is no time to insist on sweeping renegotiations or ultimatums about other policies that passed both houses unanimously."

CNN (4/14, Mattingly, Fox) reports Democrats "have held firm that any additional small business funds must be accompanied by additional funds for hospitals and states, as well as conditions on how that small business funding can be used. Mostly, however, they want negotiations over this interim package – and they thought they could get them through Treasury Secretary Steven Mnuchin." The Secretary "has become the go-to for both Speaker Nancy Pelosi and Democratic Leader Chuck Schumer, striking deals with both. Both have said in recent days Mnuchin seemed amenable to bipartisan talks – something McConnell and House Republican Leader Kevin McCarthy have rejected out of hand." Mnuchin "made clear during the White House news conference on Monday he was firmly on the side of McConnell and McCarthy (this may seem obvious, but multiple GOP aides legitimately weren't sure where Mnuchin was on this). The President joined him in that position."

***Green To Mnuchin: Allow Small Banks To Obtain PPP Loans.*** Politico (4/14, Warmbrodt) reports Rep. Al Green (D-TX), on a phone call "hosted by the House Financial Services Committee Tuesday...asked Treasury Secretary Steven Mnuchin whether he would consider allowing small banks to apply for Paycheck Protection Program loans. Green has argued that it would it would help banks avoid layoffs and even staff up as they work to get more money out to small businesses." Green said in an interview following the call, "The secretary gave me a response that has led me to believe this is of concern and that he will look into it. He did not make a commitment, but I appreciate the fact that he does take it as a concern to be reviewed."

**Cities, Localities Fear Missing Out On Covid-19 Stimulus Funds. (NEWSHR, KCSTAR)**

PBS NewsHour (4/14, Slodysko, Lardner) reports the National League of Cities and the US Conference of Mayors on Tuesday "released a survey of more than 2,400 local officials that found 88 percent of them 'anticipate the pandemic will lead to painful reductions in revenue this year' that will likely result in cuts to services, worker furloughs and layoffs. The groups said the outlook is 'particularly acute' for cities, towns and villages under the threshold." Amid the uncertainty, "the two advocacy groups and lawmakers have been urging Treasury Secretary Steven Mnuchin to ensure the relief fund money is fairly distributed. Guidelines for how the relief fund will operate are to be issued by the Treasury Department this week."

The Kansas City (MO) Star (4/14, Lowry) reports Kansas City "will likely have to coordinate with the governments of four different counties to get its share of federal coronavirus aid as the U.S. Treasury Department appears to have rebuffed pleas from city leaders for direct assistance." Kansas City Mayor Quinton Lucas "has repeatedly argued that the city should be eligible for direct aid based on projections by city planners that place the city's 2020 population at roughly 505,000." The CARES Act "set 500,000 as the threshold for a city or county to qualify for direct aid." Rep. Emanuel Cleaver (D-MO) "had sent a letter to Treasury Secretary Steve Mnuchin asking for him to use the city's internal numbers to allow it to receive direct aid, but the request was rebuffed." Cleaver said Monday in a statement, "It's not in my style to demonize the administration during a crisis, but, as the representative of Missouri's 5th congressional district, I am officially irked."

**Treasury Orders Trump's Name To Be Printed On Stimulus Checks Sent By IRS. (WP, NYT, NSWK, ABCNEWS)**

The Washington Post (4/14, Rein) reports the Treasury Department has "ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said." This "unprecedented decision" means "it will be the first time a president's signature appears on an IRS disbursement." According to the Post, "Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who spoke on the condition of anonymity because they were not authorized to speak publicly." The New York (NY) Times (4/14, Rappeport) and Newsweek (4/14, Villarreal) also report.

***Most Americans Have Not Received Stimulus Funds.*** ABC News (4/14, Alesse, Kolinovsky, Haslett, Tatum) reports, "It's been more than three weeks since the $2 trillion CARES Act was signed into law, but the vast majority of those who qualify for economic relief – some in multiple categories – have yet to see their share." The IRS last week "began depositing money into the bank accounts of those who meet the federal government's income qualifications for direct payments, and some Americans who receive unemployment benefits began receiving an additional $600 a week." However, "a large percentage of those who meet the criteria to receive one or both of those forms of assistance are still waiting." Secretary Mnuchin said Tuesday in a White House briefing, "We know how important that is to all of those hardworking Americans, many at home not working at the moment."

**Congressional Democrats Fear Criticizing Trump Could Jeopardize Needed Supplies For Their States. (POLITICO)**

Politico (4/14, Levine, Everett, Ferris) reports that while congressional Democrats "have spent four years berating Trump as unhinged and unprepared for a crisis," now, "they must work with the White House to save lives in their states – a reality that could spare Trump from some of their harshest attacks." Politico says some Democrats "have turned in recent days to Treasury Secretary Steven Mnuchin amid frustration with Trump." For example, Mnuchin "spoke with Sen. Jack Reed (D-R.I.) about the disbursement of funds to his state," and Mnuchin "is once again serving as the point man for negotiations with Senate Minority Leader Chuck Schumer (D-N.Y.) and Speaker Nancy Pelosi (D-Calif.) on the terms of the next relief package that will be at least a quarter trillion dollars."

**NYTimes Says Post Office Is Vital In Time Of Pandemic. (NYT)**

The New York Times (4/14) says in an editorial that the US Postal Service, which "could run out of money by the end of September...cannot be allowed to crumble in the midst of a national emergency. ... As this pandemic rages, its 600,000-plus employees are working to ensure that Americans receive their prescriptions and protective equipment and other essential items, no matter where they live." Lawmakers in March "sought to include a $13 billion grant for the agency in the $2 trillion coronavirus relief law. The effort was blocked by Treasury Secretary Steven Mnuchin, who warned that it would derail negotiations." Lawmakers "settled for a $10 billion loan – from the Treasury Department. Mr. Mnuchin has warned that any attempt to insert a postal bailout into the next relief package would be a non-starter."

## MAJOR DEPARTMENT MENTIONS

**Self-Employed Workers Seek Relief Loans. (FASTCOMP, CNBC)**

Fast Company (4/14) reports the CARES Act "included a $2 trillion stimulus package with specific provisions for the self-employed." CNBC (4/14, Mercado) reports self-employed people will need to have completed 2019 tax return when they apply for the Paycheck Protection Program. The Treasury

Department is "telling self-employed people they'll need to have Schedule C of their 2019 tax return – a document that details the profit and losses of a small business – when they apply."

## POLITICO MORNING MONEY

**Trump has no magic economic wand** — I write here about the fact that President Donald Trump can prod governors and announce whatever task forces and industry advisory teams he wants but none of it will "reopen" the U.S. economy in the way he might like.

He can't force companies to reopen or ramp up production until owners and executives believe there will be sufficient demand. And he can't make consumers flock back to malls, bars, restaurants, sports arenas or other public areas until they feel comfortable they will be safe from the deadly Covid-19 virus.

**Economist and Harvard Kennedy School senior fellow Megan Greene tells me**: "Unfortunately, resuming normal activity cannot be achieved by diktat from the top. It needs to start with much more confidence from consumers, and we are still a long way off from that."

**JPMorganChase chief economist Michael Feroli**: "I do think we will see some lasting damage here. And this is under a benign assumption about the course of the virus and that we don't have false starts where we re-open the economy then have to shut it down again … But not quite to where it was before. We do see growth down for the year by seven percent."

**Earnings season telling the tale** — Big banks including JPMorgan and Wells Fargo both announced giant increases in reserves for loan losses from the crisis on earnings calls on Tuesday. Johnson & Johnson slashed its 2020 earnings guidance and said the numbers could change again depending on a multitude of unknowns about how the economy responds in the coming months.

Here's video of my chat with Feroli in case you missed it. Lots of interesting stuff on the economy and the coronavirus.

**S&P Global Ratings chief economist Beth Ann Bovino emails:** "A sure way to instill confidence that the virus has been contained is to initiate national testing, say a 'national test day' across the U.S. To ensure that there are no false negatives, plan another national test day the following month.

"With the fatality rate in the U.S. currently at 4%, readily available testing on demand would be a must if the Administration wants scared Americans to leave their homes and shop at the mall, which may on its own be a tall order for some time."

### DRIVING THE DAY

More big earnings including Bank of America, Citigroup and Goldman Sachs … Playbook authors Anna Palmer and Jake Sherman will host a virtual interview with Rep. Alexandria Ocasio-Cortez (D-N.Y.) at 9:30 a.m.. … Retail sales at 7:00 a.m. expected to drop 8% … Industrial Production at 9:15 a.m. expected to drop 4.2%. …

Fed Beige Book at 2:00 p.m. should be full of grim anecdotes … National Multifamily Housing Council is releasing the second survey of their Rent Payment Tracker at 10 a.m.

**BRACE FOR BAD NUMBERS** — Pantheon's Ian Shepherdson: "Today brings a wave of data which will help analysts narrow their estimates for first quarter GDP growth, and will offer some clues, albeit limited, about the early part of the second quarter.

"All the numbers will be grim, but the extent of the declines in March retail sales and industrial production will help answer key questions about the extent of the immediate hit to spending and production. Ahead of these data, we're looking for a 6% annualized drop in first quarter GDP growth"

**MUCH HYPED TASK FORCE FIZZLES** — Our Nancy Cook and Gabby Orr: "He spent days hyping it up. He built suspense. And he promised a big announcement. When he finally unveiled his much-heralded new White House economic task force focused on reopening the economy … Trump read off a list of names. Dozens and dozens and dozens of names.

"With little explanation or context about their ultimate purpose, Trump spent roughly 10 minutes in the White House Rose Garden ticking off names of executives and companies from sectors including technology, agriculture, banking, financial services, defense, energy, transportation, sports and health care. ….

"At no point did Trump or the White House explain the way the committees would work, or the types of suggestions they sought or the benchmarks the White House would use to determine whether it was safe to reopen shuttered businesses, send children back to school, reopen stadiums or resume work in offices."

**CHECKS DELAYED FOR TRUMP'S NAME** — WP's Lisa Rein: "The Treasury Department has ordered … Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.

"The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, 'President Donald J. Trump' will appear on the left side of the payment. It will be the first time a president's signature appears on an IRS disbursement"

**TRUMP PULLS WHO FUNDING** — Our Alice Miranda Ollstein: "Trump announced … that he is halting funding to the World Health Organization while his administration reviews the group's handling of the coronavirus, accusing it of bungling the response and failing to communicate the disease's threat.

"The move follows weeks of Trump's escalating attacks on the U.N. health organization as he has sought to deflect scrutiny of his own administration's slow response to the outbreak.

"The U.S. contributes more than any other country to WHO, at more than $400 million per year. Cutting off funds to the group, which has a $4.8 billion annual budget, will be a major blow to the organization as it conducts vaccine trials, distributes test kits and advises governments around the world."

**MARK CUBAN FOR POTUS?** — Our Renuka Rayasam in the must-read coronavirus special nightly newsletter: "Billionaire entrepreneur and 'Shark Tank' reality-TV star Mark Cuban is considering a late-stage presidential run as an independent because of Covid-19.

Cuban on Trump's performance: "It's an impossible position. No matter what you do you are not going to get it right. You can just do the best you can. I don't want to make it sound like I am throwing Trump under the bus. I'm not a fan, but no one could do it right."

**CORONAVIRUS EFFECTS**

**WHERE IS THE PPP MONEY GOING?** — You can now track it, at least in aggregate numbers, here. According the SBA site, 70 percent of the loans are $150K or less. The average is $239,152. There are 3,273 loans so far in excess of $5 million.

**BANKS START TO OPEN SPIGOTS** — Our Zachary "PPP" Warmbrodt: "Banks are beginning to open the spigot of the $350 billion small business rescue package that has suffered constant operational breakdowns since its hurried launch by the Trump administration on April 3, increasing the sense of urgency for Congress to replenish funding in the coming days.

"JPMorgan Chase on Tuesday was the first of the biggest U.S. banks to disclose how much money it had gotten into the hands of small businesses under the so-called Paycheck Protection Program: $9.3 billion … The head of the American Bankers Association said lenders have disbursed 'tens of billions.'"

**GAUGING IMPACT ACROSS THE ECONOMY** — Our Eli Okun: "The virus-induced economic freeze that descended across America last month has generated its share of stunning front-page images. But restaurants and airlines are far from the only industries that are hurting. And it's not just streaming services and videoconferencing platforms that are booming."

**FACT CHECKING TRUMP** — Our Tucker Doherty on what Trump has said versus what he's actually done on the coronavirus.

**NYC DEATH TOLL SPIKES** — Our Erin Durkin: "New York City's official coronavirus death toll has soared past 10,000, after thousands of deaths that previously went uncounted were added to the city's statistics."

**POWELL BACK IN GOOD GRACES?** — Cap Alpha's Ian Katz: "Have Fed Chairman Jay Powell's chances of being re-nominated increased substantially because of his assertive and well-regarded performance during this Coronavirus Crisis?

"The view here is yes, they have, but we still don't expect him to serve a second term if … Trump is re-elected. We think the chances are a little better if Joe Biden is elected. Powell's term as chairman expires in February 2022"

**THE MAN WHO HAS TO TRACK $2.2 TRILLION** — Bloomberg's Joshua Green: "On April 6, Bharat Ramamurti became the first person named to the Congressional Oversight Commission supposed to police the massive coronavirus relief fund. A former top staffer for Senator Elizabeth Warren, Ramamurti expected to have company -- the new law requires congressional leaders to appoint a five-member panel.

"He's still waiting. As tens of billions of taxpayer dollars from the $2.2 trillion relief bill begin flowing out the door, Ramamurti remains the lone member appointed to the panel. With no colleagues, no staff, and no office, he's had to rely on one of the few avenues he has to communicate with the public: his unverified Twitter feed."

**LOSSES EXTEND TO WHITE COLLAR JOBS** — WSJ's Eric Morath, Harriet Torry and Gwynn Guilford: "The first people to lose their jobs worked at restaurants, malls, hotels and other places that closed to contain the coronavirus pandemic. Higher skilled work, which often didn't require personal contact, seemed more secure. That's not how it's turning out.

"A second wave of job loss is hitting those who thought they were safe. Businesses that set up employees to work from home are laying them off as sales plummet. Corporate lawyers are seeing jobs dry up. Government workers are being furloughed … And health-care workers not involved in fighting the pandemic are suffering."

**BANKS COULD SEIZE STIMULUS PAYMENTS** — David Dayen in American Prospect: "[T]the money may not make it into the hands of those who need it to pay bills, buy food, or just survive amid mass unemployment and widespread suffering. Individuals might first have to fend off their own bank, which has just been given the power to seize the $1,200 payment and use it to pay off outstanding debt."

**NO TIME TO RAISE BIDEN CASH?** — CNBC's Brian Schwartz: "Democratic Party financiers are struggling to find the time to raise money for Joe Biden's campaign for president as they contend with the impact of the coronavirus on their businesses and personal finances.

"Several fundraisers and people close to them spoke to CNBC about how they are in a bind over how to prioritize Biden's bid to defeat … Trump this fall while they fight their own battles stemming from Covid-19, the disease caused by the coronavirus."

**FLY AROUND**

**JPMORGAN, WELLS FARGO PROFITS TUMBLE** — WSJ's David Benoit and Ben Eisen: "Big banks sent a clear message in first-quarter earnings Tuesday: This recession is going to be bad. JPMorgan

Chase & Co. and Wells Fargo & Co. set aside billions of additional dollars to get ready for a flood of customers to default on their loans as the coronavirus pandemic pummels the economy.

"That sunk the banks' quarterly profits. JPMorgan and Wells Fargo are the first big U.S. banks to report first-quarter results, and act as a bellwether for the broader economy. Neither bank has yet seen a wave of loans go bad, but they are preparing for it as the economy plunges further into a presumed recession and millions remain out of work."

**SMALL BUSINESS LOAN FUNDS RUNNING OUT WITH CONGRESS STALLED —** Bloomberg's Josh Wingrove: "The $349 billion program to help small businesses reeling from the Covid-19 outbreak could be exhausted by Thursday, a top White House adviser said, but negotiations in Congress to replenish it remain stalled.

"'At the present run-rate, we're going to be out of money,' Larry Kudlow, President Donald Trump's chief economic adviser, said Tuesday on Fox Business Network. As of mid-day Tuesday, almost 1.1. million applications, totaling more than $257 billion, had been approved since the Small Business Administration program launched April 3."

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# FW: Comment on coronavirus stimulus checks / delays - Yahoo Finance

**From:** Treasury Public Affairs <press@treasury.gov>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 09:14:27 -0400

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**From:** Ben Werschkul <benw@yahoofinance.com>
**Sent:** Wednesday, April 15, 2020 7:42 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** (b)(6) [redacted]@treasury.gov>; (b)(6) [redacted]@treasury.gov>
**Subject:** Comment on coronavirus stimulus checks / delays - Yahoo Finance

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

# AM News Roundup April 15, 2020

From: [redacted]@treasury.gov>
To: _DL_FYI <_dl_fyi@do.treas.gov>
Date: Wed, 15 Apr 2020 13:39:56 -0400

**AM News Roundup**
**April 15, 2020**

**Secretary Steven Mnuchin**

- Jiji Press Ticker Service: G-7 Agrees to Study Further Economic Steps amid Pandemic
- Xinhua General News Service: Trump administration, airlines reach agreement on payroll aid
- UPI: Treasury, major U.S. airlines reach deal on $25B COVID-19 relief bailout
- Associated Press: Major airlines line up to split $25 billion in payroll aid
- American Banker: One senator's plan for helping consumers weather coronavirus pandemic
- USA TODAY: You can track your stimulus check: Money is on its way, by mail or direct deposit
- Los Angeles Times: BUSINESS: Small businesses baffled by loan process
- The Washington Post: Trump and Kushner could reap a windfall
- The Washington Post: President's name to be printed on relief checks
- The Washington Post: More than 2,100 U.S. cities are bracing for budget shortfalls, survey finds
- The Washington Post: As stimulus funds arrive, most are spending them on food and other basics
- The Washington Post: Trump pushes hard for May 1 reopening of U.S.
- The Washington Post: U.S., airlines reach deal on $25 billion package
- The New York Times: Trump Adds His Moniker To Checks To Be Mailed
- The New York Times: The Post Office Is Essential. Help It.
- The New York Times: U.S. and Airlines Accept $25 Billion Bailout Terms
- The Wall Street Journal: Treasury, Airlines Reach Agreement on Coronavirus Aid
- The Financial Times: US holds off on IMF plan to boost emerging economies' finances
- The Financial Times: US Treasury reaches deal to prop up airlines
- Reuters: WRAPUP 2-Global creditors agree on debt relief for poor countries hit by pandemic
- Roll Call: 10 airlines agree to terms for federal grants to save jobs
- The Hill: Democrats try to force McConnell's hand on coronavirus aid
- Forbes: How The U.S. Is Distributing Airline Bailout Funds In COVID-19 Relief Deal
- CBS MoneyWatch: Stimulus check tracking site goes live in bid to speed emergency payments
- Bloomberg: Mnuchin's Partnership With Powell Blurs Lines Between Fed and Treasury
- The Hill: Treasury Dept. orders Trump's name to be printed on coronavirus stimulus checks: report
- GeekWire: Alaska Air signs on for payroll support as part of airlines' $25B coronavirus bailouth
- The New York Times: Getting a Stimulus Check? Trump's Name Will Be on It
- The Hill: Federal Reserve's efforts on coronavirus raise eyebrows
- Bloomberg: Larry Kudlow's War Bonds Are Coming But in a Plain Vanilla Wrapper

**Treasury**

- American Banker: House Dems seek details on FDIC's crisis plans following IG report
- American Banker: Community banks call for AML relief in next coronavirus aid package
- The Wall Street Journal: Wall Street Explores Changes to Circuit Breakers After Coronavirus Crash
- The Wall Street Journal: Small Business Loan Snafus
- The Wall Street Journal: March Retail Sales Plunged Record 8.7% as Coronavirus Shutdowns Took Hold
- The Financial Times: Will Covid-19 repatriation leave us with a large tax bill?
- The Financial Times: US confident of 'fundamental shift' in oil politics
- The Financial Times: When the government calls, companies must answer
- The New York Times: 'Pretty Catastrophic' Month for Retailers, and Now a Race to Survive
- The New York Times: The Virus Is Vaporizing Tax Revenues, Putting States in a Bind
- The New York Times: Post-Pandemic, Here's How America Rises Again
- The Washington Post: The Postal Service needs a bailout. Congress is partly to blame.
- The Washington Post: U.S. stocks plunge amid steep fall in bank earnings, retail sales
- The Washington Post: Another SBA program is severely backlogged, running low on funds

**Other News**

- The Wall Street Journal : Glutted Oil Markets' Next Worry: Subzero Prices
-

**Secretary Steven Mnuchin**

Jiji Press Ticker Service

April 15, 2020 Wednesday 2:33 AM JST

**G-7 Agrees to Study Further Economic Steps amid Pandemic**



Length: 554 words

Dateline: Tokyo, April 14

Body
Top finance and monetary officials of the Group of Seven major industrial nations agreed Tuesday to "consider further near-term actions" to stabilize the world economy amid the global coronavirus crisis.

At a videoconference, the finance ministers and central bank chiefs of the seven nations--Britain, Canada, France, Germany, Italy, Japan and the United States--plus officials of the European Union also confirmed plans to provide developing nations affected by the coronavirus pandemic with financial aid, such as stepped-up loans through the International Monetary Fund and a debt moratorium.

"The scale of this health crisis is generating unprecedented challenges for the global economy," a chair's summary adopted at the virtual meeting said. The G-7 officials recognized that "an extraordinary and well-coordinated international response is critical to reducing the depth of the crisis," it said.

"There is a large-scale need for resources and technical assistance" as countries around the world strive to enhance their health systems and mitigate the economic fallout, the document said, apparently referring to developing nations.

The G-7 officials reiterated their pledge to "do whatever is necessary" to restore economic growth and protect jobs, businesses and the resilience of the financial system.

The officials shared their thoughts on the current situation ahead of a videoconference on Wednesday among finance ministers and central bank chiefs of the Group of 20 advanced and emerging economies, including the G-7 countries, as well as Australia, Brazil, China, South Africa and the EU.

They exchanged opinions on policy responses and the current state of the global economy at a time when demand is shrinking due to restrictions on the movement of people and goods imposed by nations around the world to prevent the spread of the novel coronavirus.

They also affirmed that the G-7 nations will act in a concerted manner to try to reduce the pandemic's impacts on economic activities as much as possible and lay the foundation for a powerful economic recovery after the epidemic is brought under control.

From Japan, Finance Minister Taro Aso and Bank of Japan Governor Haruhiko Kuroda participated in the G-7 videoconference. Aso, who also serves as deputy prime minister and financial services minister, explained the 108-trillion-yen emergency economic stimulus package adopted by the Japanese government last week in response to the virus crisis.

It is believed that the international community should offer support to developing countries with weak financial bases and insufficient health care systems in order to help prevent the coronavirus from spreading further from these countries.

On top of securing financial resources for expanding loans to such developing countries through the IMF, it is necessary to pave the way for reaching an agreement on a debt moratorium for them through coordination among parties including China, which has massive loan claims on developing nations.

The G-7 countries are broadly in agreement on these issues, Aso said at a press conference after the videoconference.

The G-7 session was originally slated to take place in the United States, but was switched to the virtual format amid the virus crisis. The virtual meeting was chaired by U.S. Treasury Secretary Steven Mnuchin.

#Top of the Document

Xinhua General News Service

April 15, 2020 Wednesday 10:08 AM GMT

**Trump administration, airlines reach agreement on payroll aid**



Section: INTERNATIONAL NEWS

Length: 294 words

Byline: 熊茂伶

Body

WASHINGTON, April 14 (Xinhua) -- Major U.S. airlines and the Treasury Department have reached a tentative agreement over financial assistance for the industry heavily hit by the COVID-19 pandemic, the department announced Tuesday. "We welcome the news that a number of major airlines intend to participate in the Payroll Support Program," U.S. Treasury Secretary Steven Mnuchin said in a statement, noting that the program is part of the 2.2-trillion-U.S.-dollar relief package passed by the Congress a few weeks ago.

The program would offer 25 billion dollars in direct aid to passenger airlines so that they could continue paying salaries and benefits to their employees in the next few months. Ten airlines, including American Airlines, Delta Air Lines, and United Airlines, have told the Treasury Department that they intend to accept assistance through the program. The program "will support American workers and help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the taxpayers," Mnuchin said. The treasury secretary said the department will continue conversations with other airlines regarding their potential participation, noting that it is also working on guidance for aid to cargo carriers and contractors. "We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible," Mnuchin said. At a White House briefing Tuesday afternoon, U.S. President Donald Trump said this agreement will help airlines get over "a very tough time." Demand for air travel worldwide has plummeted over the past few months, as countries across the globe grapple with the COVID-19 outbreak, imposing restrictive measures to slow the spread of the virus. Enditem

#Top of the Document

UPI

April 15, 2020 Wednesday 3:20 AM EST

**Treasury, major U.S. airlines reach deal on $25B COVID-19 relief bailout**



Length: 960 words

Byline: DARRYL COOTE

Dateline: April 15

Body

The Trump administration has reached a deal in principle with 10 major U.S. airlines for their inclusion in a $25 billion payroll bailout program.

Treasury Secretary Steven Mnuchin announced on Tuesday that Alaska Airlines, Allegiant Air, American Airlines, Delta Air Line, Frontier Airline, Hawaiian Airlines, JetBlue Airways, United Airlines, SkyWest Airlines and Southwest Airlines have informed the Trump administration of their plans to participate in the Payroll Support Program.

Designed to help companies pay workers amid the COVID-19 pandemic that has brought several major industries, including airlines, to a screeching halt, the bailout program is part of the $2.3 trillion coronavirus relief bill President Donald Trump signed in late March.

Without revealing specifics about the deal, Mnuchin said in a statement that the administration welcomes the agreement as it will "support American workers and help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the taxpayers."

He added that conversations with other airlines over the bailout was ongoing and that the Treasury was working to review and approve the applications of smaller airliners for inclusion in the bailout.

Trump heralded the agreement as a way to "fully support" the airline workers and preserve the industry's role in the economy.

"Our airlines are now in good shape, and they will get over a very tough period of time that was not caused by them," he said during a press briefing Tuesday.

Lobby group Airlines for America also cheered the deal, saying it will ensure the country's 750,000 people on airline payrolls will receive paychecks through the end of September when the industry hopes business with rebound.

"Given these circumstances, we are deeply appreciative for the Payroll Support Program, which is an important first step in a long path toward recovery for an industry that remains critical for connecting our country and driving economic growth," Airlines for America President and CEO Nicholas E. Calio said in a statement.

However, not everyone was as receptive to the deal.

Joe DePete, president of the Air Lines Pilots Association, said while pleased a number of airlines have signed onto the program he disagrees with the constraints being placed on funding by the Treasury.

Based on specifics of deals released by several of the companies, about 30 percent of the funds to be dispersed will be received as low-interest, 10-year loans, which DePete says may lead to future furloughs.

"Unfortunately, Treasury is undermining the intent of the CARES ACT by treating a portion of the grants designed to protect jobs not as grants but as loans, which will make it harder to stop layoffs and slow the recovery," DePete said, adding that in spite of the loans issue he is "optimistic" about the deal.

The Association of Flight Attendants-CWA also rebuked Mnuchin for "playing games" with the aid during the negotiation process prior to the CARES Act being sent to Congress for vote.

"Now we must fight to keep aviation intact to protect our industry and ensure our economy lifts off again when the virus is under control," AFA President Sara Nelson said in a statement. "We have seen what happens when investment bankers like Secretary Mnuchin control the outcomes, and we will not stand by to watch it play out again."

American Airlines said it will receive $5.8 billion in assistance from the payroll program as a $4.1 billion direct grant and a low-interest rate loan of $1.7 billion. The company said it also plans to apply to the Treasury for an additional $4.75 billion loan.

"The Payroll Support Program recognizes the extraordinary dedication of our entire team and, importantly, sustains the critical air service being provided by our front-line team members," American Airlines Chairman and CEO Doug Parker said in a statement.

Southwest Airlines said it will receive more than $3.2 billion from the program with $2.3 billion in direct payroll support and a $1 billion low-interest loan to be paid back in 10 years. The deal includes conditions that prohibits involuntary furloughs and reductions in employee pay and benefits through Sept. 30 as well as the elimination of share repurchases and dividends and puts limits on executive compensation until March 24, 2022.

"We applaud the quick action by the U.S. Department of Treasury to infuse liquidity into the economy and try to keep businesses open and people on the job -- and that certainly includes the airlines and our employees," said Southwest Airlines Chairman and CEO Gary Kelly in a statement.

In a memo to its 23,000 employees, JetBlue said it will receive $935.8 million in bailout of which $250.7 million will be a low-interest loan.

"While I am happy we are receiving this much-needed cash for payroll now, it adds to the significant debt we are taking on as we burn through our cash reserves," JetBlue CEO Robin Hayes warned in a statement. "Thankfully, we entered this crisis with one of the stronger balance sheets in the industry but we will come out of this with significant debt to pay down."

Alaska Airlines, with Horizon Air, said in a statement it will receive $992 million with $267 of which will be a low-interest loan. In exchange, the government will receive the right to buy 847,000 non-voting shares of Alaska Air Group at $31.61 a share. The company also said it plans to apply for an additional $1.128 billion in federal loans under a separate program in the CARES Act.

Delta said it worked out a $5.4 billion deal of which $1.6 billion will be treated as a low-interest, 10-year loan. And in return, the government will be able to buy about 1 percent of the airliner's stock at $24.39 per share, the Atlanta Journal-Constitution reported.
#Top of the Document

Associated Press State & Local

April 15, 2020 Wednesday 00:37 GMT

**Major airlines line up to split $25 billion in payroll aid**



Section: BUSINESS NEWS

Length: 730 words

Byline: By DAVID KOENIG, AP Airlines Writer

Body

The nation's biggest airlines have tentatively agreed to terms for $25 billion in government aid to pay workers and avoid massive layoffs in an industry that has been slammed by the coronavirus pandemic.

The assistance will include a mix of cash and loans, with the government getting warrants that can be converted into small ownership stakes in the leading airlines.

Ten airlines - including Delta, American, United and Southwest - fell in line after objecting to some of the Treasury Department's demands. Treasury Secretary Steven Mnuchin said Tuesday that the department would work to finalize the deals and hand over the money as quickly as possible. He said talks were continuing with other carriers.

The airlines entered 2020 riding a decade-long hot streak in which together they earned tens of billions of dollars due to strong travel demand. They bought new planes, enriched shareholders, and hired thousands more workers.

That streak came to a crashing end in just a few weeks, as governments restricted travel to slow the spread of the new coronavirus, and people feared contracting the illness on a plane. Air travel ground to a near complete halt. Airlines cut thousands of flights, and those that remain often carry just a few passengers.

With the payroll grants, airlines and their workers got special treatment in last month's $2.2 trillion measure designed to help businesses and workers get through the pandemic, which has hit every sector of the economy.

President Donald Trump - perhaps mindful of criticism that the government was bailing out a previously profitable industry - said the deals will support airline workers and protect taxpayers.

"Our airlines are now in good shape, and they will get over a very tough period of time that was not caused by them," Trump said.

The payroll aid is roughly based on each airline's spending on wages and benefits from April through September 2019.

American Airlines said Treasury approved $5.8 billion for the airline - a $4.1 billion grant and a $1.7 billion low-interest loan. CEO Doug Parker called it "fantastic news," and "we now believe we have the financial resources necessary to help us withstand this crisis."

Delta Air Lines said it reached agreement with Treasury for $5.4 billion - a $3.8 billion grant and a $1.6 billion loan. CEO Ed Bastian said that the aid, along with cutting 80% of its schedule and having 35,000 employees agree to voluntary leave, will let Delta operate a minimal schedule for people who must travel.

Analysts expected United Airlines to also be eligible for more than $5 billion. United said it expected to complete a final deal with Treasury "in the next few days," but gave no figures.

Southwest Airlines said it expects to get $3.2 billion, including more than $2.3 billion in cash and the balance in an unsecured loan.

The airlines had expected to begin receiving federal aid - entirely in cash that didn't have to be repaid - from the government by April 6, the deadline set by Congress. Instead, they found themselves locked in several days of tense negotiations with the Treasury Department, which insisted that only 70% of the aid should be in cash, with the rest in loans that airlines must repay.

In addition, Treasury demanded that to compensate taxpayers, the largest airlines turn over warrants equal to 10% of the loan amounts. They can be exercised at each airline's closing stock price on April 9. The airlines did not want to give up equity, but they had little leverage in negotiations with Treasury - they desperately wanted the aid.

Delta said the government will get warrants for about 1% of its stock, and Southwest put Treasury's warrants at less than 1% of its shares. Others gave no details.

Last month's economic-relief package also includes a separate $25 billion program to provide loans to airlines. Analysts expect fewer airlines to take part because they can tap private credit markets. But American said it plans to seek a $4.75 billion government loan, and Alaska Airlines indicated it too will apply under the separate program.

Even with the federal aid, airlines are likely to emerge slowly and smaller when the pandemic recedes.

"I don't think air travel will snap right back to where it was here this year, maybe it will come back next year," said Southwest CEO Gary Kelly. "If this is a real recession and a bad recession, it could take four or five years."
#Top of the Document

American Banker

April 15, 2020 Wednesday

**One senator's plan for helping consumers weather coronavirus pandemic**



Section: Vol. 185; No. 72

Length: 1337 words

Byline: Neil Haggerty

Body
WASHINGTON - As Congress continues to debate another round of stimulus in the midst of the coronavirus pandemic, Sen. Sherrod Brown of Ohio says he is still fighting to expand financial relief for consumers.

After Congress passed the $2 trillion stimulus package known as the Coronavirus Aid, Relief, and Economic Security Act, Republicans last week attempted to push throughan additional $250 billion in aidfor small businesses. But their proposal didn't include certain consumer protection measures backed by Democrats.

But Brown, the top Democrat on the Senate Banking Committee, said in anAmerican Banker interviewthat he thinks Republicans could come around to supporting some of his ideas as they hear from constituents who are struggling to make ends meet during the pandemic.

Brown said people shouldn't lose their homes during the crisis, and that they also shouldn't see their credit scores drop because they are unable to make mortgage payments.

Among the legislative proposals that Brown has introduced are a bill to prohibit lenders from reporting missed payments to credit agencies during the pandemic, a bill to temporarily ban overdraft fees and a bill to temporarily cap interest rates on consumer loans at 36%.

He has also proposed legislation to give all consumers a free digital wallet to receive stimulus payments, and to create a $75 billion Housing Assistance Fund to aid state-level housing finance agencies.

Brown did not rule out supporting additional measures to help financial institutions, either. The senator in the past has criticized banks for seeking regulatory relief in order to lend to consumers. But he said he "will support anything that I think can help people and help businesses stay in business."

Below is an edited transcript of a discussion with Brown about his proposals to help consumers amid the pandemic.

What more should Congress do to protect both consumers' credit reports and their scores as the coronavirus continues to take a heavy economic toll?

SHERROD BROWN: So all kinds of people are going to miss rent payments " delay their mortgage, pay only half their mortgage. ... They should not be dinged on their credit scores. I've talked to a number of banks who are not going to turn that information over to the credit companies. But I want to make sure that the law simply says that, that nobody gets their credit dinged to protect all of us. And that includes small business. " Everybody should be protected from the credit companies' being able to do that.

The CARES Act offers 180 days of forbearance for federally backed mortgages, and prohibits foreclosures on federally backed mortgages for 60 days. Do you think this is enough to support struggling homeowners?

It falls short, because it only applies to people that have a relationship, if you will, with the federal government in their mortgage or in their rental situation. Meaning that those people who have a " Fannie- and Freddie-backed mortgage, they're protected. But that's only about 60% of people who have mortgages.

The other situation is it only delays these payments. So if you can't be evicted or can't be foreclosed on in the next three months, but on month No. 4, when we hope the coronavirus is in the rear-view mirror " our economic problems are still with us. " So it means that we need to get direct help. [Sen. Jack Reed, D-R.I.] and I are working to get $100 billion for emergency rental assistance and $75 billion for emergency mortgage assistance for those people who have lost jobs and are facing foreclosure or eviction.

I've talked to the Republican governor of my state, I talked to him regularly. He's done a really good job on this. It really shows what experience and character mean and in a chief executive. " We need to make sure that we help those people, not just during the crisis stay in their homes, but they're prepared for later. " If we can put tens of billions of dollars in the airlines, we can put some money in to help people with what they're going to face with potential eviction or foreclosure.

Have any Republicans said they would be willing to support your legislative proposals?

I think when my Republican colleagues hear more and more from veterans, and from soldiers, and many of my Republican colleagues have major military bases in their states, I think they're going to hear that we shouldn't be evicting people who are struggling in the military. " So I think that we will see some Republican interest in this.

I'm listening to people that are affiliated with Wright Patterson Air Force Base in Dayton - which, by the way, is home to one of the great credit unions in the country. " It makes me hopeful that we can get some real substantive help for people, including the garnishing of wages, and not being dinged with various fees and services or overdraft fees and all of that.

Some banks are hesitant to take on new customers in the Small Business Administration's Paycheck Protection Program because they say that could trigger anti-money-laundering requirements. Would you support regulators' providing some temporary exemptions from those rules?

I will support anything that I think can help people and help businesses stay in business. I think this program was hastily put together. Of course, we had about a week or two to do all of this and to write a package. We know already there have been a lot of issues with this program. SBA and Treasury need to work with small businesses and lenders so that the relief gets out as fast as possible. ... They've not done particularly well scaling up PPP and the other small-business programs, but I will do whatever it takes to get this money out the door. I don't want lenders to put themselves out at great risk.

You have introduced legislation to create free FedAccount digital wallets for consumers. But some analysts have said that there probably isn't enough time to launch something like this. Is this something that you're pushing over the long term?

It costs money to be poor. It costs money if you're low-income. You may not have a checking or savings account. " One of the things underpinning all that is people are unbanked. " It probably won't happen during the pandemic, but I'm hopeful that this is one of the things that comes out of this, this national tragedy of this pandemic, where thousands and thousands and thousands of Americans are dying. I'm hopeful one of the things we can do is help the unbanked get back in the way that can protect their incomes and their way of life as much as possible.

Why do you think deregulation for banks is a bad idea even during a pandemic?

Think how awful it would be if the banks, first of all " did the stock buybacks enriching the executives. Next, they do stock dividends, which, you know, help their shareholders, I understand that. Then, a month or two from now, the banks aren't quite well enough capitalized. You may come to Congress for help. Imagine if we get in that situation, what the public uproar is going to be that the banks who have been immensely profitable the last 10 years, whose executives have done very well, who did huge stock buybacks, issue dividends and then aren't ready for economic catastrophe. And that would be a sad commentary on our regulators, most of whom are Trump nominees, most of whom are, frankly, way too close to Wall Street. And that would be a disaster for our country.

How would you grade the financial regulators' overall response to the pandemic?

I think it's too early to give anybody a grade on this. The only grade I would give is the administration has been way too slow getting money out. " I'm very disappointed in [Treasury Secretary Steven Mnuchin], in the president for essentially firing " the inspector general. " We are giving trillions to the secretary of the Treasury, essentially, to put out into the economy, put out into businesses, something we all wanted to do. There is a level of mistrust.

This president more than most, has a proclivity to help his friends, to enrich his friends, enrich his family.

https://www.americanbanker.com/news/one-senators-plan-for-helping-consumers-weather-coronavirus-pandemic
#Top of the Document

USA TODAY

April 15, 2020 Wednesday, FIRST EDITION

**You can track your stimulus check; Money is on its way, by mail or direct deposit**



Section: MONEY; Pg. 1B

Length: 1284 words

Byline: Susan Tompor, Columnist, USA TODAY

Body
Slowly but surely, taxpayers are telling their friends and posting on social media that they're seeing stimulus checks arrive in their bank accounts.

And the Internal Revenue Service is expected to give you a new online tool as soon as Wednesday to get a better clue on when you'll see your Economic Impact Payment via IRS.gov/eip. The IRS said the tool will let you go online to check the status of a payment, including the date it's scheduled to be deposited or mailed.

Treasury Secretary Steven Mnuchin said in a news briefing Monday that Treasury is ahead of schedule in getting the money out and expects that more than 80 million people will receive their stimulus money by Wednesday.

The U.S. Department of Treasury expects that a "large majority of eligible Americans will receive Economic Impact Payments within the next two weeks."

If you do not see the money in your bank account by then, Mnuchin said you can go to IRS.gov to see "Get My Payment." If you filed a 2018 or 2019 tax return and did not receive a stimulus payment, he said, make sure to have your tax return information available to use at the "Get My Payment" tool later this week.

The goal is to provide as much money via direct deposit as possible and avoid mailing paper checks during the pandemic. "We want to do as much of this electronically as we can," Mnuchin said Monday.

Some consumers spotted the first direct deposits as early as Saturday; others started seeing more information Monday. The IRS even tweeted Saturday evening that the agency deposited the first Economic Impact Payments into bank accounts Saturday.

"We know that many people are anxious to get their payments," the IRS said via its tweet. "We'll continue issuing them as fast as we can."

Don't expect to see words like "stimulus checks" or "recovery rebate" or "economic impact payment" on your bank statement. The wording being used is "IRS Treas 310."

Avoid stimulus check scams

Remember, avoid scams. The IRS isn't going to call you to make sure you got your check and then demand your bank account information over the phone. You're not being asked to pay any fees for the stimulus money.

You'd get that money automatically deposited into your account if you've already given the IRS direct deposit information for tax refunds when you filed a 2018 or 2019 federal income tax return.

And you'd get that money automatically if you receive Social Security retirement or Social Security Disability Insurance benefits or receive Railroad Retirement benefits via direct deposit.

Taxpayers continue to have a slew of questions relating to the stimulus money, which is being released in waves.

Here's a look at some questions and answers:

When will I get my stimulus money?

When you get your money can vary. The first group would include people who have already given their bank account information to the IRS for the direct deposit of tax refunds on 2018 or 2019 tax returns.

In addition, Social Security beneficiaries who filed federal tax returns that included direct deposit information would be part of that first group.

The second wave of money could hit bank accounts as early as the week of April 20 for a group of people who receive Social Security benefits via direct deposit but may not make enough money to be required to file a federal income tax return in 2018 or 2019. Most in this group will not need to file any extra forms to receive this money.

Who gets a check instead of direct deposit? When are checks sent?

Some people will need to wait to get checks if the IRS does not have your direct deposit information. The first round is expected to go out in late April or possibly the first week in May.

The first paper checks are expected to go out to families who have the lowest incomes, possibly those who make less than $10,000 a year, but who do not have direct deposit information on file with the IRS.

Other waves of checks, based on incomes, will be sent weekly. But it could take a few months for all the checks to go out.

How will I know when the stimulus money is coming?

Check your bank account. But also realize that the IRS plans to mail a letter about the economic impact payment to the taxpayer's last known address within 15 days after the payment is paid. The letter will provide information on how the payment was made and how to report any failure to receive the payment. If a taxpayer is unsure they're receiving a legitimate letter, the IRS urges taxpayers to visit IRS.gov first to protect against scam artists.

How much money will I get?

How much money you get will depend on your adjusted gross income, based on information on your 2018 or 2019 tax return.

Tax filers with adjusted gross income up to $75,000 for individuals and up to $150,000 for married couples filing joint returns will receive the full payment.

The maximum is $1,200 for an adult - $2,400 for a married couple - and then you'd get $500 for children under age 17.

Taxpayers would have an opportunity to reconcile some differences relating to stimulus payouts when they file the 2020 tax return in the 2021 filing season.

"You'll get any additional money due to you then, but you won't have to pay anything back if your payment was too high," according to Jackie Perlman, principal tax research analyst with H&R Block's Tax Institute.

Can you receive less than $1,200 or less than $2,400?

Yes. Filers with incomes above $75,000 for singles or $150,000 for married couples filing a joint return could receive a reduced payment.

The payment amount is reduced by $5 for each $100 above the thresholds.

The possibility for a payment vanishes for single filers with incomes exceeding $99,000 and married couples filing joint returns with incomes exceeding $198,000 if they have no children who are eligible.

Do I need to take any action to get stimulus money?

Some people with low-incomes do need to give some information to the federal government first online, especially if you do not file a tax return.

"If you receive veterans disability compensation, a pension, or survivor benefits from the Department of Veterans Affairs, or your income level does not require you to file a tax return, then you need to submit information to the IRS to receive an Economic Impact Payment," according to the IRS.

Can I get my stimulus money deposited into a PayPal account?

Yes. PayPal announced that customers with a PayPal Cash Mastercard can receive their stimulus payment directly into their PayPal account by following a few simple steps.

Can I get my stimulus money directly deposited onto a prepaid card?

Most likely yes. The Consumer Financial Protection Bureau announced Monday that it is taking regulatory action to pave the way to make it easier for consumers to receive pandemic-relief payments, including the economic impact payments authorized in the CARES Act, through prepaid accounts.

How can I sign up for direct deposit?

Worried that you'll have to wait months and months to receive a stimulus check because the IRS doesn't have your direct deposit information?

Later this week, you should be able to do something about it. The IRS has plans to announce more details about its "Get My Payment" tool online.

By going to "Get My Payment" on IRS.gov, eligible people are able to give the IRS their direct deposit information for their bank accounts so they don't need to guard their mailboxes waiting for checks in the months ahead.

How can I track my payment?

We're expecting to get more word on that this week. The IRS "Get My Payment" tool will enable you to check the status of your economic impact payments. "Get My Payment" will provide people with the status, including the date their payment is scheduled to be deposited into their bank account or mailed to them, according to the IRS.
#Top of the Document

Los Angeles Times

April 15, 2020 Wednesday, Home Edition

**BUSINESS; Small businesses baffled by loan process;**
**Congress has allotted $350 billion for owners during the crisis. The hard part? Actually getting it.**



Section: MAIN NEWS; Business Desk; Part A; Pg. 9

Length: 1110 words

Byline: Russ Mitchell

Body
Restaurants. Shoe stores. Dog groomers. Dry cleaners. Some 30 million small businesses serve customers throughout the U.S. -- or did, before the coronavirus crisis forced many to close. Now they are desperate for cash and struggling with a balky rescue program.

In an attempt to prevent economic implosion in the face of massive unemployment, Congress has authorized $350 billion in loans to small businesses. That includes the Paycheck Protection Program of forgivable loans to small businesses that agree not to lay off workers for eight weeks.

But 10 days after the PPP took effect, many businesses report that they still haven't received the money.

The federal Small Business Administration, banks that administer the loans and the intended recipients are sorting through bottlenecks, with chaos and confusion. Many would-be recipients report that they haven't even been able to apply yet.

"Small businesses are still waiting, uncertain how much they'll get or when it will be," said Holly Wade, director of research and policy analysis at the National Federation of Independent Business.

On Monday, Treasury Secretary Steve Steven T. Mnuchin said applicants should have loans approved by the end of the week.

Meanwhile, 50% of the members surveyed by the federation said their cash won't last more than two months under current conditions.

"Unfortunately, time is not their friend," Wade said.

Members report that some money has begun trickling out. Some banks are telling customers the program is already oversubscribed. If Congress doesn't allocate more money, and the loan approval process doesn't improve fast, "more small businesses will have to close their doors, and more employees will be laid off," Wade said.

An additional $250 billion is hung up in Congress in part over Democrats' demands that it be part of a package that includes aid to hospitals, states and local governments.

Meanwhile, here's how three small businesses are trying to keep their heads above water.

—

The dog groomer

Lena Swann first picked up clippers 30 years ago, learning from handlers who worked with show dogs.

"That's how I learned to groom every breed," she said.

Swann built a mobile grooming business and, by 2008, had a storefront in Emeryville, near Oakland, named All About the Dogue.

"We opened up before Petco came in with their own grooming service. Petco came, Petco closed -- and we're still here," she said.

Swann employs a full-time groomer, a part-time groomer and two bathers. Before the pandemic, the shop groomed about 20 dogs a day.

Swann is still paying her employees. "I don't want to put them on unemployment," she said. But she's not sure how long she can continue. "The number of dogs we did a day are necessary to bring in the money to pay the bills," she said, including $4,500 a month for rent.

Her workers qualify for direct payments of $1,200 promised by the federal government, but they are still waiting. "That money hasn't showed up in anybody's account," Swann said.

Mnuchin said Monday that the money is expected to show up in bank accounts by Wednesday.

Swann is seeking a $47,500 PPP loan, but the process has been painful. The second the program opened for applications on April 3, Swann was at her computer, trying to call up the relevant page at Wells Fargo, her commercial banker.

"I made several attempts," she said. "It just crashed and crashed. I tried to call them. No answer."

A man from her Wells Fargo branch finally called her back. She said she needed a PPP loan. "We ran out of money," she said the bank rep told her. "Log on later today; it will open up again, keep trying."

Finally, she was able to file an application. Now she's in "the queue." Where in the queue, or even what it means to be in the queue, she has no clue. Meanwhile, Wells Fargo is sending her emails suggesting she try other banks.

Asked about such problems, Wells Fargo said a cap on lending limited responsiveness to applicants. That cap, imposed by the Federal Reserve after the bank was found to have created millions of fake bank accounts, was temporarily lifted Thursday.

For now, Swann has been able to raise about $8,300 from a GoFundMe campaign, with the goal of raising $15,000. Still, she said, "It's a mess. It's truly a mess."

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The pawnshop

Danny Justman manages Pawnmart Jewelry & Loan in Norwalk, which has been in business since 1978. Pawnshops serve as a lender of sorts for the down and out.

"It's a real need," Justman said. "A lot of these people need cash but have no access to credit."

Like Swann, Justman tried to apply for a loan April 3 -- in his case, $89,200. Like Swann, he got nowhere with his main bank, Wells Fargo, so he looked elsewhere.

He tried US Bank, where Pawnmart also has accounts, but was turned down flat -- because, he assumes, he runs a pawnshop. "Thanks for considering US Bank," the rejection message said. "Unfortunately you're not eligible for the Paycheck Protection Program."

He tried again, with a different industry code: "secondhand stores." This time, his request went through, but he was told by email that everyone is in a holding pattern as thousands of businesses apply. The bank said he'd be informed when it was possible to fill out an application. He's still waiting.

Pawnmart's 13 employees are still being paid, Justman said. He doesn't want to say how long he can hold out, but at some point his cash will run low. The fact that banks are overwhelmed doesn't surprise him, but "they're taking a poor posture on this, treating these as if they are regular loans" even though they are guaranteed by the SBA, he said.

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The church

Vicki Broach chairs the board of the First Congregational Church of Riverside, which has two part-time and two full-time employees, including the pastor. She's befuddled as to why it's taking so long to get a $20,000 loan.

The church's regular banker said it wasn't participating in the loan program.

"I tried to file through Wells Fargo, which is my [personal] bank. I did get in the queue," she said. "But they keep sending me emails that say 'still in queue.' "

She turned to a local bank, which asked for documents Wells hadn't asked for, such as articles of incorporation. "All the banks ask for different records. Everyone wants something different," she said.

If there were a common application with a consistent set of paperwork, small businesses could apply at more banks, making it easier to find someone that will grant a loan, said Broach, a retired lawyer.

She says she has talked to administrators at churches around the country who've tried to apply and has yet to hear of one that has received a loan.

"We can go a couple months here," she said, "but then we'll be flat broke."
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The Washington Post

April 15, 2020 Wednesday, Regional Edition

**Trump and Kushner could reap a windfall**



Distribution: Every Zone

Section: EDITORIAL COPY; Pg. A21

Length: 819 words

Byline: Dana Milbank

Body
Senate Majority Leader Mitch McConnell (R-Ky.) and House Minority Leader Kevin McCarthy (R-Calif.) have insisted that Congress spend another $250 billion on small businesses devastated by the pandemic, but they refuse to "renegotiate unrelated programs" from last month's emergency coronavirus bill.

What are they afraid of?

Well, maybe it's this: As the dust settles on the $2.2 trillion legislation, it has become clear that one of its largest provisions, a $170 billion tax giveaway, appears to be tailor-made for the benefit of wealthy real estate investors such as President Trump and his son-in-law, Jared Kushner, who is running one of Trump's coronavirus task forces.

The giveaway, primarily to real estate investors and hedge funds, is larger than the total amount in the legislation for hospitals ($100 billion) and for relief for all state and local governments ($150 billion). Worse, the bonanza for these millionaires and billionaires has little to do with the coronavirus: It lets them offset losses not just from 2020 but from 2018 and 2019, before the pandemic.

This is repugnant. Cash-strapped states don't have the funds to care for the sick, much less to do the testing, contact tracing and isolation needed to reopen workplaces and schools. As The Post's Tony Romm reported Tuesday, more than 2,100 U.S. cities expect major budget shortfalls - and therefore possible cuts to vital public services.

But this provision gives tax filers who earn more than $1 million a year an average windfall of $1.6 million this year alone. (Compare that with the $1,200 break the average wage earner gets.) As The Post's Jeff Stein reported Tuesday, the Joint Committee on Taxation found that 82 percent of the benefit of this and another tax giveaway in the coronavirus relief bill will go to the 43,000 taxpayers who earn more than $1 million - and just 3 percent to those who earn less than $100,000.

Of course, we don't know for sure how Trump could benefit. As you may have heard, he won't release his tax returns. But we know that the Trump Organization includes hundreds of "pass-through" entities, the type of corporate structure that benefits from the new tax break. We also know that Kushner and his wife, Ivanka Trump, have been involved in hundreds of such entities. The windfall is particularly of use to pass-through businesses that lost money in 2018 and 2019 - when the economy was booming but many Trump properties had declining revenue because of Trump's radioactivity.

The president has used his official position to benefit his businesses before, sending large amounts of federal government business to his properties in Florida, D.C., New York, New Jersey, Ireland and Britain, and even proposing to host the leaders of the Group of Seven countries at his Doral resort. At least one of his properties appeared to have advance knowledge of his initial plans to reopen the economy by Easter.

Democrats insisted on a provision in the legislation to stop Trump and his family from being awarded money from a coronavirus relief fund that the administration hands out with little oversight. But the president is free to benefit from the tax break in the package, negotiated by Treasury Secretary Steve Mnuchin with congressional leaders, for pass-throughs (which are taxed via the individual income of their owners rather than in the form of corporate income taxes).

Real estate developers, a major component of pass-through businesses, received $67 billion in tax breaks in the 2017 Trump tax cuts, partially offset by new limits on the losses that could be deducted. The new law gets rid of the limits - a conservative goal for the past few years.

Democrats said they were aware of the provision, which first appeared in a draft of the bill by Sen. Chuck Grassley (R-Iowa), the chairman of the Finance Committee, but they weren't aware of the huge price tag until too late in the process to do anything about it. The Joint Committee on Taxation's estimate of the cost came out a day after the Senate unanimously passed the bill.

Joe Biden, the presumptive Democratic presidential nominee, has called for repealing the tax break to fund student-debt relief. Sen. Sheldon Whitehouse (D-R.I.) and Rep. Lloyd Doggett (D-Tex.), who sent a letter to the White House to determine whether officials "who stand to gain from these provisions were involved in their development," propose repealing the break and shifting the funds to "workers battling through this crisis."

Now, with Congress trying to function by unanimous consent to avoid gathering in the Capitol, there's probably not much chance of forcing a repeal vote for a while. But every voter should know that, at a time when hospitals, cities and states cried out for help with the pandemic, the president's allies in Congress tossed a $170 billion lifeline in the direction of Trump, Kushner and other rich people who needed it the least.

Twitter: @Milbank
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The Washington Post

April 15, 2020 Wednesday, Suburban Edition

**President's name to be printed on relief checks**



Distribution: Every Zone

Section: A-SECTION; Pg. A01

Length: 1302 words

Byline: Lisa Rein

Body
Unprecedented move injects partisanship into stimulus, critics say

The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that could slow their delivery by a few days, senior IRS officials said.

The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.

It will be the first time a president's name appears on an IRS disbursement, whether a routine refund or one of the handful of checks the government has issued to taxpayers in recent decades either to stimulate a down economy or share the dividends of a strong one.

Treasury officials disputed that the checks would be delayed.

While some people receiving the checks - the centerpiece of the U.S. government's economic relief package to stave of the effects of the coronavirus pandemic - may not care, or observe, whose name appears on them, the decision is another sign of Trump's effort to cast his response to the pandemic in political terms.

Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who spoke on the condition of anonymity because they were not authorized to speak publicly.

But the president is not an authorized signer for legal disbursements by the U.S. Treasury. It is standard practice for a civil servant to sign checks issued by the Treasury Department to ensure that government payments are nonpartisan.

The checks will instead bear Trump's name in the memo line, below a line that reads, "Economic Impact Payment," the administration officials said.

The IRS will mail the checks to people for whom it does not have banking information. Many of them have low incomes.

The checks will carry the signature of an official with the Bureau of the Fiscal Service, the Treasury Department division that prints the checks. The checks will follow direct deposits issued in recent days to the bank accounts of about 80 million people. Those payments do not include Trump's name.

The decision to have the paper checks bear Trump's name, in the works for weeks, according to a Treasury official, was announced early Tuesday to the IRS's information technology team. The team, working from home, is now racing to implement a programming change that two senior IRS officials said will probably lead to a delay in issuing the first batch of paper checks. They are scheduled to be sent Thursday to the Bureau of the Fiscal Service for printing and issuing.

Computer code must be changed to include the president's name, and the system must be tested, these officials said. "Any last-minute request like this will create a downstream snarl that will result in a delay," said Chad Hooper, a quality-control manager who serves as national president of the IRS's Professional Managers Association.

A Treasury Department spokeswoman, however, denied any delay and said the plan all along was to issue the checks next week.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned - there is absolutely no delay whatsoever," the spokeswoman said in a written statement. She said this was a faster process than the stimulus checks the George W. Bush administration issued in 2008 to head off a looming recession.

"In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates," the statement said.

An IRS representative referred questions to the Treasury Department.

The paper checks are scheduled to be issued at a rate of 5 million each week until September, starting with the lowest-income taxpayers.

The $2 trillion stimulus, the government's largest and most recent coronavirus rescue package, was passed by a bipartisan Congress and signed by the president. The checks to individual taxpayers were not originally Trump's idea, but he embraced them after Sens. Josh Hawley (R-Mo.) and Mitt Romney (R-Utah) proposed them.

The White House had initially floated a payroll tax cut as a centerpiece of its stimulus effort but backed off that plan amid concerns it would not reach American households quickly enough.

Trump has repeatedly called the legislation "a Trump administration initiative" and placed himself singularly at the center of what the government is doing to help Americans during the coronavirus response - taking full credit.

About six months before he faces reelection, with his campaign on pause because the virus has prevented him from holding the rallies that are popular with his base, the checks provide Trump with a new form of retail politics. A check provides a touchable, bread-and-butter symbol to taxpayers right in their mailboxes.

But to critics and some IRS employees, many of whom started to learn of the decision on Tuesday, the presence of Trump's name on the checks reeks of partisanship in a corner of the government that touches all Americans and has, since the Nixon era, steadfastly steered clear of politics. After President Richard Nixon targeted a wide range of "enemy" groups for tax audits, including civil rights groups, reporters and prominent Democrats, Congress enacted laws to ensure that the agency conducts itself apolitically.

"Taxes are supposed to be nonpolitical, and it's that simple," said Nina Olson, who stepped down last fall after an 18-year tenure as the National Taxpayer Advocate, leading an arm of the IRS that helps individual taxpayers resolve tax problems, manages clinics for low-income taxpayers and advises the agency on service issues.

"It's absolutely unprecedented," Olson said.

She recalled that when the Bush administration delivered economic rebate checks of $300 to $600 to taxpayers in 2001 to share the benefits of a strong economy, the White House asked the IRS to include in a letter to taxpayers a sentence that took credit for "giving you your money back."

The IRS commissioner at the time refused, Olson recalled, because the move was perceived as too political.

When the Bush administration launched its $168 billion economic stimulus package in 2008, the checks were signed by a treasury official.

Only the IRS commissioner and general counsel are politically appointed. The current, Trump-appointed commissioner, Charles Rettig, a tax attorney confirmed by the Senate in 2018, was appointed to a five-year term designed to carry over into a possible new administration.

Hooper, of the Professional Managers Association, said he was appalled by what he called "an abuse of government resources."

"In this time of need for additional resources," Hooper said, "anything that takes our focus from getting those checks out the door and hampers the equitable, fair administration of the tax code is not something we can support."

House Speaker Nancy Pelosi (D-Calif.) has dismissed suggestions about Trump signing checks or having his name attached. Last week she said the payments should go out as quickly as possible without "waiting for a fancy-Dan letter from the president."

About 150 million Americans and others are expected to receive the one-time payment. The first wave of recipients includes mainly people who filed a 2018 or 2019 tax return and gave the IRS their direct deposit information.

Under the stimulus plan, single filers earning up to $75,000 a year receive a payment of $1,200. Married couples earning up to $150,000 a year receive a payment of $2,400. Parents receive an additional $500 for each child under 17.

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Erica Werner contributed to this report.

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The Washington Post

April 15, 2020 Wednesday, Suburban Edition

**More than 2,100 U.S. cities are bracing for budget shortfalls, survey finds**



Distribution: Every Zone

Section: A-SECTION: Pg. A08

Length: 928 words

Byline: Tony Romm

Body

More than 2,100 U.S. cities are anticipating major budget shortfalls this year and many are planning to slash programs and cut staff in response, according to a survey of local officials released Tuesday, illustrating the widespread financial havoc threatened by the coronavirus pandemic.

The bleak outlook - shared by local governments representing roughly 93 million people nationwide - led some top mayors and other leaders to call for greater federal aid to protect cities now forced to choose between balancing their cash-strapped ledgers and sustaining the public services that residents need most.

"There's no question that the coronavirus pandemic has had, and will have, a major impact on cities of all sizes," said Clarence Anthony, the executive director of the National League of Cities.

The NLC joined with the U.S. Conference of Mayors to conduct the early inquiry into the economic effects of the novel coronavirus, finding many local governments are bracing for sharp declines in tax revenue as businesses shutter, workers lose their jobs in record numbers and tourism grinds to a halt.

Nearly 9 in 10 cities surveyed - from smaller hubs with populations of fewer than 50,000 to the largest metropolitan areas in the country - signaled they expect a revenue shortfall. Among them, more than 1,100 cities are preparing to scale back public services, the survey found. Almost 600 cities predicted they may have to lay off some government workers amid the crunch. Local leaders in 1,000 cities said the reductions probably would affect their local police departments and other public safety agencies.

The findings inject new urgency into a simmering congressional debate over Washington's role in safeguarding cash-starved cities and states from financial ruin. Local governments generally cannot run deficits, unlike the nation's capital, leaving them no choice but to slash spending or raise taxes - absent more federal support. On Monday, President Trump signaled more federal aid isn't out of the question, saying he is "certainly willing to look at that."

In the meantime, city officials have pointed to major financial struggles on their horizon. San Francisco leaders anticipate a budget shortfall as high as $1.7 billion over the next two fiscal years. New York Mayor Bill de Blasio (D) has proposed a freeze on hiring and $1.3 billion in cuts to his budget, citing sharp drops in tax revenue in what has become the hardest-hit U.S. city.

In Chicago, a city where lingering economic woes could exacerbate the downturn, aides say they appreciate $470 million in new federal help - but added that they're still in "conversation with Congress to seek additional aid," said Lauren Huffman, a spokeswoman for Mayor Lori Lightfoot (D). Philadelphia leaders are anticipating difficult cuts of their own still to come.

"When there's no money, there's no money," Mayor Jim Kenney (D) told local reporters recently. A spokesman did not respond to a request for comment.

Lawmakers authorized $150 billion in coronavirus aid for states and large cities as part of the broader $2 trillion package that President Trump signed into law in March. But that assistance - half of which, Treasury Secretary Steven Mnuchin announced Monday, is now available - comes with restrictions. Even when combined with additional help offered by the U.S. government, many leaders outside the nation's capital also see it as insufficient to keep their cities afloat financially.

Federal legislators apportioned the money only to assist local governments with their efforts to respond to the pandemic, not close the revenue gaps caused by the severe, sudden economic downturn. A senior Treasury Department official, speaking on the condition of anonymity to discuss the planning, confirmed Monday the dollars "cannot be used to cover general budget shortfalls."

Meanwhile, the money is funneled through states, with direct federal assistance only available to the largest metropolitan areas, depriving less populous cities of federal dollars as they brace for their own financial struggles. Even Atlanta - a sprawling major Southern city, but one with fewer than 500,000 people as of the last census - may not be eligible to seek federal funds on its own, said Anthony, the NLC's leader. (A spokesman for Democratic Mayor Keisha Lance Bottoms did not respond to a request for comment.)

"The reality is that, if a city of 500,000 has challenges, [then] a city of 400,000 and a city of 300,000 and 100,000 has the same challenges," said Stephen K. Benjamin, the Democratic mayor of Columbia, S.C. He called on Congress to make more aid directly available to more metro areas, predicting his city would face a "precipitous" decline in revenue.

Congressional Democrats - led by House Speaker Nancy Pelosi (Calif.) and Senate Democratic Leader Charles E. Schumer (N.Y.) - have put forward new legislation that would further enhance the aid to state and local governments in need. But Republicans have fiercely resisted the idea, focusing their attention instead on trying to boost loans available to small businesses. The result is a partisan stalemate between House and Senate leaders now bickering from afar with their chambers out of session.

On Sunday, the nation's top governors similarly called on Congress to act: New York's Andrew M. Cuomo (D) and Maryland's Larry Hogan (R), writing on behalf of their peers, asked lawmakers to allocate $500 billion in new financial assistance to "stabilize state budgets and to make sure states have the resources to battle the virus."

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The Washington Post

April 15, 2020 Wednesday, Regional Edition

**As stimulus funds arrive, most are spending them on food and other basics**



Distribution: Every Zone

Section: A-SECTION; Pg. A20

Length: 962 words

Byline: Heather Long

Body
The U.S. government has started sending $1,200 checks to Americans to help ease the financial pain caused by shutting down the economy to fight the novel coronavirus. By Wednesday, 80 million people are expected to receive a direct deposit in their bank accounts, Treasury Secretary Steven Mnuchin said.

The checks are the centerpiece of the U.S. government's economic relief package, and many Americans have taken to social media to celebrate the arrival of the money by posting photos of it hitting their accounts. Singles earning up to $75,000 a year receive a payment of $1,200. Married couples earning up to $150,000 a year receive a payment of $2,400. Parents receive an additional $500 for each child under 17.

Early evidence indicates Americans are using the money to buy the basics, including food and gas.

Netspend, which processed nearly $1 billion in relief payments by Monday, said its customers are using the government money "for groceries, fast food, pharmacies and gas, as well as withdrawing cash from ATMs." More than half of the transactions were PIN-based at ATMs or grocery stores, and about a quarter were done online.

Daniel Ruffner received his payment Friday night on his Netspend prepaid debit card. It was a huge relief, as he's out of work. He is a cook at a restaurant that's currently closed at a popular Upstate New York campsite. He used some of the $1,200 to buy groceries and pay the heating and Internet bills. The rest is going toward rent.

"I've just been stocking up on food and paying all of the bills. It's nice to finally be able to see my bills go to zero," said Ruffner, who lives in Rochester and takes care of his mother and son.

Some Americans such as Camila Chavez of Delaware say their check is "pending" in their bank accounts. Chavez banks with a credit union and saw the pending notice Sunday. Although the government sent the money out Friday, many banks needed three business days to process the checks, which is why millions of Americans will have the money available in their bank accounts Wednesday.

About 125 million Americans are expected to receive the one-time payment. The first wave of recipients includes mainly people who filed a 2018 or 2019 tax return and gave the Internal Revenue Service their direct deposit information.

The IRS plans to have a "Get My Payment" website running by the end of the week, where people can check the status of their payment if they have not received it and input their direct-deposit information. Seniors and disabled Americans on Social Security will automatically receive the checks in the coming weeks. Other low-income Americans who do not normally file a tax return need to input their basic information on a new website the IRS set up. It will take time for the agency to send people checks in the mail who do not have their direct-deposit information on file with the government.

On Twitter, people said they plan to spend the money on things such as credit card bills and child support, as well as wish list items such as shoes and video games. The last time the government sent most Americans checks was 2008, when it took months to dispense the funds. This time, most of the payments are hitting bank accounts in 2 1/2 weeks.

Financial planners have urged people to use the money to buy basic necessities or pay off debt, which should help relieve pressure if someone loses a job.

In the past three weeks, nearly 17 million Americans have applied for unemployment. Economists say the nation's unemployment rate is likely to hit 15 percent this month, the worst since the Great Depression era.

Chavez is one of the millions who lost their jobs. She worked at an outlet mall near Rehoboth Beach, Del. The mall shut quickly after President Trump announced March 16 that it wasn't safe for more than 10 people to gather. The past month has been a huge strain on her and her parents. Her mother tested positive for covid-19, the disease caused by the novel coronavirus, so both of her parents have stopped working, as well.

"Losing my job and not working for four weeks now has put me in a position where I had to use my savings and put charges on my credit card," Chavez said. "This really put me in a tough situation."

Chavez, 22, bought her parents groceries and left them at their door, so they would not have to leave their home. Her mother is improving, but the family remains careful. Chavez applied for unemployment but was denied. She has tried to call the unemployment office numerous times, but the phone lines are always busy. She lives in a residence owned by her parents, and they gave her a break on the rent for April, but she plans to use the relief check to pay them by the end of the week.

The Washington Post spoke with five others who had received their checks or saw them pending in their bank accounts. One was using the money for rent. Two were putting it toward students loans or college fees. Another was saving it out of fear of being furloughed soon. And another planned to donate the money.

A study of what happened in 2008 found that 50 to 90 percent of the stimulus money was spent over three months, a boost to the economy and much needed help for many families out of work.

Congress intended for most middle-class and less affluent Americans to receive a check, but there are some groups that were left out. Most high school seniors and college students are not getting any money, even if they lost a job. People who are claimed as a "dependent" on someone else's tax return, as many college students are, do not qualify for the stimulus checks. And parents receive additional payments only for children under 17. Adult dependents, including some disabled ones who live with relatives, are also excluded.

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The Washington Post

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**Trump pushes hard for May 1 reopening of U.S.**



Distribution: Every Zone

Section: A-SECTION; Pg. A01

Length: 1685 words

Byline: Philip Rucker;Robert Costa;Ashley Parker

Body
Aides rush to figure out a staggered strategy - and mitigate the political risk

President Trump has all but decided to begin declaring the country ready to get back to business on May 1, two current and two former senior administration officials said, but a scramble is underway inside the White House to determine how to stagger a reopening of the economy amid the novel coronavirus pandemic while also protecting Trump from any political fallout.

Impatient with the economic devastation wrought by social distancing and other mitigation measures - and fearful of the potential damage to his reelection chances - Trump has been adamant in private discussions with advisers about reopening the country next month.

Yet within Trump's circle, officials say, there is acknowledgment that it will not be possible for the president to simply flip a switch. A return to normal probably would take many months, administration officials said, and should be orchestrated methodically and guided by medical data. For instance, officials are considering beginning with areas deemed to have the lowest risk of a major outbreak.

Trump said Tuesday night that he plans to ask the governors of all 50 states later this week to implement "a very powerful reopening plan" in their states at whatever time they deem appropriate. He said more than 20 states are in "extremely good shape" and are poised to reopen their economies very soon, "maybe even before the date of May 1."

"Our country has to get open, and it will get open, and it'll get open safely and hopefully quickly - some areas quicker than other areas," Trump said at a Rose Garden news conference.

The White House is in the process of modeling testing results, death rates and other data to help guide a decision. Aides stressed that, despite the president's fixation on May 1 as a reopening date, the timing remains fluid and no final decision has been made.

Separately, a team of government officials led by the Federal Emergency Management Agency and the Centers for Disease Control and Prevention has created a public health strategy to combat the coronavirus and reopen parts of the country, according to a draft memo obtained by The Washington Post. The strategy contains detailed instructions for a phased reopening of institutions such as schools, child-care facilities, summer camps, parks, faith-based organizations and restaurants.

Although governors and mayors have the authority to impose or lift stay-at-home orders and to permit businesses and schools in their localities to reopen, recommendations or guidance from the president or federal agencies could be influential - one of the reasons Trump has called his impending decision the most important of his presidency.

In late March, Trump was persuaded by the two physicians on his coronavirus task force, Anthony S. Fauci and Deborah Birx, as well as other advisers to extend the federal social distancing guidelines for an additional 30 days, through the end of April.

Since making that decision, however, Trump has been agitating to find ways for businesses to reopen, mindful that he could end up paying a political price for the staggering number of unemployed Americans.

Inside the White House, it has been clear to officials since last week that there is no longer much of a debate - at least with the president - about starting the reopening process May 1, said numerous current and former senior administration officials, most of whom spoke on the condition of anonymity to candidly discuss the state of play.

"He desperately wants to reopen as much as possible on May 1," said one former official briefed on internal discussions. "He's been that way from the beginning, and he has not wavered. He seems determined to do it. But there's a growing realization that you won't be able to open everything up by May 1. Even he realizes that's a bad idea."

Rather, the debate this week has been over how to implement the return, what data could be used to justify the decision, and how to build public support for it to provide the president maximum political cover, according to one senior administration official involved in the discussions and a second person who has been briefed on them.

Trump's advisers are trying to shield the president from political accountability should his move to reopen the economy prove premature and result in lost lives, and so they are trying to mobilize business executives, economists and other prominent figures to buy into the eventual White House plan, so that if it does not work, the blame can be shared broadly, according to two former administration officials familiar with the efforts.

The sprawling circle of those advising Trump includes former treasury secretary Henry M. Paulson Jr., who has been in regular contact with Treasury Secretary Steven Mnuchin, a friend from their days working together at Goldman Sachs.

Paulson, who helped shape the federal response to the 2008 financial crisis, has been helping Mnuchin map out possible challenges and solutions on the economic front, according to two senior Republicans familiar with their discussions.

One plan gaining traction inside the West Wing this week is the U.S. Chamber of Commerce's Implementing a National Return to Work Plan. One White House official said it "provides a checklist or to-do list that is basically approved by the spokesman for American business, which is what this White House is looking for."

The White House is assembling an economic task force with a number of working groups, broken up by sectors such as financial services, energy, transportation, retail, and real estate. During Tuesday's media briefing, Trump read aloud the names of scores of business leaders, as well as labor, religious and thought leaders, who will be consulted in coming days by the administration.

Some executives are wary the White House plan could backfire if it proves premature and leads to a public health catastrophe, according to three people familiar with the effort. Some also are concerned that under federal law, the contents of the meetings would have to become public, should the body meet a certain number of times.

Conservative advocacy groups such as FreedomWorks and the American Legislative Exchange Council are also mobilizing to help push the White House and Republican lawmakers to relax public health restrictions. Informally, they have started calling their group "Save Our Country," although the project has no official name. The Heritage Foundation is launching a parallel set of working groups that is expected to deliver its recommendations on reopening the economy to Vice President Pence.

One idea that has emerged among these conservative groups is to push a liability shield for businesses that would insulate them from lawsuits if their employees get the coronavirus while at work, according to two people familiar with internal discussions.

White House officials are developing guidance for businesses on how to safely reopen and are focusing on how to ensure safety in what they term "super-spread areas" - office break rooms, bars and other such gathering places where the risk of spreading the virus is greatest.

Administration officials pointed to Texas as a potential pacesetter. Texas Gov. Greg Abbott (R) has quietly been talking with the White House about his own preliminary plans to reopen parts of the economy in his state, the nation's second largest.

Stephen Moore, a conservative economist who informally advises the White House, said geography could factor heavily into federal recommendations for reopening.

"There are about 10 metropolitan-area cities, and like 90 percent of cases are in 10 metropolitan areas, so you treat those metropolitan areas differently than the rest of the country," Moore said, adding that he has discussed this "Zip code idea" with the administration.

"You find the counties and Zip codes that don't have the disease, and you get those things opened up," Moore said. "They should probably have never been shut down - that's my opinion, by the way; I'm not speaking on behalf of the White House there."

The administration has floated the idea of dividing the country geographically as a way to slowly reopen the economy. Trump penned a letter to the nation's governors in late March stating that as the federal government expanded its testing and surveillance capabilities, it planned to categorize counties as "high-risk, medium-risk, or low-risk."

At the White House news conference that day, Trump stressed the need for Americans to get "back to work," saying he could envision a reopening scenario based on geography.

"We may take sections of our country," Trump said at the time. "We may take large sections of our country that aren't so seriously affected, and we may do it that way. But we've got to start the process pretty soon."

Birx, the White House coronavirus response coordinator, was asked how such county classifications would work, since no domestic travel restrictions exist to prevent people from moving between, say, a low-risk and high-risk jurisdiction. Birx said a staggered reopening plan would hinge on "highly responsible behavior between counties."

White House officials have stressed that any such plan would be coordinated with state and local authorities. Regardless of what Trump opts to announce, it will fall to governors and mayors to decide whether to reopen businesses and begin returning to normal in their own jurisdictions. And many governors are treading more cautiously than the president.

"Historically, people have looked to the states and they've looked to the governors to be the ones who make decisions in regard to health issues," Ohio Gov. Mike DeWine (R) said in an interview.

Arthur Laffer, a conservative economist who is close to the White House, said Trump and his advisers are looking at "a whole panoply of issues," including staggering the reopening by sectors.

"Everyone wants to get the economy back and going again," Laffer said. "Aren't you a little stir-crazy?"

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Jeff Stein contributed to this report.
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The Washington Post

April 15, 2020 Wednesday, Regional Edition

**U.S., airlines reach deal on $25 billion package**



Distribution: Every Zone

Section: A-SECTION; Pg. A20

Length: 1479 words

Byline: Lori Aratani;Ian Duncan

Body
10 carriers indicate they will accept grants after weeks of negotiations

Ten U.S. airlines have reached an agreement in principle to accept $25 billion in grants from the government - a cash infusion the industry hopes will buy it time as it navigates through unprecedented economic upheaval fueled by the coronavirus pandemic.

Treasury Secretary Steven Mnuchin said Tuesday that Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Hawaiian Airlines, JetBlue Airways, United Airlines, SkyWest Airlines and Southwest Airlines have all indicated they would participate in the grant program, part of the $2 trillion economic stimulus program signed by President Trump last month.

"We welcome the news that a number of major airlines intend to participate in the Payroll Support Program," Mnuchin said in a statement. "This is an important Cares Act program that will support American workers and help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the taxpayers."

He added that "conversations continue with other airlines regarding their potential participation."

Mnuchin's statement did not include details of the agreement. However, individuals close to the discussions, who were not authorized to speak publicly, said under the terms of the deal 70á †percent of the money would be given to the airlines outright and 30 percent would have to be paid back to the government. In addition, the government would be given warrants equal to 10á †percent of the amount the carriers receive, these individuals said.

Separately Tuesday, the Transportation Department announced how it plans to distribute $10 billion in funding for airports, which are suffering alongside the airlines. Much of the money will go to the biggest hubs, but even small airfields will get some aid.

The aid package for the airlines is being overseen by the Treasury Department. Airlines have been eager to receive the dollars, and after a weekend of back-and-forth between carriers and the administration, Mnuchin signaled Monday that a deal was close. Negotiations have been ongoing since April 3, when more than half a dozen carriers submitted applications for the money.

"Even though this process was neither easy nor perfect, it is critically important that in the end there are agreements in place that put workers and families first by keeping hundreds of thousands of airline employees - from flight crews to baggage handlers - on the payroll during this extremely tumultuous period for the U.S. economy," Rep. Peter A. DeFazio (D-Ore.), chairman of the House Transportation Committee, said in a statement.

"I strongly believe what Congress laid out in this provision of the Cares Act - to put workers first - should be the model for any industry-specific relief going forward," DeFazio said.

"It is welcome news that most of the nation's largest passenger air carriers have indicated that they will accept the payroll assistance included in the Cares Act," said Sen. Roger Wicker (R-Miss.), chairman of the Senate Commerce Committee. "This assistance will help keep pilots, flight attendants, gate agents and mechanics in their jobs during the tremendously difficult time for the air transportation industry, and it will provide vital relief until demand for air travel returns."

Mnuchin said the Treasury Department is also working to quickly review and approve applications for smaller passenger air carriers "as quickly as possible" and would provide additional guidance for cargo carriers and contractors soon.

"We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible," he said.

The deal comes despite earlier objections from airlines, unions and some Democratic lawmakers to the administration's plan to impose conditions on the payroll grants. Mnuchin signaled early on that the administration would demand an equity stake in airlines in exchange for providing aid.

On Sunday, Sara Nelson, president of the Association of Flight Attendants-CWA, blasted the administration's plan to require airlines to pay back a portion of the money.

"I should be clear that if this stands, job cuts will happen now AND longer term cuts will come in October," Nelson said on Twitter. "This is absolutely stealing from the money Congress allocated directly to workers."

The Cares Act included $29â †billion in grants to airlines for payroll support - $25 billion to passenger carriers and $4â †billion to cargo operators. In addition, the legislation provides $25â †billion in loans or loan guarantees.

Airlines are eligible to receive payouts equal to their payroll costs between April and October of last year. That puts Delta and American in line to receive a maximum of almost $7 billion each, with an additional $6.5â †billion for United, according to data published by the Transportation Department. Southwest could get up to almost $4.3 billion; JetBlue and Alaska are each in line to see more than $1 billion each.

But airlines may not see the full amount they are seeking because the $31 billion in total wages and benefits paid by airlines in those six months exceeds the $25 billion allotted to them in the bailout package. In that instance, the Treasury Department is allowed to reduce the individual awards if the fund comes up short, according to an application form released earlier this month.

Southwest Airlines for example said it would receive $2.3 billion in direct payroll support and a nearly $1 billion, 10-year low-interest loan that could be repaid at anytime before maturity at par. The loan also is expected to include approximately 2.6 million warrants issued to the Treasury Department.

"We are extremely appreciative of the work of our federal leaders. President Trump, Secretaries Mnuchin and [Elaine] Chao, and the entire United States Congress recognize the unprecedented health and economic crisis that our nation is currently facing due to COVID-19, as well as the importance of airlines to our overall national economy, the supply chain, and the nation's future recovery after this crisis subsides," Southwest chief executive Gary Kelly said in a statement.

In a letter to employees, American Airlines chief executive Doug Parker and its president, Robert Isom, said the carrier would receive $5.8 billion in assistance - $4.1 billion in grants and $1.7 billion in loans. In addition, they said the airline would apply for a separate loan from the Treasury Department of approximately $4.75 billion.

"This is fantastic news for the American Airlines team," Parker and Isom wrote. "With this level of assistance, we now believe we have the financial resources necessary to help us withstand this crisis and be in position to serve the traveling public when they are ready to start flying again."

The airline industry pushed hard for an aid package, citing dramatic drops in air travel fueled by government-imposed travel restrictions and stay-at-home orders designed to stop the spread of the virus. They said without the money, they would be forced to lay off thousands of workers.

Unions representing pilots, flight attendants, maintenance workers and others also launched an aggressive campaign in support of the legislation, emphasizing the money would go directly to employees, not executives or shareholders.

Even so, airline chief executives warned the next few months could be bleak.

Earlier this month, Delta Air Lines chief executive Ed Bastian told employees that second-quarter revenue at the Atlanta-based carrier will probably be down 90â †percent and that without more cost-cutting and efforts to raise new financing, the government money would be gone by June.

According to data provided by Airlines for America, carriers have idled more than 2,200 planes, more than one-third of their fleets, with more groundings planned. In some cases, cancellations have far outpaced the number of new reservations.

In a call Tuesday, the International Air Transport Association estimated that carriers would lose $314 billion in revenue in this year. That's a 55 percent drop.

U.S. carriers directly employ roughly 750,000 workers, according to Airlines for America.

U.S. carriers directly employ roughly 750,000 workers, according to Airlines for America.

Airlines that receive the grants would be barred from furloughing workers until Sept. 30 and could not issue dividends or buy back their stock until late 2021. They also would be required to maintain service levels as far out as 2022 - a condition that has brought pushback from some carriers that argue it does not take into account services that run only seasonally.

Meanwhile, some airports have objected to conditions outlined by the Transportation Department that would allow airlines to consolidate some routes, saying that could hamper the ability to get personnel or supplies to areas in need of aid.

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The New York Times

April 15, 2020 Wednesday, Late Edition - Final

**Trump Adds His Moniker To Checks To Be Mailed**



Section: Section A; Column 0; Foreign Desk; Pg. 8

Length: 383 words

Byline: By Alan Rappeport

Body
The decision to have President Trump's name appear on the checks is a break in protocol.

WASHINGTON -- President Trump's name will appear on the economic stimulus checks that will be mailed to millions of Americans beginning next month, the Treasury Department confirmed on Tuesday.

The decision to have Mr. Trump's name on the checks, a break in protocol, was made by the Treasury Department after Mr. Trump suggested the idea to Steven Mnuchin, the Treasury secretary, according to a department official.

The president's name will appear in the "memo" section of the check because Mr. Trump is not legally authorized to sign such disbursements.

A department official, speaking on the condition of anonymity, denied that the decision would delay the disbursement of the checks and said that they would be mailed beginning next week. The decision about the president's name was first reported by The Washington Post.

But many Americans may not see the president's name. Those who are eligible for stimulus payments and have provided their banking information to the Internal Revenue Service will receive the money through direct deposit.

Representatives for the I.R.S. and the White House referred questions to the Treasury Department.

Treasury and I.R.S. officials briefed House Democrats about the economic stimulus payments this month and said that paper checks would be issued at a rate of about five million per week, beginning the week of May 4, for up to 20 weeks.

A memo that House Democrats drafted after the briefing made no mention of Mr. Trump's name appearing on the paper checks.

Erin Hatch, a spokeswoman for the House Ways and Means Committee Democrats, said that lawmakers were not made aware of the plan.

"The committee was not consulted about this," she said, "and we do not want the checks to be delayed for a second to add the signature."

Senator Ron Wyden of Oregon, the top Democrat on the Finance Committee, criticized the Trump administration's move to include the president's name on the relief money.

"Donald Trump is further delaying cash payments to millions of Americans struggling to pay the rent and put food on the table to feed his ego," Mr. Wyden said. "Only this president would try to make a pandemic and economic catastrophe all about him."

https://www.nytimes.com/2020/04/14/us/politics/stimulus-check-trump-signature.html
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The New York Times

April 15, 2020 Wednesday, Late Edition - Final

**The Post Office Is Essential. Help It.**



Section: Section A; Column 0; Editorial Desk; Pg. 22

Length: 1167 words

Byline: By The Editorial Board

Body
From the census to the November election, the Postal Service is critical to American democracy.

America's favorite government agency is on the brink of collapse, and Washington policymakers appear too mired in politics to save it.

Like so many businesses, the United States Postal Service has been hit hard by the coronavirus. Mail volume is down nearly a third over this time last year and continues to fall. The Postal Service is predicting $13 billion in lost revenue this fiscal year as a direct result of the pandemic. In an April 9 telebriefing to the House Oversight and Reform Committee, the postmaster general, Megan Brennan, warned that without financial assistance the agency could run out of money by the end of September.

The Postal Service cannot be allowed to crumble in the midst of a national emergency. Though organized as a self-sustaining quasi-governmental enterprise, run without taxpayer funding, it is not just another business. Even in an increasingly wired world, the agency's mandate of "universal service" provides a lifeline to remote areas. As this pandemic rages, its 600,000-plus employees are working to ensure that Americans receive their prescriptions and protective equipment and other essential items, no matter where they live. Nearly 500 postal workers have tested positive for the virus, with hundreds more suspected of having it, according to The Washington Post.

This year, the Postal Service is also playing an expanded role in sustaining democracy. In the new world of social distancing, mail-in and absentee voting are crucial to ensuring that Americans do not have to risk their lives to cast their votes. If the Postal Service collapses, it will take with it the infrastructure needed for millions of Americans to participate in the most fundamental act of self-government.

Now layer onto this the millions of census forms delivered to American households through the mail last month, many of which will be filled out and returned the same way.

With all that in mind, one might expect Congress and the White House to be scrambling to throw this vital public institution a lifeline. But, unlike other essential businesses -- not to mention favored industries -- the Postal Service, in its distress, is facing staunch political resistance that threatens to let it sink.

Part of the problem is longstanding disagreement over the agency's structure and mission. For years, conservatives have been pushing to privatize the service. A more recent threat arises from President Trump's personal hostility toward the agency, stemming in part from his contention that it gives sweetheart delivery rates to Amazon, the e-commerce giant led by Jeff Bezos, whom Mr. Trump considers a political enemy. The president has accused Amazon of fleecing the Postal Service and argued that if the agency is having money troubles it should simply raise the rates it charges companies like Amazon and -- poof -- problem solved. "Should be charging MUCH MORE!" he was tweeting in 2017.

But the president's own task force determined that package delivery is profitable for the agency, and others have warned that a significant increase in shipping rates could in fact drive private companies to pursue alternatives.

The mail service's troubles did not begin with the coronavirus. For decades, the agency has suffered a decline in its core business. The volume of first-class mail has dropped from a peak of 103.6 billion pieces in 2001 to 54.9 last year. To help make up the gap, the agency has shifted aggressively into the package delivery business, contracting with private companies, including FedEx, UPS and, yes, Amazon.

On various occasions, the agency has attempted to rein in costs by closing offices or cutting service. That's when lawmakers tend to step in, deciding that its mission is too vital to tinker with. In 2013, when the Postal Service announced that it would do away with most Saturday delivery, Congress bucked, inserting a provision into that year's budget to block the move.

Lawmakers know that voters cherish mail service. The Postal Service consistently enjoys the top job rating of any federal agency, according to research by Gallup.

Compounding its current problems, the service is saddled with financial obligations not imposed on other enterprises, private or public. In 2006, Congress passed a bill requiring the agency to set aside around $5.5 billion per year to prepay health care benefits for future retirees. This has put the Postal Service at a competitive disadvantage. Absent this burden, the agency would have turned a profit in each of the past six years, according to a report by the Institute for Policy Studies. There have been multiple attempts by Congress to repeal this mandate.

In its most recent update on the agency, the Government Accountability Office painted a bleak picture: "U.S.P.S.'s overall financial condition is deteriorating and unsustainable. U.S.P.S. has lost $69 billion over the past 11 fiscal years -- including $3.9 billion in fiscal year 2018. U.S.P.S.'s total unfunded liabilities and debt ($143 billion at the end of fiscal year 2018) have grown to double its annual revenue."

In pandemic terms, the Postal Service has several pre-existing conditions that make it vulnerable.

Last month, lawmakers sought to include a $13 billion grant for the agency in the $2 trillion coronavirus relief law. The effort was blocked by Treasury Secretary Steven Mnuchin, who warned that it would derail negotiations. Mr. Trump had threatened to reject the bill if it included a postal bailout, according to reporting by The Washington Post. Lawmakers settled for a $10 billion loan -- from the Treasury Department. Mr. Mnuchin has warned that any attempt to insert a postal bailout into the next relief package would be a non-starter.

Long term, the Postal Service will need to restructure its debt obligations, among other significant reforms. Short term, Congress must find a way to shore up the agency on behalf of millions of constituents who depend on it. Last Thursday, Ms. Brennan asked lawmakers for $89 billion in assistance. This would include $25 billion in grants to cover losses from the pandemic, $25 billion for infrastructure modernization, $14 billion in debt payments related to retirement benefits and $25 billion in unrestricted borrowing authority, according to The Times.

This request seems overly ambitious. But it at least provides a starting point for debate about how Congress can -- and must -- keep postal carriers on their appointed rounds. This essential institution should not be held hostage to political grudges. Now more than ever, Americans need something they can rely on.

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The New York Times

April 15, 2020 Wednesday, Late Edition - Final

**U.S. and Airlines Accept $25 Billion Bailout Terms**



Section: Section B; Column 0; Business/Financial Desk; Pg. 1

Length: 1215 words

Byline: By Alan Rappeport and Niraj Chokshi

Body

Airlines will receive billions of dollars in grants and loans to pay flight attendants, pilots and other employees.

WASHINGTON -- The Trump administration has reached an agreement in principle with major airlines over the terms of a $25 billion bailout to prop up an industry hobbled by the coronavirus pandemic.

The Treasury Department said that Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Hawaiian Airlines, JetBlue Airways, United Airlines, SkyWest Airlines and Southwest Airlines would participate. The program is supposed to help the companies pay their workers and was created as part of the economic stabilization package that Congress passed last month.

In recent days, the bailout negotiations had became contentious over the Treasury's insistence that larger airlines repay at least some of the money they received. The two sides ultimately agreed that the government's support would be structured as part grant and part loan and the Treasury would also receive warrants to buy stock in the companies.

"This agreement will fully support airline industry workers, preserve the vital role airlines play in our economy and protect taxpayers," President Trump said Tuesday at a White House news conference. "Our airlines now are in good shape and they will get over a very tough period of time that was not caused by them."

The Treasury secretary, Steven Mnuchin, said in a statement that the agreement would "help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the taxpayers."

The Treasury had been pushing the airlines to repay 30 percent of the money over five years. Airline executives and labor leaders complained that the Trump administration was turning what Congress intended to be grants into loans.

Airlines for America, an industry lobbying group, said that as of April 9, U.S. airlines had idled 2,200 aircraft and that passenger volume was down 95 percent from a year ago. Global passenger revenues are expected to fall by $314 billion this year, a 55 percent decline from last year, the International Air Transport Association, a global industry group, said on Tuesday.

The stimulus, passed late last month, largely incorporated the assistance that the industry had sought, including the $25 billion in payroll support and another $25 billion in loans for passenger airlines and more than $10 billion in grants and loans for cargo airlines and aviation contractors. But the aid came with some strings attached, including giving Mr. Mnuchin the authority to take an equity stake in airlines that receive the grants.

Treasury officials determined that 70 percent of the grants to airlines would benefit taxpayers through payroll and income tax receipts and by reducing the unemployment insurance payments that the government would have paid to airline workers had they lost their jobs. The remaining 30 percent would not directly benefit taxpayers, and therefore would be repaid as a loan over a period of 10 years, a senior Treasury official said on Tuesday.

The Treasury will also receive stock warrants worth 10 percent of the loan amount that exceeds $100 million.

The official said that the structure of the agreement was a carefully negotiated compromise, as airlines were seeking grants with no repayment and the administration preferred loans. The economic relief legislation also allocated a separate $25 billion specifically for loans to the airlines, but the official said that negotiations with the companies for those funds had not begun. The Treasury is also engaged in negotiations with cargo carriers, which are eligible for $8 billion in grants and loans.

The Treasury Department said last week that it would not require airlines that receive up to $100 million in bailout money to give the government equity stakes or other compensation. The government had received over 200 applications from U.S. airlines seeking payroll support and the Treasury said the majority of those were asking for less than $10 million.

Airlines that accept the payroll support money are prohibited from major staffing or pay cuts through September. The airlines must also refrain from buying back shares or paying dividends through September 2021 and must agree to limits on executive pay until late March 2022.

In a statement, Sara Nelson, the president of the Association of Flight Attendants union, welcomed the payout as "an unprecedented accomplishment," but criticized Mr. Mnuchin for delaying the aid and for asking that airlines repay a portion of the funds.

"Now we must fight to keep aviation intact to protect our industry and ensure our economy lifts off again when the virus is under control," Ms. Nelson said. "We have seen what happens when investment bankers like Secretary Mnuchin control the outcomes, and we will not stand by to watch it play out again."

Separately, Capt. Joe DePete, the president of the Air Line Pilots Association, which represents more than 63,000 pilots at United, Delta and other airlines, accused the department of "undermining the intent" of the law, "which will make it harder to stop layoffs and slow the recovery."

American Airlines said it would receive $5.8 billion as part of the deal, with more than $4 billion in the form of grants and the remaining $1.7 billion as a low-interest loan. The airline also plans to apply for a nearly $4.8 billion loan from the department under the loan provision of the legislation.

"The Payroll Support Program recognizes the extraordinary dedication of our entire team, and importantly, sustains the critical air service being provided by our front-line team members," American's chief executive, Doug Parker, said in a statement.

Delta said it would receive $5.4 billion, including a $1.6 billion loan. The company said it would provide the government with warrants to acquire about 1 percent of its stock at a price of $24.39 a share over a period of five years.

"This is an essential step, but just one of many that will get us through the next several months," the chief executive, Ed Bastian, said in a note to staff.

Southwest Airlines said it expected to receive $3.2 billion, about $1 billion of which would come in the form of a low-interest loan. That loan is expected to include about 2.6 million warrants that would allow the Treasury to buy stock in the company. JetBlue said it would receive nearly $936 million, with about $251 million in the form of a loan.

United Airlines and Alaska Airlines said they expected to complete their agreements with the Treasury over the next few days.

The pandemic stalled the airline industry in just a matter of weeks. In February, passenger traffic for the top 25 U.S. airlines rose 6.7 percent compared with the same month a year earlier, one of the largest increases in a 29-month streak of gains, according to federal data published on Tuesday.

But in March, air travel nearly came to a standstill. On the first day of the month, the Transportation Security Administration screened nearly 2.3 million passengers, flight crew members and other airport and airline workers at its airport checkpoints. By the last day of the month, that figure had dropped nearly 95 percent to just under 150,000.

https://www.nytimes.com/2020/04/14/business/coronavirus-airlines-bailout-treasury-department.html
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The Wall Street Journal

**Treasury, Airlines Reach Agreement on Coronavirus Aid**
**Ten major airlines intend to accept government payroll support; President Trump touts agreement**

**By Alison Sider and Kate Davidson**

**Updated April 14, 2020 7:41 pm ET**

**WASHINGTON—The biggest U.S. airlines reached an agreement in principle with the federal government on financial assistance aimed at preventing layoffs in an industry hit hard by the coronavirus pandemic.**

**The Treasury Department said Tuesday that 10 of the 12 largest airlines have told the government they intend to accept assistance from the $2.2 trillion economic relief package passed last month.**

**The biggest domestic airlines— United Airlines Holdings Inc., UAL 6.88%▲ Delta Air Lines Inc., DAL 5.55%▲ American Airlines Group Inc. AAL 3.33%▲ and Southwest Airlines Co. LUV 1.52%▲ — all agreed to receive aid. Treasury Secretary Steven Mnuchin said that conversations continue with some other airlines and that officials were also working on guidance for aid to cargo carriers and contractors.**

**"We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible," he said in a statement.**

**President Trump said at a briefing that the aid would help airlines through a tough period.**

**Airline shares rose sharply in after-hours trading following the announcement, with United trading up 9%, American up 13% and Delta up 10%.**

**Demand for air travel has all but evaporated over the past few months, as countries around the world imposed restrictions to try to slow the virus's spread. Airlines have slashed flying by upward of 70% and say many flights are still nearly empty.**

**The Treasury's assistance includes $25 billion in direct aid to allow passenger airlines to continue paying salaries and benefits to employees in the coming months. The payroll assistance "will support American workers and help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the**

taxpayers," Mr. Mnuchin said in a statement.

Airline executives spent this past weekend in discussions with federal officials. On Friday Mr. Mnuchin told the largest carriers that 30% of the assistance would need to be repaid and that airlines would have to offer stock warrants on a portion of those funds.

Airline industry officials had believed the money would come as grants that wouldn't need to be paid back. The government hadn't been willing to significantly alter terms, including some repayment to taxpayers, officials and others familiar with the talks have said.

Details that some airlines provided on Tuesday hewed to the terms that federal officials outlined last week. Many domestic airlines are in dire need of cash to pay workers and maintain planes.

Delta is set to receive $5.4 billion, including a $1.6 billion 10-year loan. The airline will also provide the government with warrants to acquire about 1% of Delta stock at $24.39 per share over five years, a significant discount to where the stock traded before the current crisis. Delta shares were near $60 at the start of the year.

"This is an essential step, but just one of many that will get us through the next several months," Delta CEO Ed Bastian wrote to employees.

JetBlue JBLU 2.33% ▲ said the $936 million it will receive as a $685 million grant and a $251 million loan would cover 76% of payroll.

"While I am happy we are receiving this much-needed cash for payroll now, it adds to the significant debt we are taking on as we burn through our cash reserves," JetBlue Airways Corp. CEO Robin Hayes said in a statement.

Alaska Airlines, Frontier Airlines, Allegiant Air, Hawaiian Airlines and SkyWest Airlines also agreed to accept that aid, the Treasury said.

Spirit Airlines Inc.,a big discount carrier that wasn't listed in the announcement, said it expects to agree on terms with the Treasury soon. Republic Airways, which operates flights for major airlines, said it is also still in discussions with the Treasury.

American Airlines said it would receive $5.8 billion under the program: $4.1 billion as a direct grant and $1.7 billion as a low-interest loan. The airline said it would separately apply for a $4.75 billion loan from the Treasury under another loan program for airlines established by the stimulus.

"We now believe we have the financial resources necessary to help us withstand this crisis and be in position to serve the traveling public when they are ready to start flying again," American Airlines Chief Executive Doug Parker and President Robert Isom wrote in a letter to employees.

Southwest said it expects to receive over $3.2 billion through the program, including $1 billion as an unsecured 10-year loan at low interest rates. The airline said the loan includes 2.6 million warrants, which the government can convert to stock for a fixed price.

"We applaud the quick action by the U.S. Department of Treasury to infuse liquidity into the economy and try to keep businesses open and people on the job," Southwest CEO Gary Kelly said in a statement.

Other airlines didn't immediately provide details of the aid they expected to receive.

Carriers had said without government help they would have to make significant reductions to their staffs, but accepting the money means airlines won't be allowed to lay off or furlough workers involuntarily until October.

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The Financial Times
US holds off on IMF plan to boost emerging economies' finances
World leaders call for expansion of liquidity measures for virus-hit nations
James Politi in Washington
April 15, 2020
The Trump administration is resisting urgent appeals from European and African leaders for the IMF to create additional reserve assets to help low-income emerging economies cope with the coronavirus pandemic, creating a fresh division in the global response to the crisis.

The expansion of the IMF's "special drawing rights" has arisen as a point of friction in multilateral discussions ahead of the IMF and World Bank spring meetings, which are being held online this week

A new allocation of SDRs would offer a liquidity boost to many countries facing a sudden depletion of foreign exchange reserves. The move is seen by many governments as a key complement to a debt relief package to support struggling emerging economies that the G20 — including the US — is expected to endorse as early as Wednesday.

Writing in the Financial Times on Tuesday, European political leaders including German chancellor Angela Merkel and French president Emmanuel Macron joined with leading African figures such as Abiy Ahmed, the prime minister of Ethiopia, and Cyril Ramaphosa, the president of South Africa, to urge the IMF to "decide immediately on the allocation of special drawing rights" to "provide additional liquidity for the procurement of basic commodities and essential medical supplies".

"No region can win the battle against Covid-19 alone," they wrote. "This is not the time for division or politics but for unity and co-operation."

But the US, the IMF's largest shareholder, has held off on backing the measure, casting doubt on whether that part of the multilateral response to the pandemic will get off the ground.

"The US response for now is no. I had an opportunity to discuss this with US Secretary of the Treasury Steven Mnuchin on two occasions," Bruno Le Maire, France's finance minister, told reporters on Tuesday.

A spokeswoman for the US Treasury said Washington "supports a variety of efforts at the IMF to provide rapid, targeted assistance to countries that need support to overcome the current challenges" but did not explain its position on a new SDR allocation.

"We support accelerating IMF procedures, higher access from the IMF's emergency lending facilities, and support from donors for the IMF's assistance to low-income countries, including grants to help these countries make debt payments to the IMF," she said.

One person familiar with the discussions said US scepticism was shared by some other countries, so Washington was not alone in holding off on the effort.

SDRs are an international reserve asset created by the IMF in 1969 to supplement member countries' official reserves. Their value is based on a basket of five currencies including the US dollar, the euro, the renminbi, the yen and the British pound. The existing stock of SDRs amounts to about $275bn, which was mostly issued during the 2009 financial crisis.

Former US Treasury secretary Lawrence Summers and former UK chancellor Gordon Brown have called for the issuance of a fresh $1tn in SDRs. Writing in the Washington Post, they said:
"If ever there was a moment for an expansion of the international money known as Special Drawing Rights, it is now."

Some officials and economists are wary of the effectiveness of SDRs because they are allocated in proportion to voting rights at the IMF so the strongest economies incur much of the benefit, unless they agree to redistribute their holdings.

Masood Ahmed, president of the Center for Global Development, a Washington think-tank, said the central banks of high-income countries had injected "substantial liquidity" into their economies and emerging markets needed the same boost.

"Blocking an SDR increase will simply force these countries to pursue less effective policy choices with adverse consequences for themselves and for the world economy," Mr Ahmed said.

Meanwhile, countries are exploring alternative ways to boost liquidity for lower-income nations.

One option would be to set up a short-term liquidity facility at the IMF for nations that cannot access swap lines with the world's big central banks; another would be to direct the existing stock of SDRs to poorer nations struggling because of the coronavirus pandemic.

Two people familiar with the discussions said the US would probably not oppose the use of existing SDR stock to help emerging economies.

But Mark Sobel, a former senior US Treasury official and US chairman of Omfif, a think-tank, doubted whether such an idea could be implemented.

"Workaround proposals for redistributing or pooling SDRs have long been put forward. These have not commanded support, often seen as inconsistent with the SDR's reserve asset role," he wrote in late March.

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The Financial Times
US Treasury reaches deal to prop up airlines
$25bn in aid to pay staff comes in form of grants, loans and warrants
Claire Bushey in Chicago and James Politi in Washington
April 14, 2020
The US Treasury department has reached an agreement with US airlines that paves the way for the sector to receive billions of dollars in aid to cover payroll costs during the coronavirus pandemic and could see the government emerge as a shareholder in several public companies.

The deal comes after days of testy exchanges between President Donald Trump's administration and America's leading passenger carriers over the terms of $25bn in funding allocated to the industry in the $2tn stimulus legislation enacted last month.

Airlines tried to resist the idea of US taxpayers taking an equity interest in their companies, while unions representing flight attendants and pilots criticised the government for moving too slowly on aid designed to safeguard jobs.

Southwest Airlines expects to receive $3.2bn under the programme, with $2.3bn as a grant and the rest as an unsecured, low-interest 10-year loan. The loan agreement is expected to include warrants issued to the US Treasury to buy 2.6m Southwest shares.

"We applaud the quick action by the US Department of Treasury to infuse liquidity into the economy and try to keep businesses open and people on the job," said Gary Kelly, Southwest chief executive.

JetBlue Airways also will give the government warrants. Every airline will receive a payment equal to roughly three-quarters of its payroll for the second and third quarters of 2019, said JetBlue chief executive Robin Hayes. For JetBlue, that totals about $936m. Just over a quarter will come in the form of a loan that will require repayment starting in October, and the airline also must maintain a minimum level of domestic service.

"While I am happy we are receiving this much-needed cash for payroll now, it adds to the significant debt we are taking on as we burn through our cash reserves," Mr Hayes said. "Thankfully, we entered this crisis with one of the stronger balance sheets in the industry, but we will come out of this with significant debt to pay down."

The aid packages prevent airlines from furloughing staff or cutting employee pay until September 30, ban share repurchases and dividends until September 2021, and limit executive compensation until March 2022.

The government has negotiated individually with the airlines, in contrast to the blanket agreement imposed on banks when they received bailout funds during the 2008 financial crisis.

American Airlines, the most heavily leveraged of the major US carriers, will receive $5.8bn from the $25bn pot. The Fort Worth, Texas-based airline said it would receive a direct grant of $4.1bn and a low-interest loan of $1.7bn.

It also plans to apply to the Treasury for a separate loan of almost $4.8bn from a second $25bn pool set aside for the airline industry in the same law, money that is not limited to spending on payrolls.

Delta will receive $5.4bn from the payroll support programme, including a 10-year, low-interest loan for $1.6bn, according to its chief executive, Ed Bastian. The government will receive warrants to acquire about 1 per cent of Delta stock at $24.39 per share over five years.

Delta shares closed at $24.54 on Tuesday. The airline has been burning $60m in cash per day and accepted offers from 35,000 employees to take unpaid leave.

Alaska Airlines, Allegiant Air, Frontier Airlines, Hawaiian Airlines and SkyWest have also signed on, the Treasury said. United said it was still working out the final details of its package with the government.

Mr Trump, speaking at his daily White House press conference, said the deal would support jobs and protect taxpayers. "Our airlines are now in good shape and they will get over a very tough period of time that was not caused by them," he said.

caused by them," he said.

The aviation sector has been among the hardest hit, with travel grinding to a halt during the pandemic. Leading carriers are facing a dangerous cash crunch. As airlines resisted some of the conditions that the US Treasury was trying to impose on the aid, concern mounted that they might choose bankruptcy as a better option.

Peter DeFazio, chairman of the House of Representatives transportation committee, praised the agreement but said he would monitor the next phase of the deal.

"The US Treasury still has critical work to do to get funds provided by Congress into the hands of airline contractors' employees, often the lowest-paid employees in the aviation industry," he said.


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WRAPUP 2-Global creditors agree on debt relief for poor countries hit by pandemic

Andrea Shalal, Leigh Thomas

(Repeats with no changes in text)

By Andrea Shalal and Leigh Thomas

WASHINGTON/PARIS, April 14 (Reuters) - Major international creditors will relieve the world's poorest countries of debt payments this year to help them deal with the coronavirus pandemic that has sparked the steepest downturn in the global economy since the 1930s, France announced on Tuesday.

Finance officials from the United States, China and other Group of 20 major economies are expected to finalize the agreement when they meet online on Wednesday, French Finance Minister Bruno Le Maire told reporters.

He said some 76 countries, including 40 in sub-Saharan Africa, would be eligible to have debt payments worth a combined $20 billion suspended by official and private creditors, with a remaining $12 billion in payments due to multilateral institutions still to be sorted out.

"We have obtained a debt moratorium at the level of bilateral creditors and private creditors for a total of $20 billion," Le Maire told journalists.

He spoke just before Group of Seven (G7) finance ministers and central bank governors met by video conference on Tuesday and threw their support behind temporary debt relief to the poorest countries, as long as it was backed by the G20 and the Paris Club.

In a joint statement, they said they were ready to provide "a time-bound suspension on debt service payments due on official bilateral claims for all countries eligible for World Bank concessional financing" if joined by China and other countries in the Group of 20 major economies, and as agreed with the Paris Club group of creditors.

Sources familiar with the process had told Reuters this week they expected the G20 to endorse a suspension of debt payments at least until the end of the year, despite some resistance from China, which has overtaken the World Bank as a major lender to developing countries, especially in Africa.

IMF chief economist Gita Gopinath told Reuters the agreement offered "hugely welcome" relief for the poorest countries, freeing resources that could be used to improve healthcare systems at a time when resources are strained by plunging commodity prices and massive capital outflows.

World Bank President David Malpass, in a tweet, thanked U.S. Treasury Secretary Steven Mnuchin for hosting the G7 meeting and backing his joint call with International Monetary Fund Managing Director Kristalina Georgieva for the temporary debt standstill.

The World Bank and the IMF have begun disbursing emergency aid to countries struggling to suppress the coronavirus and mitigate its economic impact. They first issued their call for debt relief on March 25, but it has not been formally endorsed by the G20 nations.

The IMF, in its 2020 World Economic Outlook, said the pandemic would cause a 3.0% contraction in the global economy, but warned the impact could be far worse.

economy, but warned the impact could be far worse.

Gopinath said the pandemic could be far more severe in developing economies that had not yet seen the kinds of lockdowns already implemented in China, the United States and Europe, adding a "serious downside risk" to the IMF forecast.

The forecast provided a somber backdrop to the IMF and World Bank spring meetings, which normally draw 10,000 people to Washington but are being held by videoconference this week because of the pandemic.

**DEBT CANCELLATION**

In their statement, G7 officials also called for more contributions to the IMF's Catastrophe Containment and Relief Trust (CCRT) and its Poverty Reduction and Growth Trust, which support the poorest countries. They said the debt relief effort should include private creditors on a voluntary basis, as well as efforts to enhance debt transparency.

Western countries for years have been demanding greater transparency about lending by the Chinese government, banks and companies, but Beijing has balked at opening its books.

A French finance ministry official said private creditors have agreed on a voluntary basis to roll over or refinance $8 billion of the debt of the poorest countries, on top of the $12 billion in debt payments to be suspended by countries.

A further $12 billion is owed to multilateral lenders, mainly the World Bank, Le Maire said, urging such lenders to join the debt relief initiative.

The IMF on Monday announced $215 million in initial debt relief grants to 25 countries from the CCRT. The trust has about $500 million, but the IMF wants to boost it to $1.4 billion.

There are growing calls from nonprofit groups, Pope Francis and others to follow up the temporary suspension of debt payments with cancellation of debts for the poorest countries.

The AFL-CIO union federation and nearly 80 other faith groups on Tuesday urged the U.S. government, the IMF and G20 nations to cancel debt payments by developing countries, and to mobilize additional resources to support all countries affected by the rapidly spreading pandemic.

French President Emmanuel Macron on Monday said in a televised address that African countries should be helped by "massively cancelling their debt."

He gave no details, but Le Maire said outright debt cancellation should take place on a case-by-case basis and in coordination with multilateral lenders at the end of the year, depending on the economic situation of the countries as well as developments in commodity markets and capital flows. (Additional reporting by David Lawder in Washington; Michael Nienaber in Berlin; and Takahiko Wada, Tetsushi Kajimoto and Leika Kihara in Tokyo; Editing by Paul Simao and Tom Brown)
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**Roll Call**

**10 airlines agree to terms for federal grants to save jobs**
**Assistance aimed at keeping airline workers employed through Sept. 30**

By Jessica Wehrman

Posted April 14, 2020 at 8:06pm

Ten major U.S. airlines have reached agreement with the Treasury Department on federal grants aimed at keeping airline workers on the job through Sept. 30, officials announced Tuesday.

Alaska, Allegiant, American, Delta, Frontier, Hawaiian, JetBlue, United, SkyWest and Southwest indicated they would participate in the $25 billion grant program in the $2 trillion coronavirus spending bill approved last month.

Initial drafts of the spending bill included loans but not grants. Airlines, labor unions and Democrats fought to get grants in the bill, arguing they'd provide an immediate injection of dollars to protect airline workers.

Under the terms of the grants, airlines can ask for the equivalent of their payroll between April 1 and Sept. 30 of last year, with the companies that receive grants agreeing not to furlough or cut pay or benefits until Oct. 1. An last year, with the companies that receive grants agreeing not to furlough or cut pay or benefits until Oct. 1. An estimated 750,000 U.S. workers are employed by the airlines.

The coronavirus spending bill included an additional $25 billion in loans for airlines, which have been clobbered by the pandemic. Just 90,510 people passed through TSA checkpoints on Sunday, down from 2.4 million on the same day last year.

In an agreement announcement, Treasury Secretary Steven Mnuchin said the department continues to discuss the potential participation of other airlines, and is working to review and approve applications for smaller passenger carriers "as quickly as possible." The department will provide guidance for cargo carriers and contractors "soon," he said.

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'Poison pill'

Unions fought for the $25 billion in grants but expressed concern about a last-minute provision tucked in the bill that would allow the government to take equity or require grant money to be paid back, arguing that such a provision would amount to a "poison pill" that would discourage airlines from taking the money and effectively turn the grant into a loan.

While the Treasury did not confirm the final details of the agreement in its announcement or in email requests Tuesday, Reuters last weekend reported that the department would require airlines to pay back 30 percent of the grants, as well as demand warrants equal to 10 percent of the amount.

Association of Flight Attendants-CWA International President Sara Nelson criticized Mnuchin's decision to require part of the grant money be paid back, saying the secretary "decided to play games with this aid, rather than deliver it in the way Congress intended in the bipartisan deal."

Despite that, she called the agreement "an unprecedented accomplishment." She said the payroll grants would provide "stability and hope to millions of aviation workers" and said she hoped a similar model would be used for other workers who have lost jobs because of the pandemic.

Joe DePete, president of the Air Lines Pilots Association International, said the grants would help save jobs and stabilize the aviation industry, but added, "unfortunately, Treasury is undermining the intent of the CARES Act by treating a portion of the grants designed to protect jobs not as grants, but as loans, which will make it harder to stop layoffs and slow the recovery."

He urged Congress to overturn the provision that allowed the Treasury Department to ask for part of the grant money to be paid back.

Oregon Rep. Peter A. DeFazio, chairman of the House Transportation and Infrastructure Committee, acknowledged the grant process "was neither easy nor perfect," but expressed relief that the grants would keep "hundreds of thousands of airline employees — from flight crews to baggage handlers — on the payroll during this extremely tumultuous period for the U.S. economy."

"By ensuring federal relief flows first to employee payroll and benefits, we can protect taxpayers and keep millions of U.S. workers on the job rolls and out of unemployment lines while helping air carriers of all sizes, including regional airlines on which small communities depend, survive the most serious and profound crisis in the history of aviation," he said.
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The Hill

Democrats try to force McConnell's hand on coronavirus aid

By Alexander Bolton - 04/15/20 06:00 AM EDT

Congressional Democratic leaders are trying to box out Senate Majority Leader Mitch McConnell (R-Ky.) by negotiating a deal with Treasury Secretary Steven Mnuchin and President Trump to provide $251 billion in new funding for small businesses.

Senate Minority Leader Charles Schumer (D-N.Y.) and Speaker Nancy Pelosi (D-Calif.) calculate that Trump will be eager for a deal when funding for the Paycheck Protection Program (PPP), a popular small-business lending program, is projected to expire Thursday, when another wave of unemployment claims become public.

They have largely worked with Mnuchin instead of McConnell, betting that if Trump signs on to a $500 billion deal to extend small business lending, send funds to hospitals and rescue cash-strapped states, McConnell and deal to extend small-business lending, send funds to hospitals and rescue cash-strapped states, McConnell and other GOP lawmakers will fall in line.

While congressional Republican staff have reached out to Democrats, Schumer and Pelosi have preferred to work with Mnuchin, viewing him as a more sympathetic negotiator.

Sen. Ben Cardin (Md.), the top-ranking Democrat on the Small Business Committee, said Schumer and Mnuchin have "a pretty good relationship."

Senate Republican aides expect a deal to emerge this week even though McConnell hasn't signed off on anything and passing legislation during a pro forma session scheduled for Thursday would require consent from every senator. That is a very tall order.

"There's already the uncertainty about this program and it's discouraging people from applying. The closer we let it go to banks not accepting applications the worse it gets. There's a sense of urgency. It's just a matter of what's going to be demanded to get it across the finish line," said a GOP aide.

If Trump endorses the deal, however, it would be tough for any Republican to stand in the way, especially since the add-ons requested by Democrats are $100 billion more for hospitals, $150 billion more for state and local governments and a 15 percent increase in the Supplemental Nutrition Assistance Program.

Ford O'Connell, a Republican strategist, said Democrats "think they have leverage on the president because they're going to say he's in charge of the economy."

"At the same time, if you're Trump and you bow to all of their demands, their demands are only going to get bigger," he added. "The White House would like to get it resolved as soon as possible."

"The White House doesn't want to wait until May. They want to get a good deal done," he said. "The Democrats feel that they have so much leverage that they have the Republicans over a barrel and they're waiting for the Republicans to blink."

Some GOP staffers warn that Schumer and Pelosi may be forgetting that Mnuchin doesn't speak for Republican senators and can't guarantee that they will be on board with any deal he and the president agree to.

McConnell said last week that he would favor providing more money for hospitals and health care providers "down the line." But talk of adding hospital funding to the $251 billion for the Small Business Administration will set off a battle among senators who want to tweak the formula and get special benefits for their home states.

That's the reason McConnell wants to keep the funding boost for the small-business lending program "clean."

Two stalwart fiscal conservatives who have a history of bucking the GOP leadership, Sens. Rand Paul (R-Ky.) and Mike Lee (R-Utah), were not present when the Senate voted 96-0 last month to pass the $2.2 trillion CARES Act, which included $349 billion for the small-business lending program.

Both lawmakers were in quarantine, Paul because he was diagnosed with coronavirus and Lee out of precaution.

Senate GOP aides said they didn't know for sure how Paul or Lee would react if asked to give consent to allow an interim coronavirus relief package to pass during Thursday's pro forma session.

Pressure on Trump and Congress to act will mount Thursday morning when the Department of Labor is expected to announce millions of new unemployment claims. More than 16 million Americans have filed first-time unemployment claims in the past three weeks.

A survey published by Main Street America on Tuesday projected that 3½ million businesses may close permanently over the next two months and 7½ million businesses may close over the next five months.

"Every week [the impasse goes on] is a week businesses don't have cash flow and more uncertainty gets injected," the GOP aide said. "There's nothing like a deadline to make things move fast."

National Economic Council Director Larry Kudlow is warning that the PPP is due to run out of money as soon as Thursday.

"At the present run-rate, we're going to be out of money," Kudlow told Fox Business Network.

The Small Business Administration's Economic Injury Disaster Loan program, a direct lending apparatus distinct from the PPP, is also out of money.

The pressure to refund the disaster loan program is made more acute by the severe storms that tore through Southern states over Easter weekend, leaving 30 people dead and 1.3 million without power. The area must be officially declared a disaster zone before the program can kick in, however.

Trump on Tuesday sought to apply some political heat on Schumer and Pelosi, tweeting: "The Democrats don't want to approve more money for our great workers under the incredibly successful 'Paycheck' plan. Replenish Account Now!"

If Senate Republicans object to passing an interim package in the ballpark of $500 billion, then small businesses may have to wait until the second week of May to see a resumption of loan activity through the PPP.

McConnell announced Tuesday the full Senate is not expected to reconvene in Washington before May 4.

"All members will receive at least 24 hours' notice if this changes. This bipartisan decision reflects consultation with Leader Schumer and my colleagues in Senate leadership," he said.

If a deal passes the Senate on Thursday, then its next stop is the House, where it would be a tough task to get all 429 members to sign off.

House leaders have also said they do not plan to reconvene the chamber before May 4, which means legislation would have to pass by voice vote as the CARES Act did on March 27.

Rep. Thomas Massie (R-Ky.), a conservative libertarian who is facing a primary challenge, says he again will try to force the House to hold a formal roll-call vote on the next coronavirus relief package.

Last month, Trump stated Massie should be thrown out of the Republican Party as he vowed to delay the CARES Act. Massie's threats caused some unhappy House members to travel back to the nation's capital.

The presiding Democrat in the chair, Rep. Anthony Brown (D-Md.), overruled Massie's objection by ruling that a quorum was present and letting the package pass by voice vote.
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Forbes

How The U.S. Is Distributing Airline Bailout Funds In COVID-19 Relief Deal

Will Horton Senior Contributor

Aerospace & Defense

Airlines berate passengers for not knowing all of the rules, yet airlines delayed their COVID-19 relief payments by arguing over conditions stipulated in the CARES Act.

There is now progress. Treasury Secretary Steven Mnuchin says ten U.S. airlines, including the four largest, intend to participate in the Payroll Support Program that will distribute upwards of $25 billion to passenger airlines.

The funds are exclusively to pay employees. Full details are to be confirmed once the deal is finalized. There is a separate $25b allocated for loans to the airlines, as well as payroll support for cargo airlines.

Provisional allocation of $25 billion to airlines based on confirmed amounts and estimated eligibility

Over half of the payroll funds, 58%, are to be allocated to three carriers: American Airlines, Delta Air Lines and Southwest Airlines, based on their statements. United Airlines has not specified how much it will receive, but analysts said it was entitled to upwards of $6b.

JetBlue CEO Robin Hayes said the carrier was entitled to $1.23b based on the bill's provisioning of combined second and third quarter 2019 payroll expenses. But JetBlue will end up receiving $935.8 million since every airline will get approximately 76% of their payroll amount, Hayes said.

The partial funding was envisioned in the CARES Act, which explicitly provided only $25b. The act allows Mnuchin to decide the allocation.

"The Secretary shall have the authority to reduce, on a pro rata basis, the amounts due to air carriers...in order to address any shortfall in assistance," the act says.

In addition to the 10 airlines that Mnuchin said would participate, Spirit Airlines said it was also joining. Four airlines – American, Delta, United and Southwest – will likely end up receiving about 75% of the available funds.

Provisional allocation of $25 billion to airlines based on confirmed amounts and estimated eligibility

Adding Alaska Airlines and JetBlue could bring the share to around 83%, leaving approximately $4b to be shared by five smaller airlines: Allegiant, Frontier, Hawaiian, Skywest and Spirit.

The payroll support is split between 70% outright funding airlines do not need to pay back, and 30% low-interest loans.

After the pro rata allocation, JetBlue has 56% of last year's second and third quarter payroll covered by direct grants, Hayes said. The further payroll support from loans will be paid back starting in October.

Hayes did not say if JetBlue would apply for a loan under the separate allocation of $25b that can be used for general expenses. American Airlines said that in addition to the $5.8b it expects to receive under the payroll provision, it will apply for a $4.75b loan.

Airlines will further issue warrants to the government. That would give the government low single-digit shareholding in the airlines, to be bought based on recent stock prices.

The split between grants and loans angered industry officials who wanted 100% grants.

Sara Nelson, the president of the Association of Flight Attendants, claimed: "Secretary Mnuchin decided to play games with this aid, rather than deliver it in the way Congress intended." She told CNBC the 30% loan "will lead to airline bankruptcies."

An unidentified industry executive had a similar claim, telling CNBC: "This is not what Congress approved. The aid was supposed to be $25b in cash grants and $25b in loans."

The CARES Act does not stipulate $25b in cash. It only calls for $25b in "financial assistance" as Mnuchin directs.

"Financial assistance provided to an air carrier or contractor under this subtitle shall be in such form, on such terms and conditions…as the Secretary determines apprnpriate," the act says.

It further states recipients of "financial assistance" may have to "in the sole determination of the Secretary, provide appropriate compensation to the Federal Government."

Those compensatory measures are at the discretion of Mnuchin. "The Secretary may receive warrants, options, preferred stock, debt securities, notes, or other financial instruments," the act says.

The initial bailout provision was contentious for over-favoring airlines at the expense of others in the aviation supply chain as well as broader public. The final bill had few conditions, unlike the sweeping requirements Democrats wanted.

Although it seems officials did not win much ground from Mnuchin, they are still receiving large support.

"While I am happy we are receiving this much-needed cash for payroll now, it adds to the significant debt we are taking on as we burn through our cash reserves," JetBlue's Hayes said. "We entered this crisis with one of the stronger balance sheets in the industry but we will come out of this with significant debt to pay down."

Will Horton
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CBS MoneyWatch

Stimulus check tracking site goes live in bid to speed emergency payments

By Aimee Picchi

Updated on: April 15, 2020 / 7:34 AM/ MoneyWatch

With millions of Americans eagerly awaiting their federal stimulus checks to help them weather the the coronavirus recession, people are now able to find out when they can expect to get their money after the government on Wednesday launched a tracking tool called "Get My Payment."

The first batch of stimulus checks — or "economic impact payments," as they are officially known — started hitting consumers' bank accounts on Saturday, the Internal Revenue Service has said. But millions of people remain unsure of when the payments will arrive because it depends on whether the IRS has your direct-deposit information and your income level. Consumers can also update their mailing addresses if they've moved since they last filed their tax returns.

The "Get My Payment" service went live on Wednesday at IRS.gov. It allows consumers to check their payment status, confirm whether they prefer direct deposit or a paper check and enter their bank account information for direct deposit if the IRS doesn't have it yet.

"We expect over 80 million hard-working Americans will get the direct deposit by this Wednesday," Mnuchin said.

Consumers will need either their 2019 or 2018 tax returns to complete the "Get My Payment" service, the IRS says. Taxpayers who haven't yet filed for either year but are required to file a tax return will need to file their 2019 return to get their payment, the IRS said.

People who aren't required to file tax returns, such as some on Social Security, can use this site for non-filers where they can send the IRS their direct deposit information.

How much you'll get

Adults with income below $75,000 are due to receive $1,200 each, while married couples earning less than $150,000 will receive $2,400.

Roughly 9 in 10 American households will get a stimulus check, which is to help people stay afloat financially during the economic downturn caused by the pandemic. But certain factors could affect how much you get, as well as how fast you receive payment.

For one, single Americans who earn over $75,000 or married couples who earn above $150,000 will see their payments decline by $5 for every $100 over those amounts, until the payments phase out entirely at $99,000 and $198,000 for singles and couples, respectively.

Families with children under 17 years old will receive $500 per child — a calculation that leaves out many high school seniors. And adults who can be claimed as dependents, such as many college students, also won't receive a stimulus check. Nonresident aliens, or those without a green card, are also excluded from the payments.

First published on April 14, 2020 / 12:22 PM


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Mnuchin's Partnership With Powell Blurs Lines Between Fed and Treasury
Bloomberg
Saleha Mohsin
Bloomberg
April 15, 2020

(Bloomberg) – Treasury Secretary Steven Mnuchin has forged a crisis partnership with Federal Reserve Chairman Jerome Powell, giving the central bank a bigger role in U.S. fiscal policy and blurring the lines between the agencies as they unleash $4.5 trillion in stimulus to combat the coronavirus.

Mnuchin and Fed Chairman Jerome Powell work together on the coronavirus rescue "round the clock," according to the Treasury secretary. Already, the 106-year-old central bank is lending directly to main street businesses for the first time since the Great Depression.

Some analysts and former government officials see an erosion of the Fed's traditional independence from politicians in the White House and Congress, as well as a central bank straying from monetary policy – the supply of dollars – into tax-and-spend fiscal policy. The risk is that "fiscal dominance" of the Fed could raise inflation or create currency and banking crises down the road, said Mark Sobel, who was a civil servant at Treasury for more than 40 years.

"This crisis is blurring the boundaries between fiscal and monetary policy," he said.

Other governments and central banks also have clouded the lines. For instance, the Bank of Japan has been a key player in Prime Minister Shinzo Abe's plan to reflate the economy with a mix of monetary stimulus and fiscal spending. It now holds 43% of the national debt, which is the world's largest.

In the U.S., Mnuchin negotiated with Republican and Democratic congressional leaders to craft the $2.2 trillion virus-relief package Trump signed last month. He and House Speaker Nancy Pelosi worked to find common ground, and as the bill came together, both spoke with Powell by phone about issues including what Congress should do for the economy.

At the same time, Mnuchin was signing off on about half-a-dozen Fed actions to address the sudden economic collapse from the virus. He says there have been days when he's spoken to Powell 30 times.

Mnuchin helped set the stage for a greater role by the central bank in the way he proposed crafting the stimulus and then in shaping the Fed's role in backing small business loans.

One of the main relief measures in the stimulus is a $349 billion loan program for small businesses. Mnuchin worked with the central bank to create a secondary market for the loans after aggressive lobbying by community banks the weekend after the program launched April 3.

Doubling Balance Sheet

Now, instead of Americans buying war bonds to fight the coronavirus, it's the Fed slurping up debt. The central bank's work with Treasury is seen doubling its current $6.08 trillion balance sheet, which was already at a record high. Meanwhile President Donald Trump and Pelosi have said the next phase of virus-related stimulus spending should include $2 trillion in infrastructure development.

Congress, which has already made unprecedented demands of the Fed to cope with the pandemic, could insist it add an infrastructure program to its balance sheet.

The collaboration between Mnucbin and Powell echoes what unfolded during the 2008 financial crisis between then Treasury Secretary Hank Paulson and then Fed chairman Ben Bernanke.

But the last time the Fed and Treasury coordinated so closely was after the U.S. sold war bonds to finance World War II, Sobel said. The Treasury Department pressured the Fed to keep interest rates high to safeguard the value of that debt, contributing to 21% inflation by 1951. The conflict led to the two agencies signing the Treasury-Federal Reserve Accord of 1951, in which they vowed to "minimize monetization of the public debt."

They now find themselves beading toward breaking that promise.

That would lead to what former Fed official Stanley Fischer calls "the most extreme case" of central bank and government coordination: "pure monetary financing of government debt." Now at the BlackRock Investment Institute, Fischer and his colleagues have highlighted risks of monetary and fiscal authorities merging to deal with the next crisis but concluded that cooperation would be necessary.

"What if Congress says: We'll do another $2 trillion stimulus and the Fed needs to buy up those Treasuries?" Sobel asked. He is now U.S. chairman for the Official Monetary and Financial Institutions Forum.

Job Losses

The Fed is at the front lines trying to save the economy because monetary policy can be adjusted faster in crisis than fiscal policy, which depends on negotiations between two polarized political parties.

The coronavirus outbreak has pushed the U.S. into a dramatic economic downturn. Nearly 17 million Americans lost their jobs in the last three weeks, a pace twice as fast as during the Great Recession a decade ago. Mnuchin, Fed officials and big Wall Street banks say the worst-case scenario is 20% or more unemployment.

Mnuchin says the stimulus he helped steer to passage last month will last about 10 weeks during a virus-induced economic shutdown.

The Fed's unprecedented steps to support the law's programs include creating a secondary market for $349 billion in small business loans. The central bank also is backing a "main street" lending program for medium-sized businesses, as well as funding the purchase of some types of junk-related bonds, collateralized loan obligations and commercial mortgage-backed securities.

The Fed's measures are backstopped by $454 billion that Congress last month added to the Treasury's Exchange

Stabilization Fund.

“The Fed should have no such qualms in this moment to use its emergency authority, but it’s an incredibly uncomfortable spot for it to be in,” said Peter Conti-Brown, a Fed historian and an assistant professor at The Wharton School. “This is fiscal policy, this is using the central bank’s emergency authority that has long pre-existed to fix dysfunctional markets in a part of the fiscal policy that has nothing to do with the Fed – like the Small Business Administration program.”

Mnuchin and Congress have made the SBA program – which offers loan forgiveness if businesses retain workers – the centerpiece to the economic rescue package. Mnuchin worked with the Fed to create a facility to help speed the flow of federal funds to small companies through the Treasury Department’s coronavirus stimulus package.

The Fed will take loans off the books of small banks so they can originate new ones under the Paycheck Protection Program.

Expanding Role

The Fed’s involvement wasn’t required under the law that created the program. Small banks lobbied Mnuchin earlier this month for a secondary market to smooth the process. The job fell to the Fed because it already has connections to banks across America, enabling it to more easily execute the lending facility.

And the central bank’s role may expand. Congress and the White House are debating the details of a plan to add $250 billion to the SBA program.

Mnuchin and Powell aren’t done with their blitz to help the economy survive the coronavirus shutdown. The Fed has so far used roughly 40% of the seed money that Congress has provided.They are undertaking “very, very intense cooperation,” said Nathan Sheets, who worked at the Fed and later the Treasury Department during the Obama administration. “There are risks that the definition of central bank independence might be a little bit different than when we got into this crisis.”

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The Hill

Treasury Dept. orders Trump's name to be printed on coronavirus stimulus checks: report

By Justin Wise - 04/14/20 09:59 PM EDT

The Treasury Department ordered that President Trump’s name be printed on stimulus checks being sent to millions of American workers impacted by the outbreak of the novel coronavirus, The Washington Post reported Tuesday, citing senior IRS officials.

The move, which marks the first time a president’s name will appear on a disbursement from the IRS, will reportedly cause delays for some of the $1,200 payments Congress approved in the $2 trillion stimulus package last month, two senior agency officials told the newspaper.

The Treasury Department denied that the development caused a delay, telling the Post that the "Economic Impact Payment checks are scheduled to go out on time and exactly as planned."

Trump's full name will appear on the memo line, the Post reported. About 70 million Americans are expected to receive the check with Trump's name.

The move to place Trump's name on the checks came after the president privately suggested doing so to Treasury Secretary Steven Mnuchin, the newspaper reported.

A president is not authorized to be a signer for legal disbursements by the U.S. Treasury, but administration officials said that Trump's name would instead be featured below a line that reads, "Economic Impact Payment."

An official from the Treasury Department's Bureau of the Fiscal Service will be the official signatory of the stimulus checks.

The checks are set to be mailed to individuals the IRS does not have banking information for, the Post reported, noting that the payments are separate from the ones the agency deposited to 80 million Americans' bank accounts earlier this week. The direct deposit payments don't bear Trump's name.

A Treasury official told the Post that the decision regarding the new checks was communicated to the IRS's information technology team on Tuesday. Adding Trump's name reportedly involves altering computer code that could delay the payments, the official said.

A Treasury spokesperson said in a statement that the Post's report was "inaccurate and misleading."

Monica Crowley said that the checks are scheduled to go out with "no delay whatsoever."

"Treasury and the IRS have worked around the clock to get fast and direct assistance to hardworking Americans," she added without mentioning whether Trump's name would be on the checks.

Treasury spokesperson response to last night's inaccurate and misleading Washington Post story: pic.twitter.com/5K7SNa6PFC
— Monica Crowley (@TreasurySpox) April 15, 2020

The $2 trillion economic relief package Trump signed last month was aimed at helping American workers and small businesses impacted by the pandemic. Under the legislation, Americans who made up to $75,000 in 2019 are eligible for the full $1,200 payment. Couples who filed taxes jointly and have an income of less than $150,000 can receive $2,400, with another $500 per child. Checks began arriving in Americans' bank accounts last weekend, the IRS said.

Trump in early April denied wanting to sign the stimulus checks being doled out to Americans, following reports that he had expressed interest in doing so.

"Me sign? No," Trump said during a White House briefing April 3. "There's millions of checks. I'm going to sign them? No. It's a Trump administration initiative. But do I want to sign them? No."

Approximately 150 million Americans qualify for the one-time $1,200 payment, which is aimed at easing the economic impact of the pandemic for individuals.

The coronavirus outbreak led to a mass closure of nonessential businesses, as governors around the nation instituted stay-at-home measures to slow the spread of the disease. The virtual shutdown of the economy led to a staggering surge in unemployment claims, as many companies have laid off workers because of a halt to business.

–Naomi Jagoda contributed to this report, which was updated on April 15 at 8:59 a.m.

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Alaska Air signs on for payroll support as part of airlines' $25B coronavirus bailout b

Alan Boyle
GeekWire
April 15, 2020

Seattle-based Alaska Airlines and nine other air carriers plan to participate in a $25 billion payroll assistance program that's part of the coronavirus relief package signed into law last month, Treasury Secretary Steven Mnuchin said today.

"Conversations continue with other airlines regarding their potential participation," Mnuchin said in a statement.

Today's announcement comes after days of negotiations over the terms of the assistance program, with the Treasury Department seeking ownership stakes in at least some of the airlines that participate.

Another point of contention is the Trump administration's insistence that about 30 percent of the money provided to the airlines would be in the form of a low-interest loan. Under the deals announced today, the loans would be repaid over 10 years.

If an airline's loan exceeds $100 million, the Treasury Department would be entitled to stock warrants worth 10 percent of the excess loan amount, The New York Times reported. Airlines that accept the money would also be required to refrain from major cuts in staffing or pay through September. Stock buybacks and dividend payouts would be prohibited until September 2021, and limits on executive pay would be in effect until late March 2022.

Alaska Airlines and its subsidiary, Horizon Air, will receive $992 million from the payroll support program, with $267 million of that sum in the form of a loan. The Treasury Department will have the right to buy 847,000 non-voting shares of Alaska Air Group at a price of $31.61 per share.

"We are grateful for and humbled by this support," Brad Tilden, Alaska Air Group's Chairman and CEO, said in a statement. "This aid will bring immediate and sorely needed liquidity to the airline industry and will enable all airlines – including Alaska – to continue serving our customers and to keep our people at work, while we adjust to an extraordinary reduction in demand.

United Airlines said it was still working out the details of its agreement with the Treasury Department. Allegiant Air said it's reviewing term sheets for federal assistance while it explores other financing alternatives.

As for the other airlines:
•Delta Air Lines will receive $5.4 billion from the payroll support program, including a loan of $1.6 billion, CEO Ed Bastian told employees in a memo. He said Delta will provide the government with warrants to acquire about 1 percent of Delta stock at $24.39 per share over five years.
•Southwest Airlines will be getting $3.2 billion in support, including a loan of almost $1 billion. The deal calls for the Treasury Department to receive warrants for about 2.6 million shares.
•JetBlue will receive $935.8 million in support, with $250.7 million in the form of a loan. The government will receive "a limited number of warrants," the airline said.
•American Airlines will receive $5.8 billion in support, including a loan of $1.7 billion. Details of the deal, including the stock warrants for the government, will be laid out in a regulatory filing, the airline said.
•Frontier Airlines, Hawaiian Airlines and SkyWest Airlines have also agreed to participate in the payroll support program, but details about their deals weren't immediately available.

The $25 billion payroll assistance program was set up under the terms of the Coronavirus Aid, Relief and Economic Security Act, or CARES Act. The detailed terms of the aid were left up to the airlines and the Treasury Department to negotiate — and not everyone in Congress was thrilled about the results.

"Although I'm glad that the Treasury is finally cutting checks for airline employees, I'm disappointed the terms will require repayment for some of the payroll grants," Sen. Ed Markey, D-Mass., said in a tweet.

The CARES Act provides another $25 billion for loans to passenger airlines, as well as $8 billion in grants and loans to cargo carriers. Alaska Airlines and Horizon Air said they would seek $1.128 billion in loans from the Treasury Department through the loan program, and American Airlines said it would seek nearly $4.8 billion in loans.

Meanwhile, Boeing is still considering how it would take advantage of federal assistance. The Washington Post quoted an unnamed Boeing official as saying "we're trying to figure out what the process and the protocol will look like with Treasury, and what will be the best way to approach it."

Today Boeing reported the cancellation of 150 orders for 737 MAX planes during March, which outweighed the month's 31 new orders for wide-body passenger planes and military aircraft. Twenty planes were delivered during March, rounding out a first quarter with only 50 commercial jet deliveries.

Boeing said in a statement that the coronavirus outbreak is dealing a heavy blow to the aviation market.

"The airline industry is confronting the COVID-19 pandemic and the unprecedented impacts on air travel," the company said. "We are working closely with our customers, many of whom are facing significant financial pressures, to review their fleet plans and make adjustments where appropriate. At the same time, Boeing continues to adjust its order book to adapt to lower-than-planned 737 MAX production in the near term."

The worldwide fleet of 737 MAX planes is still grounded in the wake of two catastrophic plane crashes, and most of Boeing's airplane production workforce has been idled due to the outbreak. However, Boeing says about 2,500 employees will be called back to their work sites in the Puget Sound region and Moses Lake, Wash., to work on defense projects and 737 MAX maintenance.
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The New York Times

Getting a Stimulus Check? Trump's Name Will Be on It
The decision to have President Trump's name appear on the checks is a break in protocol.

By Alan Rappeport

Published April 14, 2020Updated April 15, 2020, 7:57 a.m. ET

WASHINGTON — President Trump's name will appear on the economic stimulus checks that will be mailed to millions of Americans in the coming weeks, the Treasury Department confirmed on Tuesday.

The decision to have Mr. Trump's name on the checks, a break in protocol, was made by the Treasury Department after Mr. Trump suggested the idea to Steven Mnuchin, the Treasury secretary, according to a department official.

The president's name will appear in the "memo" section of the check because Mr. Trump is not legally authorized to sign such disbursements.

A department official, speaking on the condition of anonymity, denied that the decision would delay the disbursement of the checks and said that they would be mailed beginning next week. The decision about the president's name was first reported by The Washington Post.

But many Americans may not see the president's name. Those who are eligible for stimulus payments and have provided their banking information to the Internal Revenue Service will receive the money through direct deposit.

Representatives for the I.R.S. and the White House referred questions to the Treasury Department.

Treasury and I.R.S. officials briefed House Democrats about the economic stimulus payments this month and said that paper checks would be issued at a rate of about five million per week, beginning the week of May 4, for up to 20 weeks.

A memo that House Democrats drafted after the briefing made no mention of Mr. Trump's name appearing on the paper checks.

Erin Hatch, a spokeswoman for the House Ways and Means Committee Democrats, said that lawmakers were not made aware of the plan.

"The committee was not consulted about this," she said, "and we do not want the checks to be delayed for a second to add the signature."

Senator Ron Wyden of Oregon, the top Democrat on the Finance Committee, criticized the Trump administration's move to include the president's name on the relief money.

"Donald Trump is further delaying cash payments to millions of Americans struggling to pay the rent and put food on the table to feed his ego," Mr. Wyden said. "Only this president would try to make a pandemic and economic catastrophe all about him."

The Treasury said the first checks were expected to be in the mail early next week, ahead of initial estimates.
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The Hill

Federal Reserve's efforts on coronavirus raise eyebrows

By Sylvan Lane - 04/15/20 06:00 AM EDT

The Federal Reserve is pumping unrivaled levels of economic aid across the U.S., blowing through old taboos with trillions in rescue loans and bond purchases to buoy the American economy through the coronavirus pandemic.

Faced with a once-in-a-century economic crisis, the Fed under Chairman Jerome Powell has pledged to flood the U.S. with as much rescue lending and bond purchases as its legal charter allows and the economy requires.

The Fed has purchased more than $1 trillion in Treasury bonds and mortgage-backed securities — products that anchor U.S. financial markets — with no clear limit in sight.

The central bank has also opened nearly a dozen special credit facilities to purchase a wide range of consumer, corporate and government debt in exchange for loans to financial firms, businesses and municipal governments.

"We will continue to use these powers forcefully, proactively, and aggressively until we're confident that we are solidly on the road to recovery," Powell said in a speech Thursday, shortly after the Fed announced it would offer

another $2.5 trillion in economic relief, including unprecedented direct aid to nonfinancial businesses and municipal governments.

The Fed used its emergency lending powers and balance sheet to stimulate the economy and stabilize financial markets during the 2007-09 crisis and recession. While the Fed was criticized for its efforts to prop up banks a decade ago, few have questioned the necessity of its recent sprint to stop an economic collapse.

"Moral hazard is not part of the debate as it was within the Fed during the financial crisis in 2008-09," said Diane Swonk, chief economist at Grant Thornton, in a Thursday analysis.

"That is because this time really is different. We have to abandon our biases and warehouse them to deal with a health crisis. It is not the time to discuss who is worthy of our efforts."

Even so, the unrivaled scale and breakneck speed of the Fed's latest intervention have raised concerns about who may still get left behind and how much the rest of Washington should depend on the Fed's last-resort loans.

"If the Fed continues to go down this road and opens new windows and picks more sectors to support, particularly in this top-down way, the political consequences of this for independent central banking are going to be pretty interesting," said Karen Shaw Petrou, managing partner at Washington, D.C., research and consulting firm Federal Financial Analytics.

The Fed's primary responsibilities fall into two main buckets: keeping prices stable and unemployment low through monetary policy and ensuring the safety of the U.S. banks through regulation and supervision. But a provision of the bill that created the modern Fed system allows the central bank to become the lender of last resort in extreme economic downturns, with the consent of the Treasury secretary.

The catastrophic toll of the coronavirus pandemic and the recession it has created spurred few political challenges to the Fed's leap to action. With the blessing of Treasury Secretary Steven Mnuchin — Powell's chief ally within the Trump administration — the Fed has rewritten the playbook for responding to an economic crisis.

While Powell has pledged to stretch the Fed's lending authority to its legal boundaries, his hand was forced in part by President Trump and Congress. A provision in the $2.2 trillion economic rescue bill signed by Trump orders the Fed to use some of the $454 billion appropriated to backstop its emergency lending programs in facilities for businesses and municipal governments.

The Fed faced criticism during the Great Recession for its unwillingness to extend the same discounted loans to businesses and local governments that it offered to banks. It's refusal to do so was largely attributed to the political implications of choosing which specific municipalities or businesses would receive help and a concern over losing money on behalf of the U.S.

But the scale of the coronavirus pandemic and steep costs it will impose on states have largely erased any hesitation to the Fed aiding municipal governments. The central bank announced last week it would purchase up to $500 billion in bonds from cities with more than 1 million residents and counties with more than 2 million.

The Fed also announced it would offer four-year loans to companies with up to 10,000 employees or less than $2.5 billion in annual revenue that were financially solid before the coronavirus outbreak through a "Main Street Lending Facility."

"The latest actions from the Fed and the likelihood of further substantial fiscal support mean that the risk of an uncontained failure of the economy beyond, say, the end of May, has greatly diminished," wrote Ian Shepherdson, chief economist at Pantheon Macroeconomics, in a Tuesday research note.

"The speed and extent of the subsequent rebound remains deeply uncertain, but it is clear that both Congress and the Fed appreciate the depth and extent of the problem."

Few have questioned the necessity of the Fed's ambitious rescue plan. Even Trump, who ridiculed and berated Powell for nearly two years before the pandemic, has praised the Fed for its swift action.

Even so, the long-term implications of the central bank's scramble to save the economy worry some Fed watchers and analysts, especially because of the coronavirus's unique threats to the most vulnerable.

Brookings Institution fellow Aaron Klein and senior fellow Camille Busette wrote in a Tuesday analysis that while black Americans make up a disproportionate number of COVID-19 victims, "none of the thirty-five most African American cities in America meets the Fed's criteria for direct assistance."

These parameters would exclude the entire metropolitan statistical areas of Atlanta, Baltimore, Boston, Pittsburgh and Detroit and all counties in Ohio, Florida and New Jersey, they wrote.

"We are not suggesting that the Fed had racist intentions when setting this limit. To the contrary, everything suggests the Fed was just acting quickly in an unprecedented area," Klein and Busette wrote.

"Quick actions can have unintended consequences, and the Fed has time to fix this one," they added.

Petrou also noted that the Fed's cutoff for the Main Street lending program was well above the size and revenue of most small businesses facing uncertain financial danger.

"The only Main Street I know that looks like that is Park Avenue," Petrou said.

"When you're putting a $2.3 trillion program together and trying to open a lot of these complex windows essentially overnight, things will go wrong," she said.
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Larry Kudlow's War Bonds Are Coming But in a Plain Vanilla Wrapper
Bloomberg
Liz Capo McCormick and Saleha Mohsin
Bloomberg
April 15, 2020
Larry Kudlow's War Bonds Are Coming But in a Plain Vanilla Wrapper
(Bloomberg) -- President Donald Trump's top economic adviser Larry Kudlow may get the war bonds he wants as the U.S. swells its debt pile to levels unlike anything seen since World War II.

They won't actually be called war bonds, an idea Kudlow says he discussed with Trump and Treasury Secretary Steven Mnuchin. They won't actually be any different than the type of securities already being auctioned -- beside a reboot of a maturity that was previously shelved -- but they will be part of what the president calls his war with the "invisible enemy" of Covid-19. And they likely will cause the amount of U.S. debt to match the size of the economy for the first time since the 1940s.

Mnuchin is already cranking up debt issuance to fund the widening budget deficit in the wake of a $2.2 trillion stimulus package, the largest ever passed. The aid was expected to keep the economy running for another eight weeks or so, according to Mnuchin's own estimate when the law was enacted.

"The sheer amount of debt coming is really war-time sort of funding," said John Briggs, head of strategy for the Americas at Natwest Markets.

The tenors of the securities are expected to match what the government now offers, which are Treasuries with maturities out to 30 years, as well as a return of 20-year bonds.

No 50-Year

Mnuchin has heeded guidance from Treasury's debt advisory committee, which for years had stressed the U.S. should avoid bonds with longer maturities in order to best serve taxpayers. He has studied the potential of ultra-long bonds twice, with the possibility of a 50-year security re-emerging amid the current crisis.

However, Mnuchin's team concluded that the time isn't right for ultra-long bonds, despite pressure from some corners of the administration.

"We are going to be auctioning off 30-years and 20-years -- buy one of each, and it's the 50-year," Mnuchin quipped last week when pressed in a CNBC interview on the prospect of war bonds.

The 20-year bond -- which Mnuchin announced in January he would re-issue after a three-decade hiatus -- may be touted as Treasury's big war-funding splash, said Briggs.

"That way they will also be financing the rising deficit at the cheapest cost for taxpayers," he said.

The government already has been selling Treasury bills -- debt maturing in one year or less -- at a fever pitch, and boosted the size of recent three-, 10- and 30-year auctions. More is coming, with details on plans for long-term issuance slated to come at Treasury's May 6 quarterly refunding announcement.

Swelling Deficit

The extra spending combined with a likely deep recession will add $1.6 trillion to the deficit just in the next two

quarters, Briggs's Natwest colleague Blake Gwinn estimates. He sees $950 billion of that financed with Treasury bills and $250 billion via the Fed rolling over its securities into new ones. Treasury will have to sell notes and bonds to fund the remaining $400 billion.

The fiscal 2020 deficit that needs to be funded will be four times as large as last year's at $3.8 trillion, or almost 19% of gross domestic product, according to the Committee for a Responsible Federal Budget, a non-partisan group. While few in Washington see a need to prioritize fiscal prudence right now, given the economic damage being done by the virus, the CRFB warns that an unsustainable situation is brewing and corrective actions will be needed one day.

"Putting long-term deficit reduction measures in place sooner rather than later would allow policy makers to phase in changes more gradually and give those affected more warning and ability to prepare," the group wrote on its blog.

The U.S. has used special war bonds in the past, drawing on patriotism to fund military and counter-terrorism operations. Americans lent their government money through purchases of Liberty Bonds in World War I and War Bonds in World War II. In 2001, Treasury Secretary Paul O'Neill introduced "Patriot Bonds" to help finance the fight against terrorism after the Sept. 11 attacks.

All of those special offerings were savings bonds, or securities that are not tradeable or auctioned like standard Treasury debt. But this time, while Americans may be patriotic and united in a desire to fight the virus's effects, millions of them are unemployed with little spare cash to lend the government.

War bonds were also used last century to curb consumer spending and keep a lid on inflation. That's the opposite of what is needed now – especially with consumer spending making up about two thirds of GDP.

Haven Appeal

Economists at JPMorgan Chase & Co. say GDP will shrink an annualized 40% in the second quarter. The dire outlook should bolster demand from investors for the safety of Treasuries.

"There is a huge amount of debt that is coming in the second quarter," said Tom di Galoma, managing director of government trading and strategy at Seaport Global. "But there remains a lot of demand for government securities given fund managers remain concerned about the fate of the equity market. There may be some back-up in yields, but not very much."

The Federal Reserve's purchases of Treasuries, being done to ensure the smooth functioning of the bond market after it became dislocated amid the pandemic panic, will help Mnuchin by keeping yields lower than they would be otherwise. During the World War II era, President Franklin Delano Roosevelt had an understanding with then-Fed Chairman Marriner S. Eccles that long-term rates -- then at about 2.5% -- would be kept low.

The 10-year Treasury yield is currently trading at around 0.75%, compared with 1.92% at the end of 2019.

U.S. debt relative to the nation's GDP is on course to reach 100% sometime next year, comparable to levels during the World War II era, says Mark Zandi, Chief Economist at Moody's Analytics. Before the global financial crisis, it was 35% of GDP.

"There's a very fine distinction between a 'war bond' and a 10-year Treasury that is yielding what it is now," Zandi said by phone. "The difference is really in name only."


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Treasury
American Banker

April 15, 2020 Wednesday

House Dems seek details on FDIC's crisis plans following IG report

Section: Vol. 185; No. 72

Length: 298 words

Byline: Neil Haggerty

Body
WASHINGTON - House lawmakers are calling for a briefing from the Federal Deposit Insurance Corp. on how it will address an internal watchdog report that found weaknesses in the agency's crisis readiness.

The chairs of the House Financials Services and Oversight committees said in a letter Monday to FDIC Chairwoman Jelena McWilliams that an agency inspector general report last week raises "questions about whether the agency is prepared for the potential financial consequences from the coronavirus crisis."

"In light of the ongoing coronavirus pandemic and resulting strains on the global financial system, we urge you to act immediately to establish robust crisis readiness," wrote Reps. Maxine Waters, D-Calif., and Carolyn Maloney, D-N.Y.

The IG report, which was not conducted in response to the pandemic, said the agency lacks a written policy on readiness with defined roles and responsibilities for the staff tasked to respond to a crisis situation. The agency also did not train personnel to understand crisis readiness plans, the report said.

The report recommends that the agency develop an "all-hazards readiness plan that identifies the critical common functions and tasks" and that the agency document the results of its readiness plan exercises.

The lawmakers noted in their letter that the FDIC's IG assessments from 2018 and 2019 similarly identified crisis readiness as a "top challenge" for the agency.

A spokesperson for the FDIC said the agency is willing to brief the lawmakers and has acted "with urgency" to protect the health of its staff during the pandemic while carrying out its responsibilities.

"Our 6,000 employees are working every day to protect consumers and ensure the safety and soundness of the nation's financial system," the spokesperson said in an email.

https://www.americanbanker.com/news/house-dems-seek-details-on-fdics-crisis-plans-following-ig-report
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American Banker

April 15, 2020 Wednesday

Community banks call for AML relief in next coronavirus aid package



Section: Vol. 185; No. 72

Length: 332 words

Byline: Neil Haggerty

Body
WASHINGTON - Community banks want Congress to halt "beneficial owner" requirements for small-business customers that seek loans through the coronavirus rescue package that Congress passed last month.

In a letter Tuesday, Independent Community Bankers of America CEO Rebeca Romero Rainey said suspending the rules, which require banks to report an account's true owner to the Financial Crimes Enforcement Network, until Dec. 31 would make it easier for customers to seek Small Business Administration loans through the Paycheck Protection Program.

"This rule suspension will facilitate quick access for both PPP and non-PPP credit," Rainey wrote to House Speaker Nancy Pelosi, D-Calif., and Senate Majority Leader Mitch McConnell, R-Ky. "Banks will exercise ongoing due diligence and monitoring to safeguard the PPP from fraud."

Paul Merski, group executive vice president for congressional relations and strategy at the ICBA, said beneficial ownership rules - part of broader anti-money-laundering requirements - are keeping banks from taking on new customers for the PPP because banks have to certify new customers' true owners when then they apply customers for the PPP because banks have to certify new customers' true owners when then they apply.

"If you're a new small-business customer " then every owner that owns 20% or more of the company, you have to do all of the Fincen documentation that you certify who these owners are," Merski said. "And there's just no time to do that. " Particularly in an emergency situation, it's really putting [new customers] at a huge disadvantage."

The banking industry has been engaged inongoing effortsto ease beneficial owner requirements permanently as part of AML reforms, urging lawmakers to pass legislation that would require companies to report owner information directly to Fincen at incorporation. That would take the burden off of banks.

Sen. Sherrod Brown of Ohio, the top Democrat on the Senate Banking Committee,signaledin an interview with American Banker that he might be willing to support regulators relaxing beneficial ownership requirements.

https://www.americanbanker.com/news/community-banks-call-for-aml-relief-in-next-coronavirus-aid-package
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The Wall Street Journal

Wall Street Explores Changes to Circuit Breakers After Coronavirus Crash
Financial firms look at making trading halts less likely immediately after the opening bell

By Alexander Osipovich and Dawn Lim

April 15, 2020 8:09 am ET

Financial heavyweights including Morgan Stanley, MS -3.63% ▲ Citadel Securities and BlackRock Inc. BLK -2.96% ▲ are exploring potential changes to the U.S. stock market's circuit breakers after the rarely used mechanisms repeatedly halted trading last month.

The firms belong to a loose industry task force made up mainly of brokerages, trading firms and exchanges that held several rounds of discussions in recent weeks on circuit breakers, said people familiar with the matter. The group is reviewing how circuit breakers worked during the unprecedented selloff in March triggered by concern over the coronavirus pandemic and is identifying possible fixes to recommend to the Securities and Exchange Commission.

SEC officials have taken part in the group's calls, the people said.

A major focus of the task force has been a potential revision of the circuit-breaker rules to make it less likely for a marketwide trading halt to occur right after the opening bell at 9:30 a.m. ET, the people said. That can happen if global market sentiment has sharply deteriorated overnight, putting stocks on track for big losses.

During three of the four occasions when circuit breakers were tripped last month, the halt came within a few minutes of the open when the S&P 500 dropped 7%. On March 16, trading was halted one second after 9:30 a.m. That prompted criticism that there was no point in opening the stock market only to halt trading immediately.

Still, loosening the circuit-breaker rules to let stock indexes swing more freely would chip away at a decades-old system designed to protect investors during crashes.

Circuit breakers are meant to thwart financial panics by giving investors time to pause and digest fast-moving information. The SEC first mandated marketwide circuit breakers after the Black Monday crash of 1987 and adjusted them in response to the 2010 flash crash.

Under current rules, a 7% drop in the S&P 500 triggers a 15-minute halt. If the market goes on to fall 13%, trading is halted for another 15 minutes. If it decreases 20%, trading is halted for the rest of the day. The latter two scenarios have never occurred.

Several members of the task force, according to the people familiar with the matter, suggested relaxing the circuit-breaker regime at the start of the day—between 9:30 a.m. and 9:45 a.m., for instance. Under such an approach, a drop greater than 7% would be required to halt trading during that period, the people said.

One idea was to allow the market to open down 7% but to halt trading if losses accelerated and the S&P 500 hit another threshold, such as 13%, they said. Some task-force participants questioned the need for having circuit breakers at all at the open, but others countered that it was important to retain some protections at 9:30 a.m., the people said. So far, the group hasn't come to a consensus on any changes.

Any revisions to the circuit breakers would need to be approved by the SEC in a lengthy process that would be open to public debate. The task force expects to study data from March before issuing any recommendations, the open to public debate. The task force expects to study data from March before issuing any recommendations, the people said. It is possible the group might not recommend any changes after it finishes that review.

"The SEC is pleased that different players in the industry are working together to assess how our market structure regulatory mechanisms have worked in real market conditions, and whether any changes might be warranted," Brett Redfearn, director of the SEC's division of trading and markets, said in a statement.

Exchanges and other firms agreed to form the task force last year, with SEC encouragement, before the Covid-19 pandemic sent markets into a tailspin, the people familiar with the matter said. The group had several conference calls in March when circuit breakers were tripped for the first time since 1997. That injected momentum into what otherwise would have been theoretical discussions, the people said.

The task force is also debating how to fix dislocations such as those that emerged recently between a key futures contract and an exchange-traded fund that both track the S&P 500, they said.

Prices for S&P 500 futures and the SPDR S&P 500 ETF Trust,best known by its ticker, SPY, almost always move in tandem. But if markets swing sharply overnight, gaps can appear between them, potentially sowing confusion over where stocks are likely to open in the morning.

A longstanding rule of the futures-exchange operator CME Group Inc.limits overnight price swings in the futures to 5% up or down. No similar limits govern the trading of SPY in the after-hours trading session from 4 p.m. to 8 p.m., or in premarket trading from 4 a.m. to 9:30 a.m. On March 16, at 9:20 a.m., for example, SPY was down 11% from its previous closing value, while the futures were stuck at their 5% limit-down level.

BlackRock and other task-force members are in favor of greater harmonization in how equities and futures are allowed to trade overnight, said a person familiar with the matter, but the details still need to be hashed out.

CME has said ETFs should face restrictions so they are aligned with its own limits on S&P 500 futures. Members of the circuit-breaker group have privately urged CME, also a member of the task force, to widen its 5% overnight limits, potentially to 7%, the people said.

But CME has resisted such a step. Expanding the 5% limits on S&P 500 futures in overnight trading when stock exchanges are closed would be "reckless," CME Chairman and Chief Executive Terrence Duffy said in an interview.

Write to Alexander Osipovich at alexander.osipovich@dowjones.com and Dawn Lim at dawn.lim@wsj.com
#Top of the Document
The Wall Street Journal

## Small Business Loan Snafus

The Paycheck Protection Program has glitches that will deny cash to many deserving borrowers.

By The Editorial Board

April 14, 2020 7:39 pm ET

Congress is rushing to add $250 billion more for small business loans amid worries that the $350 billion in last month's $2.2 trillion relief bill won't be enough. How about also patching the Paycheck Protection Program's holes?

The Small Business Administration on Friday reported that 600,000 loans totaling $161 billion had been approved, but businesses say lenders aren't disbursing money fast enough. Banks, on the other hand, say the agency's application portal has experienced technical glitches and they are getting whipsawed by constantly changing rules.

Congress didn't write clear regulations, so Treasury is issuing guidance every few days responding to questions from lenders and borrowers. Treasury says it's trying to honor Congress's intention to provide small businesses with liquidity and encourage them to retain workers during the lockdown.

But program rules are creating quandaries for many businesses. Congress allowed businesses and nonprofits with 500 or fewer employees to borrow up to 2.5 times their average monthly payroll excluding compensation over $100,000. Treasury prescribed an interest rate of 1% and a two-year amortization.

Under the law businesses can only spend the loans on mortgage interest (but not principal), utilities, rent and payroll over eight weeks after the loan is disbursed. This means businesses can't use the money to pay suppliers, contractors, creditors or insurers. Treasury has also required that businesses spend 75% of the loan on payroll to qualify for forgiveness.

qualify for forgiveness.

But that 75% stipulation isn't in the legislation, and many businesses on a normal basis spend less than half of their revenue on payroll. Those forced to shut down on government orders will have to keep paying overhead even if they have no customers. They won't stay in business long if they don't pay their mortgage or suppliers.

Workers then won't have jobs once the economy reopens, or they might quit if they calculate they'd be better off collecting enhanced unemployed benefits. If that happens, businesses would get stuck with debt they expected to have forgiven.

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One solution would be to set the maximum loan value at some multiple of standard operating expenses. Congress could also broaden loan forgiveness to cover a larger share of non-payroll costs, which would give businesses more flexibility. Or allow businesses to use loans to pay workers over a longer period so they can revive once customers return.

Another hang-up is the SBA's "affiliation" rules, which normally disqualify businesses backed by venture capital as well as franchises that employ more than 500 workers combined. Congress explicitly exempted franchises from these rules, but SBA bureaucrats have insisted that each franchise receive a waiver from the agency before getting approved for a loan.

Then there's the question of whether startups with shareholders who own stakes in other businesses are eligible for loans. Treasury last week said startups could tap loans if a minority shareholder "irrevocably waives or relinquishes its rights" to block a shareholder vote—that is, investors must permanently cede control.

This may seem like a fair price for access to cheap government loans, especially since the program isn't intended to benefit businesses with wealthy investors. But don't be surprised if investors spurn Treasury's ultimatum and pull the plug on some startups. If Congress wants to ensure startups have access to loans, they should make that clear in law.

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Congress also needs to provide absolute legal immunity for lenders. The relief bill says lenders will be "held harmless" by the SBA Administrator if they rely on borrower statements. But this provision applies only to loan forgiveness, not loan approvals. Lenders could still be sued for making loans to borrowers who fudge their qualifications.

Banks remember all too well how the Obama Justice Department used the False Claims Act to sue them after the 2008-2009 financial crisis for lax underwriting on loans insured by the Federal Housing Administration or securitized by Fannie Mae.Treasury has issued guidance assuring lenders that "the U.S. government will not challenge lender PPP actions that conform to this guidance." This was followed with a footnote: "This document does not carry the force and effect of law independent of the statute and regulations on which it is based."

In other words, trust Treasury guidance at your own risk. Banks are doing extra due diligence so they don't get whacked later for approving loans for borrowers who are ineligible under the law or Treasury's guidance. This is causing delays in loan disbursements. Congress has time to fix all these problems when it appropriates more money, and it should do so rather than defer to Treasury.

The loan program is still merely a Band-aid for ailing businesses, and many will fail no matter how much money Congress pumps out. That's why politicians and public-health officials need a plan to reopen the economy.
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The Wall Street Journal

March Retail Sales Plunged Record 8.7% as Coronavirus Shutdowns Took Hold
Social distancing, lockdowns and travel restrictions made a sharp dent in retail sales

By Harriet Torry

April 15, 2020 8:39 am ET

WASHINGTON—U.S. retail sales posted its largest drop on record in March, as widespread shutdowns from the coronavirus pandemic prompted American shoppers to sharply reduce spending on vehicles, clothing and dining.

Retail sales, a measure of purchases at stores, at restaurants and online, decreased a seasonally adjusted 8.7% in March from a month earlier, the Commerce Department said Wednesday.

Social distancing, lockdowns and travel restrictions related to the pandemic last month made a sharp dent in retail sales, which account for about a quarter of all consumer spending.

Economists surveyed by The Wall Street Journal forecast that retail sales dropped 8% in March from a month earlier.

Write to Harriet Torry at harriet.torry@wsj.com
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The Financial Times
Will Covid-19 repatriation leave us with a large tax bill?
We are returning to the UK from the US following the virus outbreak
Lucy Warwick-Ching
April 15, 2020
We are returning to the UK from the US following the coronavirus pandemic. We lived and worked in the US for several years and it is likely that we will be back in the UK for some time. We are worried we will face a sizeable tax bill from HM Revenue & Customs on our US earnings while still being taxed in the US. Is there anything we can do to ensure our repatriation does not leave us with a large tax bill?

James McNeile, a partner in the estate planning team at Royds Withy King, says residence is one factor which governs what and how much UK tax you have to pay. If you spend over 183 days in the UK in a tax year you will normally be treated as tax resident there. If you have other linking factors, such as residential property or family living in the UK, a much shorter period may cause you to become tax resident.

Special guidance issued by HMRC on March 20 suggests, though, that if an individual is unable to leave the UK as a result of closure of an international border or is asked by the employer to return temporarily to the UK as a result of the virus, then days spent here, up to a maximum of 60, will be treated as "exceptional circumstances" and ignored in the day counting exercise for residence. You do have to leave as soon as circumstances allow.

Another concession which may help is the possibility of splitting a tax year into resident and non-resident portions so that, in certain circumstances, income earned in foreign employment may not be taxed in the UK even if received in a tax year in which you eventually end up being treated as resident here.

An important point to bear in mind is that the US tax year mirrors the calendar year and the UK tax year runs to April 5. This can create mismatches and opportunities so far as the extent of yearly income is measured in each of the two countries.

You will also be able to benefit from the double tax treaty in place between the UK and US to ensure that you do not duplicate the tax paid on the same income.

Something to keep an eye on is the tax compliance position if you are a trustee of any family trusts, as the change of residence of an individual trustee can cause the trust itself to change residence status with potentially punitive results.

Stephen Metcalf, a senior manager in the private client tax team at accountants Kreston Reeves, says each country has its own set of rules to determine your tax resident status, with a common feature being a measure of the number of days spent in that country. The UK has the statutory residence test, in which the number of days that an individual is allowed to spend in the UK without becoming resident is affected by various factors including work, home and family locations. The best way you can avoid a UK tax bill will be to limit the number of days spent in the country to avoid becoming UK tax resident.

In the current circumstances, with travel restrictions across much of the globe, this is quite a challenge. The UK residence test does allow for individuals to spend up to 60 additional days in the UK in "exceptional circumstances", although that bar is set very high.

However, HMRC has provided welcome clarification, with the impact of coronavirus on travel being recognised as exceptional in a number of scenarios. This includes whether self-isolation quarantine stops you from travelling; if government advice is to not travel from the UK; border closures in other countries, such as the US currently: and your employer asking you to return to the UK temporarily.

Despite this, you may find yourself tax resident in the UK and the US. Even if you lose your US tax residence status, its tax rules can still mean you are liable as a continuing US citizen.

You will then need to consider the double tax treaty between the UK and US, which in many cases will allow for tax relief to be claimed in one country for tax paid in the other. The treaty sets out tiebreaker clauses on tax residence and also, in the cases of different types of income (employment, business income, dividend, interest), which country has the primary taxing rights and the rate of relief available.

Double taxation may cause significant cash flow problems even if there are reliefs available, as it can take time for the relevant authorities to process claims and issue appropriate refunds. It is a complicated area and one that can easily catch you out. You should therefore take action as soon as practicably possible.

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Do you have a financial dilemma that you'd like FT Money's team of professional experts to look into? Email your problem in confidence to money@ft.com

Our next question

I'm a senior executive working in management consultancy and have been asked to take a 10 per cent pay cut. My employer has not said it is temporary, just that it will be reviewed in three months. They have said that if we don't take pay cuts redundancies would be on the cards for a number of employees. Should I agree and what are the considerations?


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The Financial Times
US confident of 'fundamental shift' in oil politics
Energy secretary believes power of shale energy sector helped secure Opec cuts deal
Demetri Sevastopulo in Washington and Derek Brower in London
April 15, 2020
The US energy secretary says Washington's success in pushing Russia and Saudi Arabia to end their oil price war marks a "fundamental shift" in global oil politics, which has been made possible by its own self-sufficiency.

Dan Brouillette told the Financial Times in an interview that the shale energy revolution had "dramatically" elevated the US's negotiating power compared to its position in dealing with previous global crises.

"That doesn't make us... an 800-pound gorilla but it does fundamentally change the politics," he said. "When we were wholly dependent upon oil being imported into the country, we could not have brought these two major oil producers to the table to resolve their dispute."

Riyadh and Moscow ended their month-long price war on Sunday evening with the biggest oil cut deal in history. The agreement by the Opec+ group will remove almost 10m barrels a day from supply.

President Donald Trump previously said he could put tariffs on oil imports after lobbying from shale executives, including his friend Harold Hamm, head of Continental Resources, to encourage Riyadh and Moscow to agree a deal.

Asked if the threat had subsided, Mr Brouillette said tariffs were always an option. "Every nation will keep every option on the table when you're attempting to protect one of your more important or most important domestic industries.

"If you want access to the number one economy... you're going to agree to terms and conditions that are going to be set by that economy," he added. "Because we're able to cover our own energy needs... we can by inference make the point that... hey, you know, we maybe don't need as much as we used to need from you."

Mr Trump spoke several times to Crown Prince Mohammed bin Salman of Saudi Arabia and Russian president Vladimir Putin to try secure the deal. His intervention also helped iron out a dispute between Riyadh and Mexico.

Asked what Saudi Arabia got in return for easing its demand that Mexico agree to larger cuts, Mr Brouillette said Washington had convinced the parties not to "hold up this... deal over this small amount of oil and that argument won the day".

Mr Brouillette said the US had not held talks with Moscow about easing sanctions as an inducement to strike a deal. Asked how the US would respond if the producers did not honour their cuts, he said the Trump administration believed they "have every intention" of keeping their agreements. But he stressed that the market would help since "there is no market to place your oil today" because of the collapse in demand.

Oil prices have fallen since the deal as traders doubt that it can make up for the loss of up to 30 per cent of global

demand. Asked if the cuts were enough, Mr Brouillette said: "They are more than zero, which is a positive thing." He said they could end up being as much as 20m barrels because of the fall in demand.

Mr Brouillette refused to be drawn on whether the US had an optimum range for oil prices, saying it was "what the market will bear".

The energy department previously said it would open up the Strategic Petroleum Reserve so producers could store oil, soaking up some of the excess. Mr Brouillette said there were nine bids from companies to store oil in the SPR, which can legally hold up to 1bn barrels.

He said his department was talking to Congress about getting the funding to expand storage in Texas and Louisiana, and also considering other options. Congress did not provide money for the expansion in the $2tn stimulus plan recently passed to help the US weather the coronavirus public health and economic crisis.

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#Top of the Document
The Financial Times
When the government calls, companies must answer
The aim is to emerge with a sterling reputation, staff trust and solid financial base
ROBERT ARMSTRONG
Robert Armstrong
April 15, 2020
In a time of crisis, what does business owe the public good? And what can the government require companies to do? If the crisis is deep enough, the answer to the latter question is: almost anything.

In his 1942 State of the Union address, US president Franklin D Roosevelt proclaimed "overwhelming superiority of armament" a requirement for victory in the second world war. He ordered the construction of an astonishing 60,000 planes, 45,000 tanks, 20,000 anti-aircraft guns and 6m tonnes of shipping capacity that year. To reach those goals, the Office of Production Management banned the manufacture of passenger cars, diverting all of Detroit's manufacturing capacity to the war effort.

In the coronavirus pandemic, the US government's demands have been lighter — but less predictable. Last month, President Donald Trump signed a memo ordering General Motors to "accept, perform, and prioritise federal contracts for ventilators". The memo said GM had been "wasting time", and Mr Trump tweeted that it was "always a mess with" chief executive Mary Barra. A similar memo instructed the secretary of homeland security to "use any and all authority" to secure N95 face masks from the manufacturer 3M. It came after Mr Trump said 3M would have "a hell of a price to pay" if it did not prioritise US customers.

Both companies quickly came to agreements with the administration. A GM factory will soon start turning out ventilators, and 3M has agreed to send some 166m masks to the US from its plants abroad. It may not always be so easy, however.

We are at a moment of cautious optimism about the virus's trajectory. But the worst-case scenario, in which repeated outbreaks cripple the US economy for another six months or more, may yet play out. In that case, the federal government will ask much more of a lot more companies.

The greatest risk then would come not from Mr Trump's tweets and temper but the lack of institutional structures. FDR put in place systems that filtered the executive will through agencies, boards and Congress. Business executives were not just consulted; they led the efforts. The first chair of the Office of Production Management was former GM president William Knudsen.

The rapid rise of coronavirus has made it difficult to construct that kind of structure. This may change in time, but so far Mr Trump has kept power closely held. His supply-chain task force is run by a Navy admiral, not a business leader, and it gives the presidential son-in-law, Jared Kushner, a key role.

Complicating companies' relationship with the government is the fact that the biggest challenge this time is not going to be manufacturing equipment but supporting the economy through the shutdown.

When the government tells you to make guns to kill Nazis, and offers to pay, you do it. When it tells you to administer, for a fee, the coronavirus bailout programme for small business, as US banks have been asked to do, it is almost as easy to say yes. If the next ask — implicit or explicit — is about whether companies can lay off staff or set pay, responding will be harder.

There is no guarantee that what the government asks will be reasonable. But two principles will help see companies through. First: don't wait. The best way for an industry to avoid landing on the wrong side of an unpredictable government's agenda — or of public opinion — is to act first.

We have seen some of this already. The biggest US banks announced as a group that they would suspend buyback programmes to preserve capital for lending. This was not a costless decision. With banks' share prices low, buybacks can deliver big gains to shareholders, and many bank leaders were confident they had plenty of capital. But the decision was wise. Shares can always be bought back after the crisis has passed, and acting early aligned the banks with regulators and the public good.

We will need to see similar and bolder actions, if the crisis worsens. The American industrial response to coronavirus will almost certainly be better if companies lead and the president follows.

But this can only happen if companies follow a second principle: look to the horizon. In normal times, there is a healthy tension between short-term and long-term results. In a crisis, only the long term matters. The goal must be to contribute what you can, and emerge from the crisis with a sterling public reputation, employee trust and a strong financial foundation. All this will pave the way for a better relationship with government, too.

In 1944, Sewell Avery, chairman of the department store Montgomery Ward and an ardent free marketeer, lost patience with the government rules for negotiating with the store's unions. "To hell with government!" he shouted. He was physically carried out of his office by national guardsmen. Mr Avery eventually got his company back. But today's chief executives might want to consider how a similar failure to see the big picture would play out in the age of social media.

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The New York Times
'Pretty Catastrophic' Month for Retailers, and Now a Race to Survive
March brought a record sales plunge as the coronavirus outbreak closed stores. A long shutdown could leave lasting changes in the shopping landscape.

By Sapna Maheshwari and Ben Casselman
April 15, 2020
Updated 11:05 a.m. ET
Retail sales plunged in March, offering a grim snapshot of the coronavirus outbreak's effect on consumer spending, as businesses shuttered from coast to coast and wary shoppers restricted their spending.

Total sales, which include retail purchases in stores and online as well as money spent at bars and restaurants, fell 8.7 percent from the previous month, the Commerce Department said Wednesday. The decline was by far the largest in the nearly three decades the government has tracked the data.

Even that bleak figure doesn't capture the full impact of the sudden economic freeze on the retail industry. Most states didn't shut down nonessential businesses until late March or early April, meaning data for the current month could be worse still.

"It was a pretty catastrophic drop-off in that back half of the month," said Sucharita Kodali, a retail analyst at Forrester Research. She said April "may be one of the worst months ever."

Previously, the largest one-month drop in retail sales came in the fall of 2008, when the financial crisis led spending to plunge nearly 4 percent for two straight months. Sales ended up falling more than 12 percent before they began to recover. The current crisis is on pace to surpass that collapse in a matter of weeks.

Grocery stores, pharmacies and other sellers of essential items saw a surge of demand as consumers stocked up. But that didn't come close to offsetting the steep drop in sales in virtually every other category. Spending on cars and car parts fell by more than 25 percent in March, seasonally adjusted. Sales at gas stations, pushed down by low oil prices as well as reduced commuting, fell 17 percent. And sales at clothing stores fell by more than half.

Now the question is how quickly spending will bounce back once the economy reopens, and how many businesses will survive until then.

Economists often distinguish demand that is deterred because of a crisis from demand that is destroyed. Retail probably has some of each. Someone who needs a new dishwasher might put off the purchase but will probably

buy one eventually. But an office worker who puts off her springtime wardrobe refresh might just skip a year, meaning those sales are simply lost.

"Pent-up demand is what drives recoveries, and the good news there is we will come out of this with some degree of pent-up demand," said Ellen Zentner, chief U.S. economist for Morgan Stanley. She added, however, that there are "a lot of caveats."

People who lose jobs won't quickly resume spending once businesses reopen. And people willing to spend might be reluctant to congregate in malls, restaurants and other businesses that rely on face-to-face contact.

Even when demand does rebound, it might come too late for some retailers, many of which were struggling even before the pandemic because of changes in mall traffic and a long-term shift to online sales.

Apparel retailers, in particular, seem to be preparing for a substantial amount of destroyed demand. Deborah Weinswig, founder of Coresight Research, an advisory and research firm that specializes in retail and technology, said she had spoken with retailers who are preparing for holiday sales to be 40 percent lower than last year.

Gap, which has been trying to rehabilitate its namesake brand in recent years with limited success, said it would continue "aggressively" closing the brand's stores. "This crisis will absolutely set a new baseline for what component of the fleet we want to keep," Katrina O'Connell, Gap's chief financial officer, said last week on a conference call with analysts and investors.

The retail sector cut more than 30,000 jobs in 2019, and the losses would have been even greater had it not been for a surge in hiring late in the year. Some segments of the industry have been hit especially hard. Department stores employed nearly a third fewer people in February than at their post-recession peak in 2012, and their sales were down nearly 6 percent in February compared with a year earlier.

What happens to retail matters to the broader economy. The sector accounts for more than one in 10 U.S. jobs; only health care employs more. Its stores generate billions of dollars in rent for commercial landlords, ad sales for local media outlets, and sales-tax receipts for state and local governments.

If retailers survive and can quickly reopen and rehire workers, then the eventual economic recovery could be relatively swift. But the failure of a large share of businesses would lead to prolonged unemployment and a much slower rebound.

Economic policymakers in Washington have been trying to avoid that kind of cascade of business failures. The $2 trillion emergency package passed by Congress last month included expanded unemployment benefits so that laid-off workers can keep paying rent and buying food. And that package and programs announced by the Federal Reserve include government-backed loans and grants to keep businesses afloat.

Those programs have gotten off to a rocky start, however, with many businesses reporting difficulty applying for loans.

"They need lifeboats, and the lifeboats aren't getting out there fast enough," said Diane Swonk, chief economist at Grant Thornton. "This is a time when speed matters more than bureaucracy."

The disruptions from the pandemic may ultimately hand more power to retailers able to continue operating stores during the crisis.

"It's only going to cause a shakeout of a lot of retailers, and I think long-term it just means that some of these big guys get less competition," Ms. Kodali of Forrester Research said. "The less competition they have, the worse they can treat everybody, whether it's a supplier, a customer or an employee."

John Horrocks closed BlackBird Frame & Art, a custom framing business in Asheville, N.C., based on county orders on March 26 and anticipates it will remain closed through May. Mr. Horrocks, who owns the shop with his wife, is working with a local bank to secure a loan through the Paycheck Protection Program, which will help pay the staff until the business reopens.

Mr. Horrocks, 65, said that he understood the need for the shutdown but that he had been frustrated to see national retailers continue to sell nonessential goods and services even as local businesses temporarily shutter. A Michaels location in Asheville, for instance, has remained open as an essential business and continues to offer custom framing to shoppers, he said.

"My main problem with this is just the inequity of it," he said.

Michaels did not respond to a request for comment.

Mr. Horrocks said that he expected to make payroll through May "without a problem," but that "beyond that, it gets very, very difficult."

Small businesses across the country are making similar calculations. A recent survey by a team of academic economists found that roughly three-quarters of small businesses had cash available to cover two months or less of expenses; a quarter had enough for less than a month.

As a result, many small retailers are racing the clock. Two-thirds said they would be able to stay in business if the crisis lasted a month, but only a third said they would survive if the disruption dragged on for four months.

"There's no question that if it goes on for four to six months, it will be catastrophic," said Edward Glaeser, a Harvard economist who was one of the study's authors. "For many businesses, almost assuredly the answer will be closure."

The coronavirus crisis hit retailers as they were already struggling to adapt to rapidly changing shopping patterns.

"We're going to come out of this having accelerated some of the trends that were already in place," Ms. Zentner of Morgan Stanley said. "Internet taking share from brick and mortar, that's going to be accelerated."

The steep sales drop underscores the huge role that physical stores continue to play within retailing. Even as online businesses at major apparel chains and department stores have gained ground in recent years, they can't make up for the shuttering of malls and stores.

Some chains like Best Buy were quick to roll out contact-free curbside pickup for products last month. But in the long run, such chains want customers to walk around stores and talk with staff members so that shoppers take "a second bite of the apple" as they browse, said Craig Johnson, president of Customer Growth Partners, a retail consulting firm.

For many of the nation's nearly 16 million retail workers, the standstill has meant a loss of their livelihood, often overnight.

When Mia Lupo showed up to work at Bloomingdale's in Norwalk, Conn., on March 16, it was clear that nothing was normal. The few customers were mostly making returns or buying sweatpants to prepare for working from home. Workers were worried about their jobs, but also about their safety.

"None of us had any idea what was going on," Ms. Lupo, 27, said. "We're just like panicking because we're all hourly-wage workers, we need the money, but we also don't want to get sick and we don't want our families to get sick."

The next day, Bloomingdale's parent company, Macy's, announced it was closing its stores — news that Ms. Lupo learned on Twitter — and it later furloughed nearly all its workers. She is now awaiting her first unemployment payment.

Sapna Maheshwari covers retail. She has won reporting awards from the Society of American Business Editors and Writers and the Newswomen's Club of New York and was on Time's list of "140 Best Twitter Feeds of 2014." @sapna • Facebook

Ben Casselman writes about economics, with a particular focus on stories involving data. He previously reported for FiveThirtyEight and The Wall Street Journal. @bencasselman • Facebook
#Top of the Document
The New York Times
The Virus Is Vaporizing Tax Revenues, Putting States in a Bind
With businesses closed and obligations mounting, state finances are stretched and poised to worsen.

By Mary Williams Walsh
April 15, 2020
Updated 9:16 a.m. ET

The ballooning costs of the coronavirus pandemic have put an unexpected strain on the finances of states, which are hurriedly diverting funds from elsewhere to fight the outbreak even as the economic shutdown squeezes their main source of revenue — taxes.

States provide most of America's public health, education and policing services, and a lot of its highways, mass transit systems and waterworks. Now, sales taxes — the biggest source of revenue for most states — have fallen off a cliff as business activity grinds to a halt and consumers stay home.

Personal income taxes, usually states' second-biggest revenue source, started falling in March, when millions lost their paychecks and tax withholdings stopped. April usually brings a big slug of income-tax money, but this year the filing deadlines have been postponed until July.

"This is going to be horrific for state and local finances," said Donald J. Boyd, the head of Boyd Research, an economics and fiscal consulting firm, whose clients include states and the federal government.

Many state and local governments have already taken extraordinary measures to protect residents and keep public services running. New York lawmakers gave Gov. Andrew M. Cuomo a one-year window to unilaterally cut spending if warranted, as the state faces a shortfall of at least $10 billion in tax revenue.

In Connecticut, Gov. Ned Lamont directed an extra $35 million to the state's nursing homes so that they could pay retention bonuses, overtime and other incentives to keep workers on the job as the health crisis worsened. Oklahoma lawmakers authorized Gov. Kevin Stitt to tap into the state's $1 billion rainy-day fund to make up a $415 million budget gap he attributed to delayed income-tax payments.

Even if states are able to stretch their finances temporarily — by trimming budgets, appropriating funds earmarked for other purposes or passing emergency legislation, as many have done — the economic recovery is expected to be slow. That means tax revenues from tourism, oil and gas drilling, conventions and other activities are probably not going to bounce back.

"We can't spend what we don't have," Mr. Cuomo told the New York Legislature this month. The state is hoping to bridge its revenue gap through a mix of federal aid, loans and cuts.

Companies are unlikely to hire back the millions of workers they have laid off until they can restart normal operations, and some businesses may fold entirely. High unemployment, low consumer demand and a wave of personal bankruptcies are likely to push up the welfare-related expenses of states — on top of their pandemic-related bills.

"It will be very hard to pay for people in nursing homes, and to pay teachers to teach kids when school resumes, and to pay police," Mr. Boyd said, naming three services that are financed in large part by the states and provided by local governments. States, along with the federal government, typically reimburse nursing homes for patient care through Medicaid and other programs.

The governors of seven Northeastern states, including New York, said this week that they would coordinate efforts to reopen their economies as the rate of daily infections dropped; the governors of three West Coast states made a similar pact. The governors have been reacting to President Trump's statements on Monday that he had the ultimate power to decide when to relax stay-at-home orders and other restrictions that states have ordered to slow the spread of the virus.

Last week, the National Governors Association called on Congress to provide additional fiscal assistance to states to meet budget shortfalls arising from the crisis. "In the absence of unrestricted fiscal support of at least $500 billion from the federal government, states will have to confront the prospect of significant reductions to critically important services all across this country, hampering public health, the economic recovery, and — in turn — our collective effort to get people back to work," the association's chairman, Gov. Larry Hogan of Maryland, and vice chairman, Mr. Cuomo, said in a statement.

No two states are being affected the same way. Some of the most drastic tax revenue losses have occurred in states like Texas, Oklahoma, Alaska and Louisiana, which rely heavily on taxing oil and gas. Oklahoma based its initial budget projections on $55-a-barrel oil; lately, the price has been less than half that. The Texas Taxpayers and Research Association estimates that for every dollar decline in the price of oil, the state loses $85 million in revenue.

"The things we thought would keep us from hitting the edge of the fiscal cliff — oil prices rebounding, production coming up dramatically — those prospects look awfully dim right now," Pat Pitney, the Alaska Legislature's chief budget analyst, who was budget director to former Gov. Bill Walker, recently told the Alaska Public Media news site. "None of us knows the future. But the signs are way less optimistic than they were just a few short months ago."

Other states, like Hawaii, Nevada, New York and New Jersey, depend heavily on bringing in huge numbers of people — sun worshipers, theatergoers, gamblers, conventioneers, sports fans — and taxing their hotel rooms, tickets, restaurant meals and alcohol.

The Congressional Budget Office studied pandemics in 2006, after a devastating viral outbreak in Asia, and

warned that if a similar event happened here, "industries that require interpersonal contact" would be hit the hardest, losing 80 percent of their business for several months. And in fact, last month the New York City comptroller, Scott Stringer, reported an 80 percent decline in tourism-related industries.

"We're facing the possibility of a prolonged recession — we need to save now before it's too late," Mr. Stringer said in a statement last month. He called on city agencies to trim $1.4 billion in their planned spending so the money could be redirected to help "the hotel, restaurant, social service and retail workers who are bearing the brunt of this crisis."

States borrow money from the public markets by issuing bonds, but normally for specific projects, not to fund day-to-day operations. Last week, the Federal Reserve said it would buy up to $500 billion of short-term debt from the states, the District of Columbia, and the largest cities and counties. But the Fed made clear that the new debt purchasing program was to be used primarily for bridging over a few months of low revenue, with repayment due when normalcy returns. In a term sheet, the Fed said the states could also borrow to pay interest and principal on their existing debt, and to assist smaller localities. All borrowings must be repaid within two years.

Some policy analysts said the time frame was too short, given the bleak outlook.

Thomas H. Cochran, a senior fellow at the Northeast Midwest Institute, said it would be better if the Fed made loans that could eventually be forgiven, as long as the states could show they had used the money to keep public services at pre-pandemic levels after their revenue dried up. The institute studies urban and economic issues for an 18-state region.

Such loan repayment periods should last at least three years, Mr. Cochran said, recalling the time after the financial crisis of 2008. State and local revenues fell for two consecutive years — a first in postwar history — and did not rebound until 2016. This time could be worse.

In New Jersey, Fitch Ratings said its outlook on the state's Casino Reinvestment Development Authority had turned negative because the casinos in Atlantic City were closed. (A negative outlook means a downgrade is possible over the medium term, so that investors who want to reduce their risk can consider selling; it can also make future borrowing more expensive.) New Jersey has been using tax revenue from casinos to repay certain bonds and to help financially troubled Atlantic City.

Other states, including California, Connecticut, Massachusetts and Colorado, as well as New York, have income-tax arrangements that target high incomes and capital gains. This approach makes their revenue volatile, like the markets.

Before the pandemic, Gov. J.B. Pritzker of Illinois had called for a graduated tax, a move away from the state's current flat income tax with the goal of taxing high earners more. A referendum was scheduled for November.

Illinois urgently needs the additional revenue. Even before the pandemic, the state owed its vendors $7.8 billion, for hospitals, health insurance, higher education and consulting services, among other things. Governor Pritzker's plan is supposed to help the state increase its tax collection, but given the recent market rout and the wobbly economy, there may not be so much high-end income to tax.

David Yaffe-Bellany contributed reporting.

Correction: April 15, 2020
An earlier version of this article misstated the amount of short-term debt the Federal Reserve said it could buy from states, cities and other local governments. It could buy up to $500 billion, not $500 million.

Mary Williams Walsh is a reporter covering the intersection of finance, public policy and the aging population. She previously worked for The Wall Street Journal and The Los Angeles Times, mainly in foreign bureaus.
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#Top of the Document
The New York Times
Post-Pandemic, Here's How America Rises Again
Congress needs to invest with an eye on the nation's future.

Thomas L. Friedman
By Thomas L. Friedman
Opinion Columnist

April 14, 2020

This article is part of "The America We Need," a Times Opinion series exploring how the nation can emerge from this crisis stronger, fairer and more free. Read the introductory editorial and the editor's letter.

Hopefully, when Congress gets done allocating several trillion dollars simply to keep the economy afloat, we will be able to have another discussion: What should we invest in so we don't just burden young Americans with a mountain of new debt, but also arm them with the tools to grow out of it and still prosper in the 21st century?

These could be the most important and precious dollars we spend, so we need to invest them wisely, as President Franklin D. Roosevelt did in the 1930s by creating the Works Progress Administration and the Rural Electrification Act — giant infrastructure programs that not only helped lift us out of the Depression but also made us more productive to this day.

There are many things that I can think of — surely improved public health facilities will be on the list — but here are three less obvious investments that I'm certain would make America more resilient, more prosperous, healthier and more equal in the A.C. — After Corona — era:

More cheap, domestically produced, low- and zero-carbon energy so we become less vulnerable to the oil price manipulations of Saudi Arabia and Russia and less likely to court Mother Nature's next curve ball: climate change.

Expanded high-speed internet connectivity everywhere, but particularly in rural America, so more people can participate in the innovation economy.

Deployment across America of more affordable tools of invention, design and manufacturing — so more people can build more hardware at the points of need and help innovate our way out of this crisis — not just wait to be bailed out or for the next shipment from China.

Let me offer examples of each, starting with energy.

A lot has been going on behind the scenes on the global energy front that actually holds the promise of not only making America more energy independent, but doing it based more on clean energy than fossil fuels — if we play our cards right. But Donald Trump has not been playing our cards right. Trump has been dancing with Russia and Saudi Arabia — the opposite of investing in a clean energy economy.

For decades now Saudi Arabia has been the world's "swing producer," adjusting its oil production to steer the price to the level of its liking — usually higher. The Saudis grew comfortable doing this because they viewed their 260 billion barrels of oil in the ground as savings in the bank, so they did not care if they pumped a little more or less in any year, as long as they satisfied the needs of their growing economy.

Not any longer. Thanks to much more fuel-efficient cars, many more electric vehicles, the backlash against petroleum-based plastics, the widening global consensus on climate change and massive new U.S. oil production, Saudi Arabia is beginning to realize that its oil in the ground is not money in the bank. It's a diminishing asset, possibly a "stranded asset" that someday it may not be able to sell at any price.

As a result, the Saudis have become much more aggressive in securing market share everywhere possible instead of worrying about the price. That helped set off the recent Saudi-Russian price war. And while the two countries have apparently reached a truce — to put a floor under collapsing oil prices — I wouldn't bet on it holding.

How would a wise president play this? Not how Trump did, which was to beg the Saudis and Russians to cut production and raise oil prices so everyone in the world could pay these two petro-dictatorships more money for less oil. How foolish was that?

A farsighted leader, argued Andy Karsner, a former U.S. assistant energy secretary, "could have imposed a variable U.S. tariff or fee on imported oil, which would be easily absorbed while prices are now slumping." Such an import fee "could dynamically and automatically kick in incrementally if prices fell below an agreed floor, say $40 to $50 a barrel — the price that U.S. producers need to stay in business and supply America. The fee would disappear if prices jump above the agreed level. Brent crude is now around $31."

If we guaranteed U.S. oil producers a predictable price floor to enable the least indebted and most productive of them to survive, Karsner told me, it would pay multiple benefits: "It would raise money for us to invest in infrastructure; prevent job losses for skilled engineers and multibillion-dollar bailouts for U.S. oil companies; keep manageably low gasoline prices for U.S. consumers; and strengthen our energy security from predatory efforts by Russia and Saudi Arabia to wipe out our domestic oil industry."

But, most important, it would accelerate our clean energy transition, by shielding our electric car industry from foreign-manipulated gasoline prices and our wind and solar industries from temporarily suppressed natural gas prices.

We've got some momentum — let's pile on. As The Times just reported, "Renewable energy sources are set to account for nearly 21 percent of the electricity the United States uses for the first time this year, up from about 18 percent last year and 10 percent in 2010."

Many of our oil companies actually have been surviving on cheap credit, not smart fracking. The average return an oil company can make from fracking these days is actually the same as solar and wind in many cases, with a lot less risk.

Already, "three-fourths of the coal-fired plants in America now cost more just to operate than do brand-new solar and wind farms," said Hal Harvey, chief executive of Energy Innovation.

The best part of using a variable oil import fee to stimulate investment in a U.S. clean energy economy is that it doesn't require an outlay from the Treasury. It actually raises money for the Treasury while, as Karsner put it, "creating the incentives for America's oil companies to do what they must to thrive. And that is evolve into diversified clean energy companies."

With some policy creativity, one day we could become immune not only to Covid-19 but also to petro-dictators. Now that's healthy!

But let's not stop there. Let's also create tax, regulatory and funding incentives for every community — but particularly the many underserved rural communities — to install high-speed broadband and fiber to the home.

"Building fiber infrastructure all across heartland America ensures that high-paying jobs can take place anywhere," explained Matt Dunne, executive director of the Center on Rural Innovation, and it makes the whole country "more resilient to future pandemics and climate change-related weather events that require children and workers to stay home."

High-speed internet basically enables anyone anywhere to get training for a better job, often at low to no cost, from online universities or YouTube instructional videos.

And if you connect them, they will invent. I traveled with Dunne in September to Red Wing, Minn., south of Minneapolis, to see the creative ways in which small towns were investing in rural broadband to build gigabit networks that support high-tech start-ups and local manufacturers.

My favorites were two Minnesota inventors who came up with a robotic chicken/turkey coop cleaner. It patrols the poultry house for dead birds and tills the bedding, but with an unexpected byproduct: The birds exercise more and are healthier, because they are constantly running away from or pecking at the robot. It also decreases the pecking order, so fewer birds are picked on and shunned. Mortality decreases and money is saved on feed and medicine. It's called the "Poultry Patrol."

And its inventors were "doing their prototyping in the region because farmers there have fiber to the home," said Dunne. "While the robots work autonomously most of the time, there are significant periods when they need to be remotely operated and receive coding updates from afar, which is only possible with very fast broadband."

What Dunne proposes is tbat the federal government create a new loan program, reminiscent of the Rural Electrification Act, which would offer 50-year, no-interest loans to communities and co-ops creating rural fiber broadband networks and an easing of regulations to enable public-private coalitions to build rural broadband and attach high-speed fiber to existing telephone poles.

This connectivity would also promote another enabling platform we need: manufacturing from anywhere through a network of open-source maker spaces. This, too, requires less government funding and more inspiration and imagination to show people what is possible.

Consider Tikkun Olam Makers, or TOM, founded by the Israeli innovation shop Reut and its president, Gidi Grinstein, which now operates in 22 countries, including America. TOM seeks to take advantage of all the excess 3-D printing capabilities in any town or university or maker space to crowdsource the design and manufacture solutions for neglected problems for anyone anywhere.

One small example and one big one. A team of TOM volunteers in Tel Aviv recently created a customizable multipurpose open-source prosthesis, which was developed with the TOM community in Singapore. It was then adjusted for a single Israeli girl who wanted to play the violin, and it is available on the TOM website via free download. That prosthetic device cost $60 — as opposed to the standard price of several thousand dollars — and can be manufactured by maker spaces around the world for thousands of people with similar needs.

Today, though, said Grinstein, TOM is "creating an online library of open-source solutions for Covid-19, and we are working to build a bottom-up army of makers to distribute them all over the world. Our mission focuses us on the needs of smaller rural communities with weak health infrastructure and on the acute needs of senior homes, prisons and mental health facilities.

"For example, we have face shields and masks that were designed in international collaboration and are now distributed by the thousands in Tel Aviv, New York, Mexico City, Melbourne, Miami Beach, Belgrade, Atlanta and Santiago. The list grows every day."

In the 20th century, added Grinstein, resources were redistributed in our societies through taxation and philanthropy. So, if you were a talented person, you could write a check or volunteer at a food bank.

"But now," he said, "with these new crowdsourcing platforms, we can enable every person to contribute talents to solving our collective problems, locally and globally, on a scale that is unprecedented."

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A version of this article appears in print on April 15, 2020, Section A, Page 22 of the New York edition with the headline: Post-Pandemic, Here's How America Rises Again. Order Reprints | Today's Paper | Subscribe
#Top of the Document
The Washington Post
The Postal Service needs a bailout. Congress is partly to blame.
A 2006 law set the stage to burden the agency with $160 billion in debt

By Jacob Bogage
April 15, 2020 at 6:00 a.m. EDT
The U.S. Postal Service needs a bailout, or at least some vision for its future after the coronavirus pandemic.

The agency is burdened by hundreds of billions of dollars in debt and falling revenue, and Congress and the White House have signaled an unwillingness to grant more funding without major restructuring, lawmakers say. Conservatives see a chance to remake the Postal Service in the image of a private corporation. Liberals want to modernize what they view as a conduit essential to connecting and unifying the nation.

White House rejects bailout for U.S. Postal Service battered by coronavirus

Stuck in the middle are the Postal Service's 630,000 workers, who were assured prepaid health and retirement benefits by the 2006 Postal Accountability and Enhancement Act, known in postal circles as "PAEA" (pronounced like the Spanish rice dish). The law envisioned the Postal Service as a self-sustaining agency whose revenue could cover the expenses associated with an aging workforce involved in a physical occupation: delivering packages and parcels to every address in the country.

Not even two decades later, it can't. The Postal Service has racked up $160.9 billion in debt from what's owed prepaying retiree benefits. On top of that, it has many years' worth of operating deficits, as its top revenue generators no longer covered the costs of delivering the mail.

The industry says we have enough food. Here's why some store shelves are empty anyway.

Instead, Apple's revolutionary iPhone was released a year after then-President George W. Bush signed the bill into law. Mobile phones hastened consumer behavior changes that were already driving away the kinds of business the Postal Service had relied upon for decades. People could send texts or emails from handheld devices rather than through written correspondence. Bill payment moved online. For a generation of Americans, the Postal Service was nearly obsolete.

Then came the Great Recession, which ravaged the Postal Service by slicing the volume of first-class mail it handled — the items on which it makes the highest margin — by 13 billion items over two years. After the recession, much of that demand never returned.

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By 2009, the Government Accountability Office, Congress's nonpartisan watchdog agency, determined that the Postal Service's business model was no longer sustainable. The debt it carried jumped from $7 billion in 2008 to $10 billion in 2009.

At the end of 2019, the GAO calculated that the Postal Service had $160.9 billion in debt, $119.3 billion of which came from retiree benefits.

The mandate to prepay employees' retirement and health-care benefits is an obligation held by few other government agencies, let alone private companies. The Postal Service missed its first payment on those expenses, worth $5.5 billion, in 2011. By 2012, it exceeded its borrowing limit. And then the debt kept piling up.

"That prepayment responsibility that they've been unable to meet has exacerbated over the years," said Cary Brick, a past member of the Citizen Stamp Advisory Committee, and former chief of staff for Rep. John M. McHugh (R-N.Y.), a co-sponsor of the 2006 law. "It was bad, and it got more bad and it got worse. But now it's desperate."

How desperate? Without a $10 billion loan included in the Cares Act, the Postal Service would have had to miss a payroll or disrupt service in September. The loan, which has yet to be approved by the Treasury Department, gives the Postal Service enough cash to fund operations and make payroll until March or April 2021. But it is more debt the agency has to carry.

Tax change in coronavirus package overwhelmingly benefits millionaires, congressional body finds

"For now, the pandemic is an immediate threat to the survival of the people's post office," said Fredric Rolando, president of the National Association of Letter Carriers, the labor union that represents 280,000 active and retired postal workers.

But back in 2006, PAEA seemed like a responsible decision to the officials in charge of analyzing the Postal Service budget, GAO officials said. From 2004 through 2006, the Postal Service made $6 billion in profits, according to financials filed with Congress. It paid out retiree and worker benefits on a "pay as you go" structure, meaning the agency only paid out retiree benefits when people actually retired, just like most other government agencies. The money to pay those claims came out of the Treasury Department.

Congress and the White House still wanted some reform at the time. First-class mail volume was healthy but steadily decreasing after an all-time high in 2001 — 103.7 billion items — and profits had started to fall, as well.

"Congress had realized for some time that the post office was dealing with an outdated business model," said Tom Davis, the rector of George Mason University and a former GOP congressman from Virginia who introduced the bill. "And it still is. That hasn't changed."

Image without a caption
Parts of that 2006 law included provisions to allow the Postal Service to raise rates on certain products and gave more power to the Postal Regulatory Commission, the board of governors that oversees the Postal Service, to review the agency's use of resources. It even granted the commission subpoena power.

It eliminated the Postal Service's existing retirement escrow fund, and the agency's requirement to pay out the military pensions of veterans who worked there, which saved $61 billion over 10 years. The legislation passed with broad bipartisan support.

Cruise ships crews: Stuck at sea, paydays dwindling and searching for a way home

But the 2006 law also shifted the burden of paying for worker and retiree benefits entirely to the Postal Service. That came at the insistence of the Bush administration, Davis said. The White House no longer wanted the Treasury Department on the hook for those expenses if the Postal Service was making billions of dollars in profits.

"Predating PAEA there was increased desire on the part of the [Bush] administration to push the Postal Service toward increased efficiency and competitiveness," said Lori Rectanus, director of physical infrastructure at the GAO. "In general, PAEA really sought to make the Postal Service a high-performing, self-sufficient, efficiency-based business."

Of course, the relatively stable financial footing that enabled that perspective didn't last. First-class mail volume between 2010 and 2019 plummeted and the Postal Service ran up larger and larger operating deficits. Package volume doubled in that time frame — one of the agency's lone bright spots — but the Postal Service doesn't make enough money on package delivery for that to make much of a dent in the deficit. Postal leaders have

pitched other products to generate revenue, including banking services and prepaid debit cards, but none of those ideas ever made it to the market.

"They ought to take it up with the administration and the Congress, if they need to have it changed," said former congressman Henry A. Waxman (Calif.), one of the law's Democratic co-sponsors. "It's a charge we're not going to avoid and we're not going to leave these workers in the lurch."

Now postal leaders forecast another drop in mail and revenue because of the pandemic. Volume in the first week of March declined 30 percent, postal agency officials told lawmakers last week. At the end of June, the agency projects volume to be down 50 percent, and it could lose $23 billion over the next 18 months.

It gives the Postal Service two crises to contend with: running out of cash to finance operations and paying down debt while running a perpetual deficit. Both of those, experts said, point to a need for a bailout and some restructuring.

Jacob Bogage writes about sports for The Post, where he has worked since 2015. He previously covered the automotive and manufacturing industries for the Business section.Follow
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The Washington Post
U.S. stocks plunge amid steep fall in bank earnings, retail sales
American consumers prop up about 70 percent of the country's economy, but spending at restaurants, retail stores, malls and the like has essentially hollowed out

By Rachel Siegel and Thomas Heath
April 15, 2020 at 10:31 a.m. EDT
U.S. stocks sank at the open Wednesday, dragged down by dismal earnings and retail data that offered new snapshots into the pandemic's grip on the American economy.

The Dow Jones industrial average fell 650 points, or 2.7 percent, by midmorning and the Standard & Poor's 500 index and Nasdaq composite also fell sharply. The sell-off followed a blistering report on March retail sales, which plunged 8.7 percent for the worst monthly decline ever.

That figure stands in stark contrast to February's revised 0.4 percent decline. The drop blew past economist expectations of about 8 percent as the outbreak gutted consumer spending, yanked millions out of the workforce and forced people to stay home.

Markets were also bruised after weak earnings reports from major banks. Bank of America said its first-quarter profit dropped 45 percent, and Goldman Sachs said it suffered a 46 percent decline. Citigroup reported a similarly bleak drop.

'It feels like a war zone': As more of them die, grocery workers increasingly fear showing up at work

U.S. crude oil prices fell to an 18-year-low Wednesday on a falloff in demand. West Texas Intermediate the U.S. benchmark, was trading just above $19 per barrel, a price so low that almost no oil producer, either nation or private company, can make a profit.

The cataclysmic drop across the board in fossil fuel usage as a result of the coronavirus shutdown is rippling throughout the oil, gas and pipeline industry and cramping national and local governments that rely on oil income or taxes on gasoline for revenue. Oil and natural gas pipelines, oil drillers and oil equipment service companies also are suffering.

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"There is just a harsh global economic reality that is resulting in an epic crash in demand of fuel of all types," said John Kilduff of Again Capital.

American consumers drive 70 percent of the country's economy. But now, spending at restaurants, retail stores, malls and the like has essentially hollowed out.

"The stock market can discount the slowing of the spread of the coronavirus, but it can't ignore the sharpest one-month drop in retail sales on record," said Chris Rupkey, chief financial economist at MUFG Union Bank. "Retail sales say this is a depression, not a recession, and who knows when corporations will make money again?"

Unemployed workers on facing an uncertain future | Voices from the Pandemic

Over 10 million Americans filed for unemployment in March. Here are some of their stories. (Monica Rodman/The Washington Post)
Across the country, grocery shelves are picked clean of eggs and flour, toilet paper and disinfectant wipes. Delivery workers risk their lives to bring packages to people's doorsteps. Wednesday's figures from the Commerce Department show sales at food and beverage stores were up 28 percent compared with March 2019.

But those dynamics don't capture the full picture of just how abruptly spending has faltered. Sales at clothing stores fell by 50.7 percent compared with last year. Car sales dropped off between February and March and could decline even more by April. On Wednesday, Best Buy said it would furlough 51,000 store employees in the United States, or about 40 percent of its total workforce.

Here's what reopening the economy is likely to look like: More masks, fewer workers, high unease

"Outside of grocery stores, the story was nearly universally negative," said Jim Baird, chief investment officer at Plante Moran Financial Advisors. "Higher-ticket and non-discretionary sectors were hit especially hard. Auto and furniture sales plummeted more than 25 percent. Far and away, the greatest impact was felt in apparel retailers."

The repercussions from the coronavirus outbreak have been swift and stinging. More than 17 million Americans have filed for unemployment benefits. The federal government has responded with trillions of dollars in emergency relief to households, small businesses and entire industries. About 80 million people will receive stimulus checks by Wednesday. But even a boost of $1,200 — which people are mostly spending on food — is unlikely to save a retail sector in free fall.

The industry was struggling well before the pandemic took hold. More than 60,000 stores have closed in recent weeks, according to Coresight Research, and retailers have canceled millions of dollars' worth of orders. By the start of April, nearly 1 million retail workers were furloughed as giants including Macy's, Gap, Kohl's, L Brands and J.C. Penney sent most of their employees home without pay.

For comparison, at the peak of the Great Recession, retailers eliminated 2.6 million jobs.

Abha Bhattarai contributed to this report.

Rachel Siegel is a national business reporter. She previously contributed to the Post's Metro desk, The Marshall Project and The Dallas Morning News.Follow

Thomas Heath is a local business reporter and columnist, writing about entrepreneurs and various companies big and small in the Washington metropolitan area. Previously, he wrote about the business of sports for The Washington Post's sports section for most of a decade.Follow
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The Washington Post
Another SBA program is severely backlogged, running low on funds
Small businesses that apply are supposed to receive emergency cash within three days. Many have been waiting weeks.
By Aaron Gregg, Jeanne Whalen and Erica Werner
April 15, 2020 at 10:45 a.m. EDT
An emergency loan program intended to get money swiftly into the hands of small businesses has all but collapsed under an unprecedented crush of applications and a shortage of funds, overwhelming agency officials and prompting urgent calls for action on Capitol Hill.

The Economic Injury Disaster Loan program, or EIDL, a long-standing program run by the Small Business Administration (SBA), is separate from the new $349 billion Paycheck Protection Program for small businesses that is currently the subject of a political fight on Capitol Hill.

The federal government normally doles out EIDL loans to small businesses hurt by tornadoes and wildfires. On March 12, the SBA expanded the program to help entrepreneurs hurt by coronavirus, offering low-interest loans of up to $2 million.

The EIDL program received new resources from Congress's $2 trillion coronavirus rescue package at the end of March, including $10 billion to offer grants of up to $10,000 to small businesses within three days of applying for a loan. The grants are intended to serve as a bridge for small businesses to cover rent and other expenses while they wait for the larger loans to be approved.

Thousands flood banks as federal small-business loan program has a chaotic first day

Demand for the EIDL loans and grants quickly overwbelmed the system, leaving many applicants without funds

weeks later, Democratic lawmakers and industry groups say. The SBA — which accepts disaster loan applications itself rather than outsourcing that work to banks — has received well over three million applications, a Democratic lawmaker and an SBA official said. And a shortage of funds threatens to limit the size of grants and loans small businesses receive.

"Sadly to say, we're getting low on funds," an SBA lending specialist named Roderick Johnson said in a Thursday webinar for D.C.-area Realtors. The webinar was hosted by the U.S. Senate Committee on Small Business & Entrepreneurship and posted publicly on Facebook.

In a letter published Friday, 15 lawmakers from both parties said the SBA has "failed to issue final guidance and award grants in a manner consistent with congressional intent."

"The law requires SBA to issue advances within three days of receipt of applications, yet small business owners say they are still waiting weeks after applying," the lawmakers wrote Thursday.

Sen. Ben Cardin of Maryland, the ranking Democrat on the Senate Small Business Committee, said he thinks SBA is not complying with the law. The disaster loan program has only $7.3 billion allocated to deal with $372 billion in applications, Cardin said.

"The SBA is not complying with the processing of [disaster loans] in an appropriate manner because they don't have enough resources to give them out," Cardin said. Cardin added that SBA has "slowed down the grant program because they don't have enough money and don't know what to do."

Cardin and other Senate Democrats last week proposed adding $50 billion to EIDL, along with $15 billion in new disaster grant money for the program. Those were among a number of changes Democrats have been demanding in exchange for agreeing to boost spending sought by the administration for the Paycheck Protection Program.

It is uncertain how those demands will be resolved as Congress weighs its next steps in responding to the economic toll of the coronavirus, but an agreement could be reached as early as this week that could potentially boost spending for EIDL as well as for the Paycheck Protection Program.

Public affairs representatives from the SBA and Treasury Department did not comment for this article.

The coronavirus presents a challenge that is unprecedented in the SBA's 67-year history. The agency's emergency loan office is accustomed to responding to geographically contained disasters such as hurricanes or other natural disasters. But the coronavirus has struck all 50 states at once, putting the entire U.S. service sector in an indefinite state of lockdown.

About half of U.S. small businesses surveyed had applied for an EIDL loan and grant as of April 9, according to the National Federation of Independent Business. None had received any funds as of that date.

Small businesses could run out of money before emergency federal loans arrive

The agency is scrambling to adjust its operations to handle the administrative work of processing applications. With less than $1 billion in annual funding, the SBA is the smallest of the major federal agencies listed in the president's annual budget request. It was singled out for an 11 percent funding cut in the president's most recent budget proposal.

Facing a shortage of funds, the agency limited businesses applying for grants to $1,000 per employee rather than a standard $10,000 per applicant and has considered modifying the formulas used to calculate loan amounts, according to SBA officials.

SBA Nevada District Director Joe Amato said in an April 6 webinar that the agency was bringing in private, third-party organizations to help process the loans.

"They are muddling through it. ... if it were up to me I would write you a check tomorrow," Amato told small business owners. "But it is coming ... be patient."

It is unclear how much of the emergency loan money has made it into the hands of desperate small business owners.

Brett Barry, a former Realtor who now works as a mentalist in Phoenix, said be applied for an emergency loan in late March and received a $1,000 grant in his bank account Tuesday. He received $5,000 througb the Paycheck Protection Program the same morning, he said.

Small businesses are still awaiting emergency loans — and facing a dilemma about how to spend them

Numerous other small businesses told The Washington Post they are still waiting for an emergency loan several weeks after applying.

Jerry Akers, who runs a chain of hair salons in Iowa and Nebraska, applied for an EIDL loan more than three weeks ago but has not received any response or funds, he said Tuesday. The same is true for Dana Lieberman, owner of a recumbent bicycle shop in Los Angeles. He was able to pay rent for April on his storefront but is negotiating with his landlord about future payments.

Christopher Thrasher, a self-employed pilot in Los Angeles, applied for an EIDL loan and emergency grant March 29. As of Tuesday, more than two weeks after his application, he has received no reply and no money.

"No credit checks, no deposit, nothing," he said in an interview. "Just to be left banging for two weeks, not to know what's going on ... It's disappointing," he said.

Thrasher, who flies private jets for various customers, said his business has collapsed since stay-at-home orders took effect. For now he has postponed his earlier plan to hire three pilots to join his business.

After hearing nothing about his loan application for days, Thrasher started calling an SBA customer service phone number. "After waiting on hold for over 2 hours, [I] was disconnected," be says. Between April 1 and 10 he tried calling the hotline eight times and finally made it through to a human voice.

"I was advised that no monies from the EIDL grant advances were being sent out until the loan is approved and that my loan application was not yet visible in the 'System' because only loans in the final 'approval phase' are visible," Thrasher wrote in a letter to members of Congress, summarizing his frustrations. "The representative could not even confirm that my application has been in fact received. 'I have to assume it has been received' were her exact words."

Dwight Hansen, an optometrist who employs six people in Rigby, Idaho, applied for an EIDL loan and grant at the end of March and has received no response. He received a confirmation number after submitting his application, "but there's no way to check where you are in the queue or anything, which is frustrating," he said.

Hansen also applied for a PPP loan through Wells Fargo, but has not received an approval or any funding there, either. He is currently seeing a limited number of patients with a skeleton crew. Hansen managed to make his most recent payroll, on April 7, but has told employees if he cannot make payroll on April 21 they will have to go on unemployment.

Small business associations and lobbying groups applauded the small business provisions in the stimulus legislation, known as the Cares Act, but have expressed frustration at how the programs have been implemented.

"Sadly, the disaster loan program is a complete disaster," Holly Wade, director of research and policy analysis at NFIB, the industry group for small business, said of the EIDL program.

"We have not heard from any small business owner who has received the loan. We've heard from just a handful — I want to say less than five people — who have received the emergency grant," Wade said. "There is no communication or very little at most between the SBA and applicants on the status of the loan. It's just silence."

Are you waiting on a stimulus check, loan or unemployment assistance from the Cares Act? Tell The Post.

Aaron Gregg covers the defense industry and government contractors for the Washington Post's business section.Follow

Jeanne Whalen is a reporter covering business around the world. She previously reported for the Wall Street Journal from New York, London and Moscow. Follow

Erica Werner has worked at The Washington Post since 2017, covering Congress with a focus on economic policy. Previously, she worked at the Associated Press for more than 17 years.Follow
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Glutted Oil Markets' Next Worry: Subzero Prices
Traders of physical barrels of crude brace for the possibility of negative pricing; traders of energy derivatives also wary

By Sarah Toy

April 15, 2020 5:30 am ET

The coronavirus pandemic is turning oil markets upside down.

While U.S. crude futures have shed half of their value this year, prices for actual barrels of oil in some places have fallen even further. Storage around the globe is rapidly filling and, in areas where crude is hard to transport, producers could soon be forced to pay consumers to take it off their hands—effectively pushing prices below zero.

The collapse is upending the energy industry and even the math used in trading energy derivatives. CME Group, the world's largest exchange by market capitalization for trading futures and options, now says it is reprogramming its software in order to process negative prices for energy-related financial instruments.

Part of the problem, traders say, is the industry's limited capacity to store excess oil. Efforts to curb the spread of the virus have driven demand to record lows. Factories have shut. Cars and airplanes are sitting immobile. So refineries are slashing activity while stores of crude rapidly accumulate.

U.S. crude inventories surged by a record 15.2 million barrels during the week ended April 3, according to data from the Energy Information Administration. Gasoline stockpiles also jumped, climbing by 10.5 million barrels, while refining activity hit its lowest level since September 2008.

The buildup of crude is overwhelming storage space and clogging pipelines. And in areas where tanker-ship storage isn't readily available, producers could need to go to extremes to get rid of the excess, said Jeffrey Currie, head of commodities research at Goldman Sachs. Those might include paying for it to be taken away.

"It's like traffic on a freeway," he said. "It gets congested when there are a lot of cars."

Crude comes in many varieties, used for a range of purposes, and different grades are priced based on several factors, including their density, sulfur content and ease of transportation to trading hubs and refineries. Heavier, higher-sulfur crudes generally trade at a discount to lighter, sweet crudes such as West Texas Intermediate because they tend to require more processing. Crudes that depend on pipeline transportation are trading at a discount right now because there is nowhere to put them and the pipelines that would normally take them away are getting jammed up, analysts and traders say.

The price of some regional crudes recently dipped into single digits. The spot price of Western Canadian Select at Hardisty—a heavy grade of Canadian crude typically transported by pipeline or rail to the U.S. Gulf and Midwest for refining—fell to just over $8 a barrel on April 1, according to an assessment from S&P Global Platts. The spot price of West Texas Intermediate at Midland fell to just above $10 a barrel on March 30, while West Texas Sour at Midland—its harder-to-refine counterpart—fell to around $7 a barrel. And one commodities trading house recently bid less than zero dollars for Wyoming Asphalt Sour crude.

It isn't just the traders of so-called physical oil who are bracing themselves for the possibility of negative pricing. Traders of energy derivatives are preparing, too. Mark Benigno, co-director of energy trading at INTL FCStone, said he has never seen oil derivatives trade below zero but began several weeks ago to assess what might happen if they do.

"It's something we have to consider," he said. "Options are structured to go to zero. That puts a limit on how much you can lose. When they go below that, it becomes a different situation entirely."

In recent weeks, traders have pinned hopes for a rebound on the Organization of the Petroleum Exporting Countries and other oil-producing nations.

Over the weekend, Saudi Arabia and Russia ended a production feud and joined the U.S. to lead a coalition of 23 oil-producing countries to cut output by a collective 9.7 million barrels a day. The feud began in March after Russia refused to participate in a Saudi-backed plan to carry out coordinated cuts. Saudi Arabia then lowered prices and raised production of its barrels, sending global prices into a downward spiral.

However, traders and analysts say the demand lost due to the coronavirus far exceeds the supply cuts.

"It's not nearly enough to make a significant shift in balancing the market," said Chris Midgley, global head of

S&P Global Platts Analytics.

U.S. benchmark prices tumbled 10% on Tuesday and are down 67% so far this year.

Prices could get a boost as energy producers are forced to shut off the taps, analysts and traders say. The fall in oil prices has hit producers hard. Chevron Corp., CVX -4.50% ▲ Exxon Mobil Corp. XOM -4.57% ▲ and Diamondback Energy Inc. FANG -8.54% ▲ have pledged to slash spending. U.S. shale driller Continental Resources Inc. CLR -9.45% ▲ recently said it would cut its output by around 30% in April and May and suspend its quarterly dividend. Denver-based Whiting Petroleum Corp. WLL -0.17% ▲ filed for bankruptcy.

Some analysts see a glimmer of hope coming from China, where there are some signals of life returning to normal. Chinese consumers have cautiously begun to travel again after hunkering down at home for two months.

Others aren't as optimistic, noting that global oil demand is still falling by tens-of-millions of barrels a day.

"We really don't know when demand will come back online," said Rusty Braziel, chief executive of RBN Energy.

Write to Sarah Toy at sarah.toy@wsj.com
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# Afternoon News Roundup

From: [redacted]@treasury.gov>
To: _DL_FYI <_dl_fyi@do.treas.gov>
Date: Wed, 15 Apr 2020 15:22:54 -0400

**Afternoon News Roundup**
**April 15, 2020**

**Secretary Steven Mnuchin**

- LA Times: Americans can get stimulus payments faster with newly launched IRS site
- FOXBusiness: Haven't received your stimulus check yet? Here's what to do
- USA TODAY: Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans
- The Hill: Schumer and Mnuchin inch closer to a deal on small business lending, increased aid for hospitals and states
- Politico: IRS launches second web tool to expedite stimulus payments
- Roll Call: Negotiations ramp up on small-business aid with funds running dry
- Bloomberg: Schumer and Mnuchin Talk in Hint of Break in Stimulus Stalemate
- Yahoo Money: Coronavirus stimulus checks: New IRS tool tracks your payment — but it's down for many
- Politico: Republicans wary of Mnuchin's coronavirus relief talks with Dems
- FOXBusiness: Coronavirus economic threat – A mortgage industry calamity is looming

**Treasury**

- CNBC: New government app showing you the status of your coronavirus stimulus payment has rocky debut
- American Banker (USA): CFPB, FHFA to share data on mortgage servicing
- National Mortgage Professional Magazine: FHFA and CFPB Announce Borrower Protection Program
- ABA Banking Journal: FHFA, CFPB Announce Information Sharing to Facilitate COVID-19 Mortgage Relief
- Mortgage News Daily: Fannie/Freddie Regulator and CFPB Agree Will Share Mortgage Servicing Info

**Secretary Steven Mnuchin**

Americans can get stimulus payments faster with newly launched IRS site

Sarah D. Wire

,
LA Times
•April 15, 2020

Americans can speed up delivery of their up-to-$1,200 coronavirus assistance payout through a new IRS website that launched Wednesday. The site allows them to provide bank account details needed to receive electronic payment and also to check when the payment will arrive.

People will need information from their 2018 or 2019 taxes to prove their identity, Treasury Secretary Steven T. Mnuchin said this week at the White House. The site also allows people who have already provided the IRS with direct deposit information to verify which account the government has on file.

"You'll be able to put in your direct deposit information, and within several days we will automatically deposit the money into your account," Mnuchin said. "We want to do as much of this electronically as we can."

The first wave of payouts began Friday. Mnuchin said more than 80 million Americans were expected to receive the payout through direct deposit by Wednesday.

"We know how important that is to all of those hard working Americans, many of which are at home not working at the moment," Mnuchin said.

Congress approved the up-to-$1,200 onetime cash payouts last month in the $2-trillion economic relief package, and the administration has worked to rush the cash to Americans who have seen their lives upended by efforts to curb the coronavirus. But millions of Americans don't have direct deposit information on file with the IRS, either because they don't normally receive a tax refund or prefer to receive a paper check. It could take weeks or even months for people who don't now provide direct deposit information to the IRS to receive a paper check.

All U.S. residents are eligible for a payment as long as they have a work-eligible Social Security number, cannot be claimed as a dependent on another person's taxes, and meet the income requirements. Those with an adjusted gross income below $75,000 (or $150,000 for a married couple) would receive $1,200 per adult or $2,400 for a married couple. In addition, they are eligible for an additional $500 per child under 17. Americans who make from $75,000 to $99,000 (or married couples making $150,000 to $198,000) are eligible for a portion of the payment.

Taxpaying immigrants will not get a stimulus check.

Social Security recipients, even those who didn't file taxes in 2018 or 2019, should receive the money automatically. The IRS will use information on file with the Social Security Administration.

The new site is separate from the portal created Friday to allow people who do not normally have to file taxes to provide the IRS with their direct deposit information. That site is largely targeted at low-income people, the homeless and others who, it is feared, may fall through the cracks with this relief package. It should be used by people whose gross income did not exceed $12,200 for an individual or $24,400 for married couples for 2019 and who were not otherwise required to file a federal income tax return for 2019 and didn't plan to.
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## Haven't received your stimulus check yet? Here's what to do
**Some taxpayers have already reported receiving their money**

By Megan Henney
FOXBusiness

How to spend coronavirus stimulus check if you're struggling financially

Financial expert Chris Hogan says as Americans begin to receive their coronavirus relief checks, we should be in 'conserve mode' and avoid 'any unnecessary spending.'

More than 80 million Americans are expected to receive their much-awaited stimulus check by Wednesday as the first wave of payments are deposited into taxpayers' accounts.

"If you do not receive them by Wednesday, you'll be able to put in your direct deposit information, and within several days, we will automatically deposit the money into your account," Treasury Secretary Steven Mnuchin said on Monday. "We want to do as much of this electronically as we can."

Some taxpayers have already reported receiving their money, while those who are still waiting will be able to track it online through a new portal set up this week by the Internal Revenue Service.

Those who haven't received the check yet -- filers and non-filers alike -- can also apply online by submitting their direct deposit information if it's not already on file with the agency. The "Get My Payment" tool will allow people to provide their bank information in order to get the cash. (Due to enormous volumes of people trying to check the website, there was a wait for the tool as of Wednesday morning.)

If Americans filed a 2019 or 2018 tax return, which will be used by the agency to calculate eligibility, but did not provide direct deposit information, Mnuchin said the tool can be used to input the necessary information. The payment should arrive in your account within several days.

At the heart of the largest relief plan in recent memory is $1,200 checks for individuals who earn less than $75,000 annually, $2,400 for couples who earn less than $150,000 and $500 for every child. The payments are tapered for higher-earners and phase out completely for individuals who earn more than $99,000, or couples who earn more than $198,000.

The cash is intended to blunt the financial pain for Americans caused by the coronavirus pandemic, which brought the economy grinding to a halt. In three weeks alone, more than 16 million Americans filed for unemployment, the Labor Department said last Thursday. The record-shattering number is a stunning sign of the depth of the economic calamity inflicted by the virus outbreak.

The speed at which the money is distributed depends on people's tax-filing method -- and whether the government has their banking information. Electronic payments can be disbursed quicker than cash checks, which must be printed and mailed separately.

An estimated 80 percent of tax filers will be able to easily receive the money because they already have shared account information with the IRS.

"If we have your information you'll get it within two weeks," Mnuchin said last week. "Social Security, you'll get it very quickly after that. If we don't have your information you'll have a simple web portal, we'll upload it. If we don't have that, we'll send you checks in the mail."
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**Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans**

William Cummings and David Jackson, USA TODAY

Published 8:45 a.m. ET April 15, 2020 | Updated 1:18 p.m. ET April 15, 2020

WASHINGTON – When Americans receive their anxiously awaited checks from the federal government, which are being sent out to help mitigate the economic hardships caused by the coronavirus outbreak, they may notice the words "President Donald J. Trump" have been added at the bottom.

Trump suggested to Treasury Secretary Steve Mnuchin the idea of adding his signature to the $1,200 paper checks, and the department agreed Monday to add his printed name (but not his actual autograph).

The Treasury Department confirmed to USA TODAY on Wednesday that Trump's name would be on the checks, but claimed that affixing it would not delay delivery of the payments.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned – there is absolutely no delay whatsoever," a Treasury spokeswoman said in a statement. "In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates."

Here is how the federal government is stepping in to support small businesses and health care providers. USA TODAY

Analysis: Trump halts funding to WHO. Experts say we need it now more than ever

She said Treasury and IRS officials "have worked around the clock to get fast and direct economic assistance to hardworking Americans" and said the quick turnaround was a "major achievement."

But The Washington Post, which first reported the story, said senior IRS officials believed the addition of the president's name could slow the printing of the checks.

There were already concerns that the outdated technology used by the IRS could delay the release of the funds, and Chad Hooper, president of the agency's Professional Managers Association, told the Post that changing the computer code to add the president's name could slow things up.

"Any last minute request like this will create a downstream snarl that will result in a delay," Hooper told the Post.

Warren endorses Biden: Elizabeth Warren endorses Joe Biden for president

The president's formal signature won't appear because he is not legally authorized to endorse the checks. Instead, his name will be on the memo line, the Post and The New York Times reported. According to the Post, it is standard for a department employee to sign the checks "to ensure that government payments are nonpartisan."

Trump had previously denied wanting to add his signature to the checks.

When asked at an April 3 news conference if he was considering it, Trump said, "There's millions of checks. I'm going to sign them? No. It's a Trump administration initiative, but do I want to sign them? No. The people are getting their money."

CARES checks: Not everyone is getting a $1,200 coronavirus stimulus check. Here's who will be left out.

Americans who have given the IRS their direct deposit information began to receive the funds on Friday and Mnuchin said he expects about 80 million taxpayers will get the money by Wednesday. Trump's name will not appear on any of those deposits.

Mnuchin told reporters Monday that electronic disbursement is the preferred way of distributing the funds and that they are trying to get the money to as many Americans as possible that way. But millions of Americans, many of them low income, will receive paper checks.

The decision to add the president's name to the checks was derided as self-serving and politically motivated by congressional Democrats, most of whom voted to approve the $2.2 trillion rescue package that included the direct payments to taxpayers.

When are you getting your check?: Here's a new way to find out

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands," House Speaker Nancy Pelosi, D-Calif., said in a statement.

"Thousands of families are running out of money as they lose their jobs. Days and hours matter. But Trump comes first," Sen. Chris Murphy, D-Conn., tweeted in response to the Post story. "So Trump is delaying the stimulus checks so his signature can be printed on each one. Him first. You second. Always."

Thousands of families are running out of money as they lose their jobs. Days and hours matter.

But Trump comes first. America always come second.

So Trump is delaying the stimulus checks so his signature can be printed on each one.

Him first. You second.

Always.
— Chris Murphy (@ChrisMurphyCT) April 15, 2020
Rep. Ilhan Omar, D-Minn., echoed Murphy's sentiment.

"17 million people have lost their jobs. Millions can't pay rent, afford food, and are sinking into debt. And the president is delaying relief for them so he can see his name on a check. Trump first. America second," she tweeted.

"You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you," said Rep. Brendan Boyle, D-Pa., who sits on the House Ways and Means Committee.

You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you. https://t.co/2qRplB06sK
— US Rep Brendan Boyle (@RepBrendanBoyle) April 15, 2020

Rep. Jennifer Wexton, D-Va., a member of the House Financial Services Committee, derided "unnecessarily postponing the disbursement of stimulus checks to feed the president's ego or for political gain."

Former Treasury Secretary Lawrence Summers said he would have resigned if President Bill Clinton had asked him to add his name to such disbursement checks.

"A Secretary of the @USTreasury who permits this is a dangerous sycophant. This is using government as a propaganda tool," Summers tweeted.

And Walter Shaub, a former director of the independent Office of Government Ethics, tweeted, "Where you see the dying and suffering of your fellow Americans, Donald Trump sees another opportunity to promote himself - and, by extension, his reelection campaign. Corruption, you see, has its visionaries."

A spokesman for Senate Finance Committee Chairman Chuck Grassley, R-Iowa, told USA TODAY in a statement that there was nothing unusual about a president trying to associate their name with an economic stimulus program.

"During economic downturns in 2001 and 2008, President Bush included his name on letters sent in advance of recovery checks," said Grassley's spokesman, Michael Zona. "Notably, attaching a name to a check has a negligible expense, unlike the Obama administration's use of costly signs across the country at construction sites built as part of the 2009 recovery legislation."

Contributing: Michael Collins and Christal Hayes, USA TODAY; Susan Tompor, Detroit Free Press

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The Hill

**Schumer and Mnuchin inch closer to a deal on small business lending, increased aid for hospitals and states**

By Alexander Bolton - 04/15/20 10:49 AM EDT

Senate Democratic Leader Charles Schumer (N.Y.) and Treasury Secretary Steven Mnuchin appear to be inching closer to a deal to provide $250 billion in additional funding to a popular small-business lending program, which could run out of money as soon as Thursday, and tens of billions of dollars in more federal aid to hospitals and state budgets.

A spokesman for Schumer announced Wednesday morning that the Democratic leader and Mnuchin had another conversation earlier in the day and that "Democratic staff from both chambers will be meeting with Treasury" Department officials later in the day.

Some Senate Republican aides are expecting a deal between Schumer and Mnuchin by the time the Senate meets in a scheduled pro forma session on Thursday.

National Economic Council Director Larry Kudlow warned on Tuesday that the Small Business Administration's (SBA) Paycheck Protection Program, a popular lending program designed to keep workers on payroll, could run out of money as soon as Thursday.

Senate Democrats are also expecting a deal soon.

Sen. Doug Jones (D-Ala.) told reporters on a conference call Tuesday: "I understand that a fair amount of progress has been made," referring to discussions between Schumer and Mnuchin.

"We may be seeing some packages pretty soon," he said.

Senate Republicans caution, however, that Mnuchin does not speak for the entire Senate GOP conference and that all 53 Republican senators would have to sign off on any deal for it to pass by unanimous consent during Thursday's pro forma session.

Schumer and Speaker Nancy Pelosi (D-Calif.) are betting that Republicans will fall into line if President Trump endorses a deal between Democratic leaders and Mnuchin.

Trump last month blasted conservative Rep. Thomas Massie (R-Ky.) as a "third rate Grandstander" when he attempted to force a House roll call vote on the $2.2 trillion CARES Act, which passed 96-0 in the Senate.

Democrats want to pair the $250 billion in additional funding for the SBA program with at least $250 billion for hospitals and state and local budgets.

Schumer and Pelosi have called for an additional $100 billion for hospitals, $150 billion for state and local governments and a 15 percent funding increase for the Supplemental Nutrition Assistance Program for low-income families.

Democrats also want to set aside $60 billion of the small business funding program for women-, minority- and veteran-owned businesses in underserved urban, rural and tribal communities.

Many businesses in underserved and lower-income communities have had difficulty obtaining forgivable loans backed by the federal government because of the lack of existing relationships with community banks and credit unions.

Updated at 11:33 a.m.
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Politico

**IRS launches second web tool to expedite stimulus payments**
**More than 80 million Americans have received payments since they started flowing last weekend, Treasury Secretary Steven Mnuchin said.**

**By TOBY ECKERT**

04/15/2020 11:16 AM EDT

The IRS launched a second online tool designed to help expedite economic stimulus payments on Wednesday.

The Get My Payment portal will allow taxpayers to give the agency direct deposit information for their bank accounts if they didn't include it on their 2018 or 2019 returns. Treasury and IRS officials are hoping to get the stimulus payments to as many people as possible through direct deposit to avoid delays.

It could take as long as five months to get paper checks to people through the mail, the agency has told lawmakers. But even that timeline appears uncertain for some taxpayers, since the IRS has suspended processing paper returns, the agency's national public liaison told tax industry professionals Monday.

The Get My Payment portal will also allow people to track the status of their payments.

More than 80 million Americans have received payments since they started flowing last weekend, Treasury Secretary Steven Mnuchin said in announcing the launch of the portal.
To set up direct deposit, taxpayers will have to provide their adjusted gross income from their 2018 or 2019 returns, whichever they filed most recently; the refund or amount they owed from that return; and their bank account type, account number and routing number.

The IRS launched a different web tool last week that allows people who didn't file returns in 2018 or 2019 to provide basic personal information to the agency to receive their payments.

The program is part of the massive coronavirus-response legislation enacted last month. The payments are up to $1,200 for individuals, $2,400 for couples and an extra $500 for children under 17 who qualify.

The payments start phasing out for individuals with incomes above $75,000, or $150,000 for couples.
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Roll Call

Negotiations ramp up on small-business aid with funds running dry
Democratic aides to meet with Treasury officials to try to hammer out a compromise package by this weekend

By Jennifer Shutt

Posted April 15, 2020 at 11:18am

Top Democrats and the Trump administration were in talks about a new COVID-19 aid package Wednesday as new data showed a popular small-business loan program could be out of money by Friday.

Democratic staff from the House and Senate plan to meet with Treasury Department officials later on Wednesday, following a morning conversation between Senate Minority Leader Charles E. Schumer and Treasury Secretary Steven Mnuchin, according to a Schumer spokesman.

Democrats agree on the need for small-business funds. But the dispute has centered around how to allocate the money as well as provide additional relief for state and local governments, hospitals and low-income households.

"I can't guarantee we can get an agreement that we will pass on Friday, but that would be optimal if we could," House Majority Leader Steny H. Hoyer, D-Md., said on a call with reporters Wednesday.

The talks are the first real sign of progress since the White House sent Congress a request for an additional $251 billion in funding for the so-called Paycheck Protection Program last week.

The initial $349 billion provided in last month's $2.3 trillion economic rescue package for businesses shuttered by the COVID-19 pandemic is running out fast.

New data from the Small Business Administration show that as of Wednesday morning, there was just $60 billion left in the account. That's after more than $40 billion was distributed on Tuesday, a "burn rate" that's increasing as small businesses rush to their lenders for aid before the money runs out.

Top Republicans and administration officials have said for days the money could run out before this weekend. But the latest rush for cash suggests lawmakers and the White House may have even less time to strike a deal or risk leaving small businesses who haven't yet been approved on the sidelines, at least temporarily.

The PPP is in such hot demand because it allows eligible firms to skip repayment on eight weeks' worth of their loans, which are equal to up to 250 percent of monthly payroll expenses.

Companies are only able to spend up to one-fourth of the money on other fixed costs like rent and utilities, however, so Democrats want to boost allowable loans to 300 percent of payroll to enable companies to meet their nonpayroll expenses.

The average loan has been for around $239,000, according to the SBA.

Democrats also want to put $65 billion into a related disaster loan program for up to $2 million in "economic injury" expenses, of which up to $10,000 in cash advances don't need to be repaid. That program has also proven immensely popular, to the point where SBA last week started rationing the maximum loan size down to a fraction of the total.

Senate Majority Leader Mitch McConnell, R-Ky., tried to pass a two-page bill simply boosting the existing PPP allocation to $600 billion by a unanimous consent request last week, but Democrats objected.

Schumer, D-N.Y., and Speaker Nancy Pelosi have called for changes to the structure of the small business loan program, to ensure that at least half of the new funding, or $125 billion, would go to small businesses without traditional relationships with big banks. This would help women- and minority-owned businesses as well as people in rural areas and farmers access the funding, they said.

Democrats also want the package to include an additional $100 billion for hospitals and other health care facilities, $150 billion for state and local governments, and a 15 percent increase to the maximum monthly benefit for those on the Supplemental Nutrition Assistance Program.

Until now, GOP lawmakers have been resistant to entering negotiations with Democrats, saying the PPP is the only program from the $2.3 trillion package about to run out of funding. Republicans said that discussions over additional funding could wait until Congress begins work on the next COVID-19 aid package.

"Right now we are just sending the money out to the hospitals and states," Mnuchin said during Wednesday's daily White House coronavirus briefing. "They haven't come close to using that money. I know the president and vice president have said, once we get the SBA done we can go into another funding bill."

Jim Saksa, Lindsey McPherson and Niels Lesniewski contributed to this report.
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Schumer and Mnuchin Talk in Hint of Break in Stimulus Stalemate
By Steven T. Dennis, Laura Litvan and Billy House | Bloomberg
April 15 at 1:12 PM
Senate Democratic leader Chuck Schumer and Treasury Secretary Steven Mnuchin talked Wednesday and a meeting has been set with staff in the first public sign of a possible break in the stalemate over replenishing funding for a small business aid program.

Staff from the offices of Schumer and House Speaker Nancy Pelosi will meet with Treasury officials, spokesmen for Schumer and Pelosi said, amid mounting pressure on Congress to act before the Paycheck Protection Program runs out of funding.

The Democratic leaders have been at odds with Senate Majority Leader Mitch McConnell and the Trump administration over putting more money into aid programs designed to stem some of the economic damage from the nationwide shutdown caused by the coronavirus pandemic.

Republicans want to limit action now to adding $250 billion to the small business aid plan, a key part of the $2.2 trillion stimulus passed late last month. Democrats want to put an additional $250 billion into assistance for state and local governments and hospitals.

But until Wednesday there has been no sign of negotiations to bridge those differences since last week.

If all sides can put together an interim package, it would require unanimous consent in the Senate and similar support in the House to move quickly, with both chambers planning to stay away until May.

Congress faces added pressure to act after President Donald Trump's chief economic adviser, Larry Kudlow, said Tuesday that the $349 billion small business program could be exhausted by Thursday, when the Senate is scheduled to hold a pro-forma session.

Separately, National Governors Association Chairman Larry Hogan, a Maryland Republican, made a plea for $500 billion in federal aid to help states and territories meet budgetary shortfalls.

For more articles like this, please visit us at bloomberg.com


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Coronavirus stimulus checks: New IRS tool tracks your payment — but it's down for many

Denitsa Tsekova
Reporter
Yahoo Money
April 15, 2020
While 80 million Americans have received stimulus checks, those still waiting can now track the payment on the Internal Revenue Service website.

If it works for them.

Read more: Coronavirus stimulus check: How to get one if you don't file your taxes

"The free 'Get My Payment App' will allow Americans who do not have their direct deposit information on file with the IRS to input it, track the status, and get their money fast," Secretary Steven Mnuchin said in a statement.

However, on Wednesday morning, the tool apparently wasn't working for some. Several Yahoo Finance reporters received a "Payment Status Not Available" response when they entered their information. Others on Twitter reported a similar result.

About 175 million Americans are eligible for the stimulus payments, according to the White House. Mnuchin stated on Wednesday morning that "more than 80 million Americans have already received their Economic Impact Payments by direct deposit."

The new tool allows Americans to follow the scheduled payment date for either a direct deposit or mailed check. It's an online app that works on desktops, phones, or tablets and doesn't need to be downloaded from an app store, The Treasury said.

To track your payment, you must provide basic information including:

Social Security number

Date of birth

Mailing address

The tool also lets people provide their bank account details to get their payment by direct deposit instead of waiting for a mailed check, which go out April 24.

If you filed a tax return in 2018 or 2019 but didn't provide direct deposit information, you'll be able to identify yourself, input that banking information, and receive the payment in several days in your account, according to Mnuchin.

To add direct deposit information, you will need to provide:

Adjusted gross income from your most recent tax return submitted, either 2019 or 2018

The refund or amount owed from your latest filed tax return

Bank account type, account, and routing numbers

Read more: Coronavirus stimulus check scams: How to avoid becoming a victim

As part of a $2 trillion coronavirus relief package, many Americans will get government checks up to $1,200 — plus $500 per child — to help them ride out a job loss, reduced work hours, and other money challenges as the country tries to stem the pandemic.

But some Americans could see a delay for their paper checks after the Treasury Department ordered that President Donald Trump's name to be included on the printed checks.

Here's everything you need to know about the stimulus check.

Who gets a stimulus check?
"Our updated estimate is that 93.6 percent of [tax] filers will have a rebate," said Garrett Watson, senior policy analyst at The Tax Foundation. "And this works out to approximately 140 million households."

Your eligibility is based on your most recent tax return and your adjusted gross income. If you already filed your 2019 taxes, your eligibility will be based on that. If not, the Internal Revenue Service will use your 2018 taxes to determine if you qualify.

The benefit is available not only to those who have filed taxes, but also to those who receive Social Security benefits as long as they've received their SSA-1099 or RB-1099 forms.

Read more: Tax deadline postponed: Why you should still file as soon as you can

Single adults with income up to $75,000 will get a $1,200 payment. Married couples with income up to $150,000 will get $2,400. Single parents who file as head of household with income up to $112,500 will get the full $1,200 check.

Additionally, Americans who qualify for the stimulus payment and have children will get an additional $500 per child under 17.

Reduced checks will be available for single adults who earn between $75,001 and $99,000 and married couples who earn between $150,001 and $198,000. The check will be reduced by $5 for every $100 over $75,000 for single adults and $150,000 for married couples.

Who doesn't get a check?
Single adults who make more than $99,000 and married couples who earn more than $198,000 won't receive stimulus checks.

Those without a Social Security number and nonresident aliens — those who aren't a U.S. citizen or U.S. national and don't have a green card or have not passed the substantial presence test — aren't eligible.

You're also ineligible if your parents claim you as a dependent on their taxes.

How will the government send you the stimulus check?
The IRS will use the direct deposit information you provided from the taxes you've filed either for 2019 or for 2018.

If you have no direct deposit information on file or if the account provided is now closed, the IRS will mail you a check, instead.

When will the stimulus check arrive? It depends.
Treasury Secretary Steven Mnuchin said at a White House briefing on April 2, that those Americans who have signed up for direct deposit will receive their payment within two weeks.

Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. The first batch of rebate payments started hitting bank accounts last week through direct deposits. Bush administration officials are visiting government check printing centers around the country on Thursday for events highlighting the fact that millions of rebate checks are in the mail. (AP Photo/Eric Risberg)
Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. (AP Photo/Eric Risberg)
More
"Social Security, you'll get it very quickly after that," Mnuchin said. "If we don't have your information, you'll have a simple web portal, you'll upload it. If we don't have that, we'll send you checks in the mail."

The payments will be deposited directly into your bank account if you received your last tax refund or expect to receive this year's refund that way.

Otherwise, checks will be mailed, which could take longer to get to Americans. Adding to the complications, about 6% of U.S. adults — or about 12 million Americans — do not have a checking, savings, or other bank account, according to a 2018 Federal Reserve report.

The New York Times, citing IRS guidelines that detail how Americans who aren't usually required to file tax returns will need to do so to receive payments, noted the guidance "will almost certainly mean longer waits for those who must file new returns to be eligible to receive a stimulus payment."

Americans with the lowest income will get mailed checks first, according to reporting by the Washington Post. Here's the timetable for the first checks, per IRS documents seen by the Post:

Taxpayers with income up to $10,000: April 24

Taxpayers with income up to $20,000: May 1

Taxpayers with income up to $40,000: May 15

The rest of the checks will be issued by gradually increasing income increments each week. Households earning $198,000 who file jointly will get their reduced checks on Sept. 4. The last group of checks will be sent on Sept. 11 to those who didn't have tax information on file and had to apply for checks, according to the Washington Post.

How can those who don't file taxes get a payment?
Americans who don't usually file taxes can register to get their stimulus aid checks on IRS website or use Turbotax's free tool to file a minimum tax return.

TurboTax's tool helps determine if you're eligible for the stimulus payment. If eligible, you need to answer a few questions and choose whether to get the payment though direct deposit or check.

"There are as many as 10 million Americans who are not required to file a tax return," TurboTax said in a statement. "Because the IRS will use the federal tax return to determine and send individual stimulus payments, these individuals are at risk of not receiving their stimulus payment."

Social Security recipients and those required to file tax returns don't need to provide additional information, but still must meet the eligibility criteria to get a payment.

Do you have to pay back the stimulus check?
No. The stimulus payment is actually a refundable credit against your 2020 tax liability, according to Kyle Pomerleau of the American Enterprise, and is paid out as an advanced refund. That means you don't have to wait to file your 2020 taxes to get the money.

It also doesn't reduce any refund you would otherwise receive, Watson said.

In fact, if you don't qualify for the stimulus check now based on your 2018 or 2019 tax returns, you may be able to qualify to take the tax credit next year when you file your 2020 taxes if your income meets the thresholds.

Denitsa is a writer for Yahoo Finance and Cashay, a new personal finance website. Follow her on Twitter @denitsa_tsekova.
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Politico

Republicans wary of Mnuchin's coronavirus relief talks with Dems
"Mnuchin can make all the deals he wants to with Speaker Pelosi ... but I think it's going to have a tough time in the Senate."

By BURGESS EVERETT and HEATHER CAYGLE

04/15/2020 01:05 PM EDT

Democratic leaders say they are talking with Treasury Secretary Steven Mnuchin about how to break a stubborn impasse over the next congressional response to the coronavirus pandemic. But there's just one problem: Senate Republicans might not go along.

Speaker Nancy Pelosi "has a lot of whole other demands. I know that Secretary Mnuchin is negotiating with her. And that's all well and good," said Sen. John Kennedy (R-La.) in an interview Wednesday. "It's still got to pass the Senate. And I think there are a lot of Republicans that are going to have a lot of questions of whatever the secretary and the speaker agree to. Just because they agreed to it, it's not a done deal."

Senate Minority Leader Chuck Schumer (D-N.Y.) spoke to Mnuchin on Wednesday, aiming to open up negotiations with him and Pelosi. The speaker, who is working remotely from San Francisco, has not talked to Mnuchin recently. But staff for the two Democratic leaders, Mnuchin and his aides are working to schedule a telephone call to discuss how to break a stalemate over what to do next in response to the virus' hit on the economy and unemployment.

"We see no reason why we can't come to an agreement," Schumer said on Wednesday.

Meanwhile, the $349 billion Paycheck Protection Program is expected to be fully subscribed as soon as Thursday, according to Republicans, when the Senate's next pro forma session is scheduled. Banks, however, have indicated the funds could run out by the end of the month. Led by Senate Majority Leader Mitch McConnell (R-Ky.), Republicans want to approve $250 billion to replenish the program immediately; Democrats want both changes to the program and $250 billion more for local governments and hospitals.

And Democrats made clear on Wednesday they are still not backing down. House Majority Leader Steny Hoyer (D-Md.) said his party is "hopeful that Republicans will agree that we need to deal with state and local and tribal government as well as our health care providers."

On a private call with House Democratic freshman lawmakers Tuesday, Pelosi also signaled as much. The speaker indicated negotiations were at a logjam, saying Democrats have laid out their offer and now it's up to Republican leaders to come to the table and compromise, according to sources on the call.

That's the fray Mnuchin is entering — and it's one that some Republicans aren't sure he's ready to navigate. That's because there's a difficult hurdle in Congress, which is now officially on recess until May 4 as lawmakers do their part to try to stop the spread of the coronavirus. One lawmaker can derail legislation in the pro forma sessions each chamber holds twice a week.

And Republicans say Mnuchin can't exactly negotiate on behalf of the entire GOP as is necessary, unlike during normal times when 60 votes rule the day in the Senate and a bipartisan coalition can steamroll objections from the right flank of the party.

"I don't see us giving in. I just don't," Kennedy said. "Secretary Mnuchin can make all the deals he wants to with Speaker Pelosi, I'll certainly look at them, but I think it's going to have a tough time in the Senate."

"Mnuchin doesn't represent congressional Republicans in their entirety," said a Senate Republican aide. "But that's what you need with UC (unanimous consent). If Mnuchin deals, he better be ready to sell this to our conference. And he better have the president on board."

Trump has said he doesn't want to add anything beyond small business relief in the interim relief bill, tweeting this week that he wants to "Replenish Account Now!"

The Treasury Department did not immediately respond to a request for comment. And Republicans have generally praised Mnuchin's responsiveness in recent weeks running Treasury, even if they aren't exactly urging him to cut a deal with Democrats.

And there's no sign of anyone bending. Sen. Susan Collins (R-Maine) said in an interview Tuesday that Democrats'requests are worthwhile but should be negotiated later. The Paycheck Protection Program, she argued, is what's needed now and she implored Democrats to abandon their demands to broaden the scope of the package.

"I am really surprised that Sen. Schumer doesn't see the need to replenish this program. This doesn't mean that there aren't other programs that don't warrant additional funding, but this program is going to run out for certain," said Collins, among the most amenable Republicans to cutting a deal.

Hoyer replied: "We think what we asked for was equally necessary" to the small business funds.

"I don't think it's the substance of our request that seems to be the problem. It was the process — they didn't like adding on to their request," he added.

McConnell may decide to try again Thursday to pass his package and force Democrats to block it. And just like last week, Democrats could decide to offer their proposal and watch McConnell spurn them.

The House has its own pro forma session Friday, a deadline Hoyer said he hopes negotiators are able to meet to pass an interim deal. But privately, aides in both parties say congressional dealmakers seem much further apart, predicting the impasse could carry over into next week.

Marianne LeVine contributed to this story.
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## Coronavirus economic threat – A mortgage industry calamity is looming
### Under the CARES Act, Congress has invited millions of Americans to stop paying their mortgages

By Christopher Whalen
FOXBusiness

The coronavirus pandemic is perhaps the single biggest crisis to hit the U.S. economy since the 1930s. Large swaths of the U.S. economy have been idled and particularly the services sector is being decimated in a way that harkens back to the Great Depression. Double-digit unemployment seems inevitable by June, with all of the attendant economic and financial consequences.

Amidst this chaos and dislocation, the U.S. housing industry should be a bulwark upon which the economy may find support. After all, virtually all residential mortgages and many multi-family commercial loans in the U.S. are government-guaranteed, right?

Correct, but a series of missteps and outright errors in judgment by federal regulators are turning a bad situation in housing into a calamity that may lead to a U.S. debt default.

The mortgage industry is essentially a large cooperative network. The homeowner pays the mortgage. The bank or nonbank loan servicer transfers the payment to a bond investor and retains a small fee. The loan servicer also pays the property taxes and insurance on the property, protecting not only the home but the municipal finances of communities around the country. The total flow of interest, principal, taxes and insurance made by banks on behalf of homeowners runs into the tens of billions of dollars every month.

Under the CARES Act, Congress has invited millions of Americans to stop paying their mortgages. The impact of this massive unfunded mandate is that the U.S. financial system is headed for a potential default when the cash flow expected from millions of Americans does not arrive.

Bear in mind that these same Americans will stop making payments on car loans, credit cards and other obligations at the same time that they stop paying the mortgage.

The Trump administration has been slow to fashion a solution for dealing with the cash shortfall that will hit the U.S. financial system in about 30-45 days.

The mortgage industry, including banks, nonbank lenders and servicers, and the government-sponsored enterprises (GSEs) like Fannie Mae and Freddie Mac, will be able to make required payments on $7.7 trillion in mortgage-backed securities in April. But by May, the system will run out of cash and neither the banks, the nonbanks or the GSEs will be able to pay the holders of mortgage bonds – bonds, by the way, which are guaranteed by the U.S. Treasury.

Congress has invited millions of Americans to stop paying their mortgages. The impact of this massive unfunded mandate is that the U.S. financial system is headed for a potential default when the cash flow expected from millions of Americans does not arrive.

If the issuers in the $2.2 trillion government loan market or the $5.5 trillion conventional loan market fail to make the bond payments to investors, then the Treasury must step in to honor the guarantee.

In the government market, the issuer will notify Ginnie Mae of the shortfall and ask the Treasury to honor its guarantee.

In the conventional market, the issuer will notify the GSEs of a shortfall and the GSEs will need to request funds from the Treasury. Either way, all roads in this increasingly dangerous situation end with Treasury Secretary

Steven Mnuchin.

While Ginnie Mae has begun to fashion a temporary solution to fund the payment arrears in the government market, it is unlikely to be sufficient given the likely size of the loan payment shortfalls that are building each and every day. Hundreds of thousands of borrowers are seeking loan forbearance daily from banks and nonbank lenders.

The accumulated defaults on payments of interest and principal are forming a financial tsunami that could ultimately force a US debt default unless steps are taken now to prepare for this peak in loan forbearance.

Just as U.S. medical professionals must judge the rate of infection from COVID-19 and try to discern when the cases will peak, so too the U.S. financial system is facing a peak of loan defaults that must also be anticipated and managed.

In particular, Secretary Mnuchin needs to quickly fashion a consensus among federal regulators to support the cash needs of the housing finance industry in a way that will honor payments to mortgage bond investors while also giving loan servicers the resources to deal with millions of troubled borrowers.

Specifically, the Treasury needs to work with the Federal Reserve to fashion a liquidity facility for government lenders and servicers. While Ginnie Mae says that it wants to reimburse missed loan payments on a case-by-case basis, this approach will very quickly be shown to be inadequate to the task.

In the larger conventional market, the Treasury needs to take control over the GSEs and use their balance sheets to provide advances to fund missed payments on agency securities.

One big obstacle facing the Trump administration in fashioning a workable solution to fund missed mortgage payments is Federal Housing Finance Agency head Mark Calabria. Recently, the GSEs Fannie Mae and Freddie Mac had a liquidity facility ready to put in place to support conventional issuers.

Meetings were scheduled with members of Congress to discuss the plan. Then, suddenly and without any explanation, Calabria ordered the GSEs to stand down and shelve plans to support the industry. To say that people in and around the housing industry were flabbergasted is an understatement.

Following Calabria's action to shut down the servicer liquidity facility planned by the GSEs, the Financial Stability Oversight Council or "FSOC" met and decided to take a "wait and see" approach to providing liquidity to mortgage servicers, banks and nonbanks alike. The FSOC's decision was largely taken because of erroneous advice from Director Calabria, who has never actually worked in finance much less in the housing industry. The FSOC and Director Calabria are playing with fire.

The White House, Treasury and Federal Reserve need to put aside Director Calabria's flawed advice and announce a "solution" to the liquidity issue for agency residential mortgages this week.

We then have a couple of weeks to work out the details, which in simple terms involves the bank and nonbank servicers running an overdraft secured by the mortgages and financed by the Fed.

If a solution is not put in place quickly, then the U.S. Treasury faces the unseemly prospect of financing the payments to agency and Ginnie Mae bond holders in extremis.

The U.S. will be on the edge of the precipice and within just days of a sovereign default.

Anybody who thinks that the market for U.S. Treasury securities can survive the collapse of the agency and government-insured mortgage markets should think again.

Christopher Whalen is Chairman of Whalen Global Advisors LLC in New York. He is a contributing editor to National Mortgage News and publishes The Institutional Risk Analyst blog.
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Treasury
CNBC
New government app showing you the status of your coronavirus stimulus payment has rocky debut
PUBLISHED WED, APR 15 202010:44 AM EDTUPDATED AN HOUR AGO
Lorie Konish
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KEY POINTS

KEY POINTS
-A new government web app has been launched to help you track the status of your stimulus payment. The new tool also lets you put in your direct deposit information for your bank account.
-The launch on April 15, usually Tax Day, comes as the government is expected to get payments of up to $1,200 per person to millions of Americans this week.
-Many users reported having difficulty both accessing and getting information from the site on Wednesday.

Millions of Americans are slated to get payments of up to $1,200 per person from the government this week, and now there's a way to track your money.

On Wednesday, the Treasury Department and IRS launched a new free web app called "Get My Payment" that allows taxpayers to find the status of their payment.

It also enables taxpayers to add their direct deposit information if they did not include that in their tax returns for 2018 or 2019.

Actually accessing the web app could prove tricky.

In the first hours after launch, many users complained on social media that they were having a difficult time getting through. Others who accessed the site still were not able to get their payment status.

"You are getting two large groups of taxpayers with slightly different needs going into one tool, and it's crashing it," said Garrett Watson, senior policy analyst at the Tax Foundation.

That may improve after this week, Watson said, once millions of Americans have received their payments and no longer need to check on their rebate status.

"The hope is that this will smooth out and it will give those who are due to get a paper check in the coming weeks an opportunity to put in their information to get their payment a bit faster," Watson said.

To track the status of your payments, you will need to enter your Social Security number, date of birth and mailing address.

To submit your direct deposit information, you will need to have your bank account type, and account and routing numbers. In addition, you also will need your refund amount or amount you owed, plus your adjusted gross income, from the most recent tax return you filed (either 2018 or 2019).

That information needs to be updated as soon as possible. Bank account information cannot be updated once a stimulus payment has been scheduled for delivery.

The government is starting to deploy direct deposit payments this week, with more than 80 million Americans expected to get paid. After that, it will turn to mailed checks for individuals who don't have their bank information on record.

Single individuals who earn up to $75,000 stand to get $1,200 payments, while married couples who file their income taxes jointly are eligible for up to $2,400. In addition, children under 17 are eligible for $500.

Those payments are reduced for those earning more and phase out completely for individuals with income over $99,000; or $136,500 for head of households; or $198,000 if you file jointly with your spouse and have no children.

The "Get My Payment" app can be accessed from a desktop, smartphone or tablet and does not need to be downloaded.
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American Banker (USA)


April 15, 2020
Volume 1; Issue 1

CFPB, FHFA to share data on mortgage servicing

Kate Berry

The Consumer Financial Protection Bureau and Federal Housing Finance Agency announced a plan to share mortgage servicing data as borrowers seek loan workout options during the coronavirus emergency.

The Borrower Protection Program initiative announced Wednesday enables the CFPB to share complaint information about servicers and analytical tools with the FHFA using a secure electronic interface. The FHFA will make loss mitigation data, related to loan forbearance and modifications, available to the CFPB.

CFPB Director Kathy Kraninger and FHFA Director Mark Calabria said the information-sharing program would help both agencies protect borrowers during the pandemic crisis. Yet the joint press release offered little detail on how the information shared between the two agencies would be used to protect borrowers.

"Through the partnership being announced today, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward," Kraninger said in the jointrelease. "Help for consumers is always here at the CFPB through our complaints process. In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."

Calabria said "protecting and helping homeowners during this national crisis is my top priority."

"No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

Both agencies have been criticized for their response to the pandemic.

Kraninger has been faulted for failing to provide more guidance to mortgage servicers, not restricting debt collectors from contacting consumers during the crisis and for allowing voluntary reporting of pandemic-related hardships to the credit bureaus.

Meanwhile, Calabria has been blamed for the lack of a government-backed liquidity plan to aid nonbank servicers.
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National Mortgage Professional Magazine
FHFA and CFPB Announce Borrower Protection Program

April 15, 2020

Keith Griffin

The Federal Housing Finance Authority (FHFA) and the Consumer Financial Protection Bureau (CFPB) have jointly launched the Borrower Protection Program. The two federal agencies say it is necessary to provide accurate information to consumers about their forbearance options.

Under the program, the CFPB will make complaint information and analytical tools available to FHFA via a secure electronic interface; and FHFA will make available to the Bureau information about forbearances, modifications and other loss mitigation initiatives undertaken by Fannie Mae and Freddie Mac.

CFPB Director Kathleen L. Kraninger said in a news release, "Through the partnership, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward." FHFA Director Mark Calabria added, "This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

In response to the COVID-19 national emergency, Fannie Mae and Freddie Mac permitted borrowers the ability to enter into forbearance, a pause or reduction in their monthly mortgage. The missed payments will have to be paid back by the borrower. The missed payments can be added to the normal monthly payments, paid back all at once, tacked on to the end of the loan, or the borrower can have the term of the loan extended.

A survey earlier in the week conducted by the Mortgage Bankers Associaiton (MBA) found the number of loans in forbearance jumped from 2.73 percent to 3.74 percent during the week of March 30-April 5, 2020.

The National Consumer Law Association is urging borrowers to call their lenders before taking on forbearance. Industry professionals have repeatedly said there is a difference between forbearance and forgiveness, a concept many homeowners are still very unaware of.
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ABA Banking Journal

FHFA, CFPB Announce Information Sharing to Facilitate COVID-19 Mortgage Relief

on April 15, 2020 Mortgage, Newsbytes

To support the effort to provide relief to mortgage borrowers struggling due to the coronavirus, the Federal Housing Finance Agency and the Consumer Financial Protection Bureau will begin sharing servicing information, the agencies announced today.

As part of this new Borrower Protection Program, the CFPB will share complaint information and analytical tools with FHFA through a secure interface, and FHFA will share information about Fannie Mae and Freddie Mac's efforts to offer forbearance, modifications and other loss mitigation options.

The GSEs previously announced they would offer forbearance options to borrowers facing financial hardships during the pandemic. "Borrowers are entitled to accurate information about their forbearance options," said FHFA Director Mark Calabria. "This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."
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Mortgage News Daily

Fannie/Freddie Regulator and CFPB Agree Will Share Mortgage Servicing Info

by: Jann Swanson
Apr 15 2020, 12:10PM

The Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB) have made arrangements to share information during the COVID-19 national emergency. CFPB is a big portal for and repository of consumer complaints about providers of financial services and has agreed to make that information as it relates to mortgage servicers along with appropriate analytical tools to FHFA available. In turn, the conservator and regulator of the GSEs Fannie Mae and Freddie Mac will provide information to the Bureau about forbearances, modifications and other loss mitigation initiatives undertaken by servicers of GSE loans.

The GSEs have instructed servicers to enter into forbearance agreements with borrower encountering financial hardship due to the pandemic. These agreements allow borrowers to pause or reduce their mortgage payments although those amounts must ultimately be paid back. Mortgage servicers are responsible for working with borrowers to set up a repayment plan that works for both parties.

FHFA Director Mark Calabria said the partnership with CFPB will allow the GSEs to see how servicers are working with their customers during the crisis and going forward. "No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

"Help for consumers is always here at the CFPB through our complaints process," CFPB Director Kathleen L. Kraninger said. "In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."

Through its consumer complaint system CFPB gets responses from companies to resolve consumer issues and takes the information into account in supervisory and enforcement work. The agency has also worked to educate consumers about options to help them during the crisis including those regarding student loan payment suspension, mortgage forbearance, stimulus payments, and the Paycheck Protection Program

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# PM News Roundup April 15, 2020

From: [redacted]@treasury.gov>
To: _DL_FYI <_dl_fyi@do.treas.gov>
Date: Wed, 15 Apr 2020 18:34:24 -0400

**PM News Roundup**
**April 15, 2020**

**Secretary Steven Mnuchin**

- Newsweek: ARE STIMULUS CHECKS DELAYED? ELECTRONIC PAYMENTS UNDERWAY, PAPER SLIPS SENT IN MAIL TO LOWER-INCOME HOUSEHOLDS FIRST
- FOXBusiness: Tax Day is no longer April 15 this year, but you can still file for a refund
- CNBC: Schumer, Pelosi staff to discuss next coronavirus relief bill with Treasury on Wednesday
- The Wall Street Journal: Small-Business Aid Program Set to Run Out of Money Later Today
- The Points Guy: Labor groups slam Treasury for 'playing games' with airline bailout terms
- Roll Call: Small-business funds set to run dry with no agreement to replenish
- CNBC: Small business loans top $296 billion and could reach the program's limit by the end of Wednesday
- The Washington Post: The real reason U.S. airlines and Boeing went for a combined $73.7 billion in buybacks
- The Hill: Trump administration says more people will automatically receive coronavirus payments
- MReport: The Treasury's Plan for the Mortgage Market

**Treasury**

- Afrik21: ETHIOPIA: Renaissance Dam will be impounded in July 2020.
- Satenaw News: The international media's misrepresentation of Ethiopia on the GERD
- The Hill: Pelosi: 'Shameful' for Trump to order his name on coronavirus stimulus checks
- CNBC: Small business loans top $296 billion and could reach the program's limit by the end of Wednesday
- Foreign Policy: China Is Bargain Hunting—and Western Security Is at Risk.
- Florida Daily: Marco Rubio Wants Trump Administration to Issue 5G Regulations
- CNBC: American Airlines CEO: 'It certainly feels like we're at bottom' as revenue tumbles 90%
- CNBC: Receiving SSI benefits? You will get your coronavirus stimulus payment automatically, government says

**Secretary Steven Mnuchin**
Newsweek
ARE STIMULUS CHECKS DELAYED? ELECTRONIC PAYMENTS UNDERWAY, PAPER SLIPS SENT IN MAIL TO LOWER-INCOME HOUSEHOLDS FIRST
BY SHANE CROUCHER ON 4/15/20 AT 11:23 AM EDT

The Treasury Department assured the nation there are no delays to stimulus checks and that everything is on schedule.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever," a Treasury spokeswoman told Newsweek in a statement. "In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates."

The first stimulus checks have already hit millions of Americans' accounts in the form of a direct deposit. By Wednesday, 80 million Americans should have received their payments as a direct deposit.

"We are very pleased that we are ahead of schedule on delivering the economic impact payments," Treasury Secretary Steve Mnuchin said at a press briefing on Monday.

Senior IRS officials had previously raised concerns about a delay in mailing out checks for technical reasons related to adding President Donald Trump's name to the checks.

It followed a request by the Treasury that Trump's name is added to the checks, a break with precedent. Stimulus checks during the financial crisis did not carry the president's name.

The IRS used payment information for tax filers in 2018 and 2019 to make the deposits. Others can use IRS tools online to submit their payment information and swiftly receive a direct deposit.

If you filed your tax return in 2018 or 2019 but did not submit payment information for a direct deposit of your refund, you can use the Get My Payment tool to submit those details.

For Non-Filers, there is a separate tool to submit payment information for a direct deposit of the stimulus check.

Those on social security and other benefits will automatically receive the stimulus checks for adults.

Some may have to make claims through the Non-Filers tool on the IRS website for child payments. You can check eligibility and submit information online at the IRS.

Those whose payment information is not held by the IRS will receive a paper check instead unless they submit their details soon.

The first batch of paper checks is due to go out in the mail on April 24. Batches will be mailed out in the following weeks and months until September.

Lower-income households will be prioritized when paper stimulus checks are mailed out.

According to The Washington Post, which obtained the IRS plan for distributing paper checks, those with incomes of $10,000 or less will get the first batch in the mail.

A week later, those earning $20,000 or less will have their checks sent out on May 1. A week later, $30,000 incomes or less, and so on every week, the income threshold increasing by $10,000 each time.

The Post reported that stimulus checks would be issued on September 4 to joint taxpayers earning $198,000, the maximum allowed. Any remaining would be sent on September 11.

You may still be able to submit your payment information online with the IRS to receive the payment electronically instead and should do so as soon as possible.

However, if your paper check has already been generated, it will be too late and you will have to wait for it to arrive in the mail.

The IRS Get My Payment app on its website allows users to track the status of their check so they can find out when it is coming. It also enables users to check their payment information.

"We want to do as much of this electronically as we can." Mnuchin said on Monday. "It's very important in this day and age. It's more secure, and you don't have to go to the bank."is

IRS stimulus checks delayed payment Trump
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**Tax Day is no longer April 15 this year, but you can still file for a refund**
**If you're owed an income tax refund for 2019, the federal government has urged you to file your taxes before the July 15 deadline**

**By Megan Henney**
**FOXBusiness**

**Even though today is April 15, for the first time in decades, Americans don't need to worry about filing their federal income tax returns.**

**The decision to delay the deadline, announced by Treasury Secretary Steven Mnuchin in mid-March, gives Americans three months longer than usual to file tax returns, regardless of whether they are sick, quarantined or healthy. The new deadline is July 15.**

**By extending the deadline, the federal government is allowing individuals and businesses to hold onto their cash longer as they deal with the fallout from the coronavirus pandemic, which has paralyzed the U.S. economy and threatened to thrust the nations into a downturn that experts warn may be the worst since the Great Depression.**

**More than 40 states have issued strict stay-at-home mandates for citizens and ordered the closure of businesses deemed nonessential, leading to a bloodbath month for unemployment. The Department of Labor has said that in the four weeks through April 4, more than 17 million Americans filed first-time unemployment claims, a stunning**

sign of the depth of the crisis.

Still, if you're owed an income tax refund for 2019, the federal government has urged you to file your taxes before the July 15 deadline.

"I encourage all taxpayers who may have tax refunds to file now to get your money," Mnuchin tweeted in March.

Most states followed the federal government's suit and extended the filing deadline into at least May, if not longer. Virginia established a May 1 due date but said it will not charge late penalties on payments made by June 1. Most states, including Alabama, New York, New Jersey, California and Pennsylvania, changed their deadline to July 15. You can check the full list of states here.

As of April 3, the IRS received more than 97.4 million tax returns and issued more than $213 billion in refunds. While the agency is still processing electronic returns and issuing direct deposit refunds, it may be harder to receive help if you have any questions throughout the process.

Last week, the IRS said its live telephone assistance is unavailable because of the virus.

"Normal operations will resume when possible," the IRS said.

The U.S. has the most cases of COVID-19, the respiratory illness caused by the novel coronavirus, in the world, with more than 609,000 reported, according to Johns Hopkins data. More than 29,000 people have died from the virus.

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CNBC

Schumer, Pelosi staff to discuss next coronavirus relief bill with Treasury on Wednesday

PUBLISHED WED, APR 15 202011:53 AM EDTUPDATED 2 HOURS AGO

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KEY POINTS

-Staffers for Senate Minority Leader Chuck Schumer and House Speaker Nancy Pelosi will meet with the Treasury Department to discuss the Democrats' push to pass additional coronavirus relief legislation.
-Schumer, D-N.Y., spoke with Treasury Secretary Steven Mnuchin on Wednesday morning about the "interim" relief package, a spokesman for the Senate leader's office told CNBC.
-Last week, Pelosi and Schumer called for Congress to pass a bill that would include at least $500 billion in relief for small businesses, hospitals, states and food assistance programs.

Staffers for Senate Minority Leader Chuck Schumer and House Speaker Nancy Pelosi will meet with the Treasury Department on Wednesday to discuss the Democrats' push to pass additional coronavirus relief legislation.

The new round of working-level negotiations between Democrats and members of the Trump administration indicates a potential thaw in the ongoing stalemate over emergency funding.

It also reflects a desire on both sides to keep the government's fiscal spigot open and pouring money into the economy, which has been devastated by the disease and the strict policies imposed to slow its spread.

The talks are set to take place as an already-passed $349 billion fund for small businesses is quickly being wiped out: More than 1.3 million loans had been approved by Wednesday afternoon, totaling a value of more than $296 billion, according to the Small Business Administration.

Schumer, D-N.Y., spoke with Treasury Secretary Steven Mnuchin on Wednesday morning about the "interim" relief package, a spokesman for the Senate leader's office told CNBC.

Two sources confirmed that staff members for Schumer and Pelosi, D-Calif., will meet with Treasury officials later Wednesday.

Last week, Pelosi and Schumer called for Congress to pass a bill that would include at least $500 billion in relief for small businesses, hospitals, states and food assistance programs.

Those funds would put $125 billion toward small businesses, another $125 billion for community-based lenders and Small Business Administration loans, $100 billion to bolster hospitals and community health centers, and $150 billion for state and local governments.

It is unclear whether Democrats are still pushing for all of those provisions as part of an interim bill. The Treasury Department did not immediately respond to CNBC's request for comment on the talks.

Their proposal followed a $2 trillion emergency spending package, known as the CARES Act, that President Donald Trump signed in late March to try to blunt the economic destruction of the Covid-19 pandemic for individuals and businesses.

States are trying to contain the spread of the disease by enforcing strict social distancing measures, such as closing nonessential businesses and issuing statewide stay-at-home orders. While governors say their efforts are paying off, the measures have prompted an unprecedented spike in unemployment and a massive market rout.

Both Republicans and Democrats seek to add funds to the nearly $350 billion Paycheck Protection Program included in the act to help small businesses keep their employees on the payroll.

An industry source told CNBC on Wednesday afternoon that "today or tomorrow" that money is set to run out.

Senate Democrats on Thursday blocked an attempt by Senate Majority Leader Mitch McConnell, R-Ky., to rush another $250 billion in funding for the program through his chamber by a unanimous vote. Republicans then rejected the Democratic proposal outlined by Pelosi and Schumer.
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The Wall Street Journal

Small-Business Aid Program Set to Run Out of Money Later Today
Negotiations between Congress, White House over fresh funding set to resume as initial $350 billion allocation nears depletion

By Kristina Peterson

Updated April 15, 2020 2:47 pm ET

WASHINGTON—A small-business loan program at the center of a standoff between congressional Democrats and Republicans aligned with the White House is expected to run out of money later Wednesday, according to a person familiar with the fund.

Negotiations between Congress and the White House resumed Wednesday over replenishing the small-business loan program designed to support businesses hit by the coronavirus pandemic. The program was on track to exhaust its initial allocation of $350 billion later in the day. As of Wednesday morning, the Small Business Administration said it had approved about 1.3 million applications, totaling more than $289 billion in loans.

Both Democrats and Republicans want to add $250 billion to the small-business aid program, but have been sparring for days over whether to add restrictions to the funds. Democrats want to expand access to the loans as well as include more money for hospitals, food assistance and state and local governments. Republicans, meanwhile, said they want to keep the bill focused on increasing small-business aid and defer other funding debates until the next, broader legislation is crafted.

Senate Minority Leader Chuck Schumer (D., N.Y.) told reporters he had spoken with Treasury Secretary Steven Mnuchin Wednesday morning and that both House and Senate Democratic staff were expected to meet with officials from Mr. Mnuchin's office later in the day.

"We see no reason why we can't come to an agreement," Mr. Schumer said. "We Democrats believe we need more money for small businesses, but we need it to go to the people who are under banked and underserved."

Both parties have accused one another of blocking an infusion of aid into the fund, known as the Paycheck Protection Program.

The discussions were the first signs of progress this week, but it remains uncertain whether congressional leaders and President Trump will be able to reach an agreement by week's end. Both chambers are scheduled to hold brief sessions later this week.

"Hopefully we are getting closer to an agreement," House Majority Leader Steny Hoyer (D., Md.) told reporters Wednesday, but said he couldn't guarantee it would be reached this week.

Senate Majority Leader Mitch McConnell (R., Ky.) has said Democrats should wait to fund other programs as part of the next relief package, while boosting small-business aid he said is needed more urgently.

"There is no time to insist on sweeping renegotiations or ultimatums about other policies that passed both houses unanimously," he said in a statement Tuesday. "Clean funding for worker pay in a crisis should not be controversial."

As talks continued, several House lawmakers are readying a resolution calling on party leaders to come up with a plan soon for remote voting and hearings, so that Congress can continue operating during the coronavirus pandemic. Congress isn't scheduled to return formally to Washington until May 4. With no way of conducting business remotely, all bills must pass by unanimous consent, limiting congressional action.

"There's going to be increasing pressure for remote debate and voting because, A, we're not all going to agree and, B, we're feeling we have a responsibility here," said Rep. Josh Gottheimer (D., N.J.), one of the seven lawmakers leading the resolution that asks House Speaker Nancy Pelosi (D., Calif.) and Minority Leader Kevin McCarthy (R., Calif.) to come up with a plan for remote proceedings.

Congressional leaders have resisted pressure from lawmakers to enact remote procedures for voting or hearings. Mr. Hoyer said on Wednesday that it was something leadership was looking into as the pandemic continues.

"Neither the speaker, nor I, nor Senator McConnell or Congressman McCarthy believes that we ought to have any kind of regular practice of voting remotely," he told reporters. "But in an emergency situation where it's impossible to do it that way, we ought to have an alternative."

Rep. Liz Cheney (R., Wyo.) criticized Mrs. Pelosi for not allowing distance operations.

"For Congress not to be holding hearings, not to be debating, not to be available immediately to pass additional appropriations if necessary, is inexcusable," she told a Cheyenne radio station.

—Natalie Andrews contributed to this article.

Write to Kristina Peterson at kristina.peterson@wsj.com
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The Points Guy

Labor groups slam Treasury for 'playing games' with airline bailout terms

Zach Wichter



Airlines and the U.S. government reached a deal Tuesday that will open the cash taps and help keep the carriers aloft for at least a few months.

And while unions that represent many airline employees have praised the deal for keeping their jobs secure — for now — that enthusiasm is tempered with concern that the longer term outlook for airlines may still be grim.

"We do not believe these grants are being implemented as intended in the bipartisan CARES Act," the leaders of the Association of Flight Attendants said in a letter to their members Tuesday.

In a separate statement, Sara Nelson, the organization's president, said that Treasury secretary Steven Mnuchin was "playing games" with the aid.

"We have seen what happens when investment bankers like Secretary Mnuchin control the outcomes, and we're going to make sure that doesn't happen again," she said.

According to Joe DePete, the president of the Air Line Pilot Association, the concern is that much of the aid to airlines is now being treated as loans instead of grants. Requiring airlines to pay back the funds, he said in a statement, "will make it harder to stop layoffs and slow the recovery.

"In spite of this," he continued, "we remain optimistic that more carriers will avail themselves of this funding — and that Congress will seek to overturn the constraints placed on this worker assistance program."

The Transportation Trades Department, a consortium of various unions that represent airline workers, was even

**more direct in its criticism.**

**"The decision by the Department of Treasury to turn a portion of those grants into loans is irresponsible and without merit, flies in the face of Congressional intent, and creates a long-term burden that is likely to harm the very people the grants were designed to help: frontline aviation workers," the group said in a statement.**

**Not all unions expressed such concerns though. The Allied Pilots Association, which represents American Airlines pilots, said it was pleased with the aid package, without any qualifications.**

**"We are deeply grateful for the support of Treasury Secretary Mnuchin and for the bipartisan efforts of the White House and Congress. Today was an important step toward ensuring that our industry and nation remain strong during this battle," Eric Ferguson, the group's president, said in a statement.**

**Travel demand continues to stay depressed as the coronavirus pandemic drags on, and it's currently unclear what aid will be available to airlines come fall when the terms of the current package expire. It's possible that the government will pass another aid package, or airlines may have to turn to the private sector for continued support.**

**Zach Wichter covers the aviation industry for TPG. He previously worked for The New York Times.**
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**Roll Call**

**Small-business funds set to run dry with no agreement to replenish**
**Democratic aides to meet with Treasury officials to try to hammer out a compromise package by this weekend.**

**By Jennifer Shutt**

**Posted April 15, 2020 at 11:18am, Updated at 2:40pm**

**Top Democrats and the Trump administration were in talks about a new COVID-19 aid package Wednesday as new data showed a popular small-business loan program could be out of money as soon as Wednesday.**

**Democratic staff from the House and Senate plan to meet with Treasury Department officials later on Wednesday, following a morning conversation between Senate Minority Leader Charles E. Schumer and Treasury Secretary Steven Mnuchin, according to a Schumer spokesman.**

**The so-called Paycheck Protection Program was on track to run out of money by Friday. But even higher-than-expected demand now means the funds will be exhausted later on Wednesday, according to a person familiar with the program who was not authorized to speak publicly.**

**Democrats agree on the need for small-business funds. But the dispute has centered around how to allocate the money as well as provide additional relief for state and local governments, hospitals and low-income households.**

**"I can't guarantee we can get an agreement that we will pass on Friday, but that would be optimal if we could," House Majority Leader Steny H. Hoyer, D-Md., said on a call with reporters Wednesday.**

**The talks are the first real sign of progress since the White House sent Congress a request for an additional $251 billion in funding for the Paycheck Protection Program last week.**

**The initial $349 billion provided in last month's $2.3 trillion economic rescue package for businesses shuttered by the COVID-19 pandemic is running out fast.**

**New data from the Small Business Administration show that as of 2:15 p.m. Wednesday, there was just $48 billion left in the account. That's after more than $40 billion was distributed on Tuesday, a "burn rate" that's increasing as small businesses rush to their lenders for aid before the money runs out.**

**Top Republicans and administration officials have said for days the money could run out before this weekend. But the latest rush for cash suggests lawmakers and the White House may have even less time to strike a deal or risk leaving small businesses who haven't yet been approved on the sidelines, at least temporarily.**

**The PPP is in such hot demand because it allows eligible firms to skip repayment on eight weeks' worth of their loans, which are equal to up to 250 percent of monthly payroll expenses.**

**Companies are only able to spend up to one-fourth of the money on other fixed costs like rent and utilities, however, so Democrats want to boost allowable loans to 300 percent of payroll to enable companies to meet their nonpayroll expenses.**

The average loan has been for around $239,000, according to the SBA.

Democrats also want to put $65 billion into a related disaster loan program for up to $2 million in "economic injury" expenses, of which up to $10,000 in cash advances don't need to be repaid. That program has also proven immensely popular, to the point where SBA last week started rationing the maximum loan size down to a fraction of the total.

Dueling proposals

Senate Majority Leader Mitch McConnell, R-Ky., tried to pass a two-page bill simply boosting the existing PPP allocation to $600 billion by a unanimous consent request last week, but Democrats objected.

Schumer, D-N.Y., and Speaker Nancy Pelosi have called for changes to the structure of the small business loan program, to ensure that at least half of the new funding, or $125 billion, would go to small businesses without traditional relationships with big banks. Tbis would help women- and minority-owned businesses as well as people in rural areas and farmers access the funding, they said.

Democrats also want the package to include an additional $100 billion for hospitals and other health care facilities, $150 billion for state and local governments, and a 15 percent increase to the maximum monthly benefit for those on the Supplemental Nutrition Assistance Program.

"We see no reason why we can't come to an agreement," Schumer told reporters Wednesday after his call with Mnuchin earlier in the day.

"We Democrats believe that we need more money for small business. But we need it to go to the people who are underbanked and underserved," he added. "Second, we think there's just as much need for our hospitals and health care workers. And for our police, our fire, our people in the local governance. Both of these, hospitals and state and local governments ... are in as big a crisis as small business and they need help immediately or we're going to have millions, millions really of people more out of work."

Until now, GOP lawmakers have been resistant to entering negotiations with Democrats, saying the PPP is the only program from the $2.3 trillion package about to run out of funding. Republicans said that discussions over additional funding could wait until Congress begins work on the next COVID-19 aid package.

"Right now we are just sending the money out to the hospitals and states," Mnuchin said during Monday's daily White House coronavirus briefing. "They haven't come close to using that money. I know the president and vice president have said, once we get the SBA done we can go into another funding bill."

Even if bipartisan agreement is reached Wednesday, the soonest a bill could clear Congress is Friday, following a pro forma Senate session Thursday afternoon and a House meeting on Friday morning.

The absence of both chambers from Washington, however, means that any one lawmaker could slow down the process if they object to passing the bill through unanimous consent.

Jim Saksa, Lindsey McPherson, Chris Cioffi and Niels Lesniewski contributed to this report.
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CNBC
Small business loans top $296 billion and could reach the program's limit by the end of Wednesday
PUBLISHED WED, APR 15 20201:41 PM EDTUPDATED AN HOUR AGO
Kate Rogers
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KEY POINTS
-1.3 million Paycheck Protection Program loans have been approved with a total value of more than $296 billion through Wednesday afternoon, according to the Small Business Administration.
-The program is quickly reaching its $349 billion limit and Congress has yet to agree on new funding.
-It could reach that limit by the end of Wednesday, a source familiar said.
-There are also other lifelines available to owners, but one of those programs — the Economic Injury Disaster Loan program — is seeing some delays.

Much-needed small business aid is beginning to trickle out and more is expected in the weeks to come as banks start to disburse the rescue funds to Main Street. But the first-come, first-serve Payroll Protection Program of $349 billion in aid may be nearing a ceiling for loan commitments, with more than 1.3 million loans given approval at a value of more than $296 billion through Wednesday afternoon, according to the Small Business Administration.

The program could reach its funding limit by the end of Wendnesday, according to a source familiar with the matter.

The SBA and Treasury Department have yet to release any formal statistics on total loan disbursements from banks to small business owners, with one senior administration official telling CNBC the information is not yet available, despite multiple requests. The SBA did release data showing the average loan size is just under $240,000.

Business owners that have received loan approval numbers should start to get funds soon, as Treasury guidance states that "the lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval."

Several big banks reporting earnings this week offered a look into the amount of loans going out the door, with Wells Fargo saying it had received 370,000 indications of interest from customers through April 10. JP Morgan Chase, as of April 14, had 300,000 applications in varying stages for $37 billion in loans, with $9.3 billion already into the hands of small business owners.

Other lifelines for small business

Small businesses like Other Half Brewing, a craft brewery with locations in Brooklyn and Rochester, NY, just had its loan funded by Chase. CFO David Burman said the company had to furlough about a quarter of its staff of under 100 employees, and moved other frontline workers into new positions, whether delivering beer orders or design work. The loan will help to bring workers back so the business will be ready to open its doors again, once it's safe to do so.

"It's a tremendous program to keep our business afloat," Burman says. "It's having the assets to hire and keep people on staff, especially as our cash flow has shifted and we are dealing with longer terms with accounts and vendors."

Beyond just PPP loans, the CARES Act includes another important provision for small businesses that currently hold non-disaster loans through the SBA: the Small Business Debt Relief Program. This program provides for six months of payment relief on existing 7(a) and 504 loans for approximately 320,000 small businesses. It also includes those business owners who apply for new 504 or 7(a) loans not part of PPP.

"These are some of our most vulnerable small businesses. Because you know, if they got an SBA loan, they probably had difficulty getting a traditional bank loan," Sen. Chris Coons (D-DE), a member of the Senate Small Business & Entrepreneurship Committee says. "So these are exactly the companies we want to make sure know that for the next six months, they don't need to do anything."

Sen. Coons said he is working with SBA Administrator Jovita Carranza to make sure these affected small businesses are aware of the loan relief available to them. A senior administration official says outreach to lending partners, stakeholders, borrowers and more is ongoing through e-communications, and that additional guidance is coming later this week.

"Given how sharp and steep our economic decline is right now, I really hope that [the SBA] will move as quickly as they possibly can to deliver guidance," Coons says.

Treasury Secretary Steven Mnuchin has vowed to replenish the program to the tune of another $250 billion, but Congress has yet to agree to terms on the new funding. Senate Democrats blocked an effort to pass the additional funding last week.

Some funding delays

Another option for Main Street businesses needing assistance is the Economic Injury Disaster Loan program, which provides disaster assistance loans of up to $2 million. Small business owners apply directly with the SBA to access the aid, but there have been delays.

In the past, borrowers were told they could also access up to $10,000 as a cash advance within three days of a successful application to the program. Guidance has since changed, with businesses now being told funds will be distributed "within days" and that aid will be limited to $1,000 per employee up to $10,000.

A senior administration official said that the funds are being distributed, and that nearly four million businesses have applied for EIDL funding for a total of $383 billion, but that Congress has allocated just $17 billion for the program. Both the Senate and the House are aware of the funding needs, the official said.

In its letter to Congress and the SBA this week, the NFIB said that research as of April 9 showed that no business owner surveyed by its group had received EIDL funding or a grant, urging the SBA to distribute funds and request more aid.

Jason Duff, founder of Small Nation, a community developer focused on revitalizing the downtown of Bellefontaine, Ohio says his business just accessed his PPP loan this week, for $160,000 to bring back employees now. But he's still waiting on an EIDL grant and the full loan amount.

"The biggest victory was getting our SBA approval number (for PPP), after we got that, the loan was funded within four days, and we are extremely thankful to have that runway of cash," Duff says. The EIDL is "a very different situation. When we applied we were told that up to $15,000 was going to show up in our account within three days. It's been longer than almost two weeks at this point from when those conversations were happening. For most for most of businesses, including my own, we have not seen that money show up."

— With reporting by Dawn Giel and Hugh Son
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The Washington Post

The real reason U.S. airlines and Boeing went for a combined $73.7 billion in buybacks
Buybacks juiced the companies' earnings per share but left them in a worse position for the coronavirus pandemic — and in need of a bigger bailout from tax payers.

By Allan Sloan

Columnist
April 15 at 2:04 PM
There's been lots of fuss made, some of it by me, about how four big airlines and aerospace giant Boeing have spent more than $70 billion over the past five years to buy back their own stock but now want tens of billions of dollars of the coronavirus federal bailout money.

Treasury Secretary Steven Mnuchin announced Tuesday that 10 airlines had reached an agreement in principle to accept $25 billion in grants to get through the coronavirus crisis.

Now that the question of grants has been settled, it's time to see what kind of deal Mnuchin makes on taxpayers' behalf when it comes to giving the airlines big federal loans or perhaps guaranteeing big loans that the airlines get from third parties

If you're a normal person — as opposed to a Wall Street obsessive — you might find yourself wondering about all of this. Why on earth would a company spend billions to buy its own shares rather than using that cash to expand? Or to reduce its debt? Or to send bigger cash dividends to its shareholders?

I'll show you in a bit, using an analysis that the Zion Research Group, a New York City consulting firm, did at my request.

But before I start springing Zion's numbers on you, let me explain why so many corporations spend so much money buying back their own shares in the public market even though it reduces a company's financial strength and leaves it far more vulnerable to shocks such as covid-19 (the airlines) or two fatal airliner crashes plus covid-19 (Boeing).

[Sign up for our Coronavirus Updates newsletter to track the outbreak. All stories linked in the newsletter are free to access.]

Wall Street's game — and the game that's played by corporate chief executives and boards of directors to accommodate the Street — doesn't involve just showing high and ever-rising earnings. It involves showing high and ever-rising earnings per share — which isn't necessarily the same thing.

If a company has, say, 2 million shares and earns a $10 million profit, its per-share earnings are $5: $10 million divided by 2 million.

Let's say that same company buys back lots of its own stock, earns only $6 million but has just 1 million shares outstanding. That makes its earnings $6 a share. That results in a smaller company but a higher stock price than if its earnings were only $5 a share.

That's why I asked Dave Zion, the head of Zion Research, to study the impact that five years of buybacks by Boeing, Southwest Airlines, United Airlines, Delta Air Lines and American Airlines have had on those companies' per-share profits.

The answer was "a lot" — and answer that justifies the federal government demanding, and hopefully getting, a big slug of stock on terms that give taxpayers a substantial piece of the companies' post-bailout upside.

According to Zion's numbers, Southwest's $8.5 billion of share buybacks from 2015 through 2019 accounted for almost a third of its compounded annual earnings-per-share growth rate for those five years.

[First came the 737 Max crisis, then coronavirus. Can David Calhoun save Boeing?]

Southwest's earnings per share grew at a 32.6 percent compounded annual rate, Zion says, but would have grown at only 14.3 percent without buybacks.

United's 32.2 percent earnings growth rate would have been only 21.3 percent without its $8.6 billion of buybacks. Delta's 56.4 percent growth rate would have been 47.8 percent without its $10.1 billion of buybacks.

In the case of American, its $11.9 billion of buybacks slowed its earnings-per-share decline to 0.7 percent a year, compared with what would otherwise have been a 10.2 percent decline.

Boeing reported a loss in 2019 after profits in the four previous years, so there's no way to do earnings-per-share buyout math. However, Zion notes that Boeing's $34.6 billion of buybacks reduced its share count by 24.6 percent. So when Boeing gets back to making money, its profit will be spread over fewer shares than if there hadn't been buybacks.

Mnuchin has been talking the right talk about demanding that taxpayers get stock from the airlines and Boeing in return for bailing them out. But talk is cheap, especially in Washington. Let's see what the actual bailout terms turn out to be.

Let's also see if President Trump, who's obsessed with the stock market, risks having one or two of these airlines refuse the Treasury's bailout terms, go into bankruptcy and send their stock price to zero. Finally, let's see if Democrats are willing to put taxpayers' interests ahead of the interests of the airline employees' unions.

If these companies hadn't done a combined $73.7 billion in buybacks, their earnings per share would have been lower, but they would have a lot less debt and far more borrowing power than they've got now. That would greatly reduce the size of the bailout they need to stay afloat.

The companies chose to sacrifice a significant portion of their financial strength to make shareholders happy.

Now, it's time for them to sacrifice a significant portion of their stock to make taxpayers happy in return for being bailed out.

Allan Sloan is a columnist for The Washington Post. He is a seven-time winner of the Loeb Award, business journalism's highest honor.
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The Hill

Trump administration says more people will automatically receive coronavirus payments

By Naomi Jagoda - 04/15/20 03:42 PM EDT

The Trump administration on Wednesday announced that Supplemental Security Income (SSI) recipients will automatically receive their coronavirus rebates, expanding the number of people who will not need to file a tax return in order to get their payment.

The Treasury Department and IRS said that they expect recipients of SSI — a program administered by the Social Security Administration that provides assistance to elderly, blind and disabled people with little-to-no income — to receive payments of $1,200 no later than early May. Treasury said that people will receive their rebates via direct deposit, debit card or paper checks, as they typically would get their SSI benefits.

"SSI recipients with no qualifying children do not need to take any action in order to receive their $1,200 economic impact payment. The payments will be automatic," Treasury Secretary Steven Mnuchin said in a news release. Mnuchin encouraged SSI recipients with children to use an online tool on the IRS's website so that they receive the $500 per child that they are entitled to in addition to the $1,200 per adult.

Social Security Commissioner Andrew Saul said in a separate news release that the announcement "is great news for SSI recipients."

The announcement was praised by lawmakers, who had urged the Trump administration to find a way for SSI recipients to receive their payments automatically.

"This assistance will provide urgently-needed financial relief to those who are struggling to get by as the COVID-19 pandemic continues," Sen. Maggie Hassan (D-N.H.) said in a statement.

Hassan and other lawmakers have also been urging the administration to automatically issue rebates to people who receive benefits from the Department of Veterans Affairs. The IRS has said that it has been looking to see if it can automatically provide rebates to those people as well.

Treasury previously announced that recipients of Social Security retirement and disability benefits will automatically receive their rebates.
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MReport

The Treasury's Plan for the Mortgage Market

in Daily Dose, Featured, Government, News 23 mins ago 59 Views

In a press conference, Treasury Secretary Steven Mnuchin addressed the impact of the coronavirus pandemic on mortgage servicers.

"We're going to make sure that the market functions properly," he told reporters at a White House briefing. According to Bloomberg, Mnuchin added that the Treasury Department has had discussions with the Federal Housing Finance Agency about the mortgage market.

"We have all the appropriate people on it," he said. "We're very aware of the issue."

Mnuchin said a Financial Stability Oversight Council task force had specifically studied the issue of mortgage servicer liquidity.

Servicers will be impacted by the $2 trillion stimulus package as borrowers will be allowed to delay payments on government-backed mortgages for as long as a year. Analysis from Black Knight's latest Mortgage Monitor Report found that if 5% of homeowners seek forbearance, servicers would need to advance more than $2.1 billion in principal and interest per month to security holders. If the number of homeowners seeking forbearance rises to 10%, the monthly cost could jump to $4.2 billion.

"The various forbearance programs being offered to borrowers via the recently passed CARES Act, as well as via individual agencies and mortgage servicers, are a key difference today," Black Knight Data & Analytics President Ben Graboske said.

Department of Housing and Urban Development Director Dr. Ben Carson also gave an update on how the pandemic is impacting borrowers directly. In an interview with Daily Caller, Dr. Carson stated how future stimulus packages will need to offer assistance to servicers to provide some amount of liquidity.

"What we have to think about, though, are the services and the people providing those mortgages, they have obligations as well," Dr. Carson said. "Particularly the non-banks, who really do a lot of the mortgage lending these days, who don't have, you know, enormous amounts of cash, we have to make sure in the stimulus package that we provide them a mechanism or we're going to destroy the mortgage industry. So those are the things that we're obviously thinking about."
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Treasury
Afrik21

ETHIOPIA: Renaissance Dam will be impounded in July 2020.

By Boris Ngounou -Published on April 15 2020 / Modified on April 15 2020

Ethiopia, despite Egypt's refusal, remains firm in its position to continue the construction of its hydroelectric dam on the Nile. Prime Minister Abiy Ahmed has reiterated his intention to fill the enormous dam, which has a total capacity of 74 billion cubic metres, by July 2020.

Ethiopia is determined to start an energy revolution through its gigantic hydroelectric project on the Nile. The Great Ethiopian Renaissance Dam (GERD), which requires 74 billion cubic metres to fill, is announced as the largest hydroelectric facility in Africa, with a capacity of 6,000 megawatts. In addition to the production and export of electricity, this dam should enable Ethiopia to develop irrigated agriculture, which is virtually non-existent, with the result that only 3% of the territory is covered by agricultural land.

During the celebration of the ninth anniversary of the start of construction work on the dam on April 1, 2020, the Ethiopian Prime Minister, Abiy Ahmed, maintained the work schedule, including the filling of the dam, which should begin in July 2020. "The current coronavirus outbreak should not prevent us from completing the project," he added, before emphasizing the symbol that this work represents. "For us it is the second most important thing after human life," said Prime Minister Abiy Ahmed, who also sent military troops to secure the workers on the site.

The problem of Egypt

This reaffirmation of Ethiopia's inflexible will regarding the continuation of construction work on its dam on the Nile will certainly have increased tensions with Egypt. That North African country, located downstream from the Nile, and which releases more than 95 per cent of its water resources from the river, is concerned that the Ethiopian dam, built upstream from the river, could reduce its flow, at least during the filling phase. All the more so since the American mediation between the three countries sharing the waters of the Nile has failed. Addis Ababa refused, despite American injunctions, to initial the agreement signed by Egypt and Sudan on February 29, 2020 in Washington.

The discussion focused on the duration of the filling of the dam. Ethiopia wants to achieve this in less than 7 years while Egypt demands a longer period to maintain the flow of the Nile.

Faced with this rise in tensions between Ethiopia and Egypt, their common neighbor offered to mediate. But Cairo does not trust a Sudanese mediation, knowing that this country also benefits enormously from the construction of the Renaissance Dam, in particular the cancellation of floods on its territory, thanks to better control of the Nile's flow. The country will also benefit from cheap electricity from a dam 25 kilometres from its border with Ethiopia.

Boris Ngounou
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Satenaw News
The international media's misrepresentation of Ethiopia on the GERD

MEKDELAWIT MESSAY DERIBE @MEKDI_MESSAY

Addis Abeba, April 14/2020 – Following the renewed disagreement between Egypt and Ethiopia over the Grand Ethiopian Renaissance Dam (GERD) after the failed Washington talks, it seems like the international media have given the utmost attention to the issue. While the spotlight on the GERD is very welcome, I have been observing increasingly strong mischaracterization of Ethiopia and its stand in many of these media outlets.

Many of these outlets have in one way or another used similar language to misrepresent Ethiopia. I will provide the details below. But generally speaking, besides the Egyptian media whose usual approach is being a propaganda machine of the state, even those international media which would be expected to be objective and neutral such as the National Post, Bloomberg, New York Times, the Independent, Washington Post, VoA all, in one way or another have portrayed Ethiopia as acting unilaterally in declaring to fill the dam without an agreement, creating facts on the ground, skipping the last Washington meeting deliberately and as plotting to become a hegemon in the Nile. It is such misrepresentation of facts and character that has been working in Egypt's favor and to Ethiopia's detriment. So, I thought it is of utmost importance to shed a light on and address some of these mischaracterizations and defamation on Ethiopia's stance. I will address three major points in this article.

Utilizing the Nile: Whose Right?

The first point is on the claim that Egypt "also" has the right to the water of the Nile. The Egyptian media especially has been fanning this flame, stating that Egypt "also" has the right to its fair share of the Nile. This is quite honestly amusing precisely because Egypt has been denying the same rights it seeks now from the other 9 or arguably 10 (including Sudan) riparian countries for ages.

Secondly, the claim Egypt mentions regarding their "right" to the water pertains to the 1959 bilateral "agreement" signed between Egypt and Sudan allocating the entire flow of the Nile exclusively between them. This agreement gives Egypt the lion's share of the Nile waters, 55.5 BCM out of the 84 BCM of the Nile waters, denying the other upstream countries even a drop, including Ethiopia which contributes 86% of the Nile waters. Is this really a "right"?

It is a longstanding principle of international law that states should reasonably and equitably use transboundary waters. But there is nothing reasonable or equitable about the 1959 arrangement. For a country touting it demands "reasonable and equitable use" of a shared watercourse, clinging to such an "agreement" is quite absurd.

Thirdly, no one really denied Egypt's right and fair share to the Nile water, certainly not Ethiopia. The emphasis should, however, be on the phrases "fair share" which can only come out of a reasonable and equitable utilization which is inclusive of all the eleven countries and not an exclusive bilateral colonial treaty between the two downstream countries.

Filling of the GERD: Missing the Point!

My second point is on the claim that Ethiopia is acting unilaterally in deciding to fill the GERD as per schedule starting July 2020 without the three countries reaching an agreement. This sentiment was also echoed, to put it mildly, by the US treasury which was "handling" the talks between the three countries. I only have one thing to say to this: The Declaration of Principles on the GERD (DOP) Principle V. The DoP provides the general principle regarding the first filling and annual operation of the GERD. It states that:

"The Three Countries, in the spirit of cooperation, will utilize the final outcomes of the joint studies, to be conducted as per the recommendations of the [International Panel of Experts] IPoE Report and agreed upon by the [Tripartite National Committee] TNC, to:

Agree on guidelines and rules on the first filling of GERD which shall cover all different scenarios, in parallel with the construction of GERD.
Agree on guidelines and rules for the annual operation of GERD, which the
owner of the dam may adjust from time to time."
Regardless of this stipulation, however, Egypt seeks to have an agreement on the long-term operation of the dam which has implications on water allocation discussions instead of focusing the discussion on the first filling and annual operation of the dam. The DoP clearly states these negotiations on the first filling and annual operation should go in parallel with the construction phase. The negotiation and the studies mentioned in the DoP have been lagging behind the construction for reasons I cannot get into in this article which mainly related to Egypt's insistence to impose its colonial wish on Ethiopia.

However, the time has now come in the stage of the construction phase where filling needs to happen. Therefore, when Ethiopia goes ahead and starts first filling in July, it should be noted that its actions are in line with the DoP, which Egypt and Sudan both signed. If anything, this principle of the DoP should have been an incentive for Egypt to want to reach an agreement before the filling starts but it seems like it has been following the exact opposite strategy of dragging its legs in the negotiation. One can site the meeting in Addis Ababa in September 2019; when the three countries almost reached an agreement on the technical details of the filling and Egypt backed out of this near success, making the issue political and taking it international by bringing the matter to the U.S. There is no legal, moral or logical reason for Ethiopia to pay for the political ill will and lack of good faith in negotiation on Egypt's side. Ethiopia is not unilaterally deciding to proceed with the first filling of the GERD for it is backed by the DoP the three countries signed.

Who aspires to be a hegemon on the Nile?

My third point is in the characterization of Ethiopia as plotting to be the sole controller of the Nile water and a hegemon in the region. Unlike other upstream nations in other basins, Ethiopia has not clung to its natural advantage of being an upstream country. Being a source of 86 percent of the Nile water, it has not claimed absolute territorial sovereignty over the water in its boundaries. This would have meant that Ethiopia could do whatever it pleased with the water in its boundaries. Although some nationalists might resort to this extreme attitude out of desperation of historic injustice, it is, however, not Ethiopia's official stand. Ethiopia strongly believes and has shown not just in words but deeds its commitment to the principles of equitable and reasonable use.

Under customary international water law Ethiopia would only be required to notify and share relevant data with downstream countries on the filling and operation of the GERD. This is a courtesy that Egypt did not extend to Ethiopia nor the other upper riparian states when it was developing its numerous water infrastructures on the Nile and diverting the river out of its natural course.

In sharp contrast to this, Ethiopia went beyond what is expected and took the initiative in making sure the fears and worries of downstream countries concerning the GERD were fully addressed in the form of making documents available, establishing the International Panel of Experts (IPoE), as well as initiating the establishment of the Tripartite national committee (TNC) and even going as far as changing the design of the saddle dam of the project. In addition, Ethiopia has accepted and accommodated almost all recommendations of the IPoE.

On the larger scheme of things, Ethiopia's sign of goodwill and dedication to the fair and equitable utilization principle can also be seen in the deferment of the ratification of the Cooperative Framework Agreement on the Nile (CFA) at a time when Egypt was being rocked by internal political struggle. It can be seen in the willingness to negotiate in the filling of the dam, extending the filling time up to 7 years when Ethiopia could fill it in 3 years notwithstanding the ridiculous claims of filling the dam in 12-20 years from the Egyptian side. If it was the case that Ethiopia had the design of being the sole controller of the Nile water or a hegemon in the region, all the concessions that Ethiopia had been making in good faith would not have been necessary. However, it is the intrinsic fear and mistrust ever-present in the narrative of Egypt that results in such statements that are actually a reflection of their own ambitions. It is therefore unfortunate that the international media has turned a blind eye to the objective truth and rather echoes Egypt's narrative as usual.

The Solution

The stand of Egypt regarding the Nile waters has always been the same. History so far has shown and is showing that Egypt will only engage in an agreement as long as it keeps the status quo, the status quo being the 1959 "Agreement". Yet, this claim to this "agreement" does not have any legal, political or moral basis to be imposed on non-signatory states who have been objecting to the "deal" in its entirety.

The United Nations Convention on the Law of Treaties of 1969 (i.e. the Vienna convention) clearly states that "an obligation arises for a third state from a provision of a treaty if the parties to the treaty intend the provision to be the means of establishing the obligation and the third State expressly accepts that obligation in writing." There is nothing ambiguous about this article. As parties not privy to the 1959 "Agreement", Ethiopia and the other upstream countries categorically denounce any obligation to it. Thus, clinging to the 1959 Treaty is going against the law and common sense.

If there was a genuine goodwill to come to an equitable water use instead of maintaining the status quo , Egypt would have acceded to the CFA. If there was sincere political will on Egypt's side to come to an agreement with its brother riparian states, the three countries could have resolved the GERD dispute by themselves. There was no need for Egypt to take the GERD talks outside outside the three countries, outside Africa, beyond the African Union, to Washington, DC where Egypt feels it has leverage.

If there was a genuine willingness to come to a fair and equitable arrangement, Egypt would not have shifted the negotiation on the filling of the GERD into a water allocation issue and changing goalposts again and again. Even the fact that Egypt considers war and conflict as a "possible" option while negotiation and diplomacy is being placed as the first and last solution by Ethiopia speaks volumes on the values held by these countries. What is needed is fair and serious talks as aptly put by Ethiopia's minister of foreign affairs, Gedu Andargachew.

Water allocation, utilization, and management of a transboundary river basin is an issue that should be decided with all the basin countries in the equation, not between a subset of the countries and most definitely not hinging on a single project regardless of the significance of the project. If indeed Egypt is not guilty of ambitions of being a hegemon in the region or in control of the whole of the Nile water and if it has genuine interest in the fair and equitable use of the Nile , then the avenue is still open. Come back to the table and agree to the CFA. That is the only proper medium where we can collectively talk about water allocation. Until that happens, enough with the mischaracterization and playing the victim, when in fact a tremendous of goodwill and courtesy has been and is being extended towards Egypt for the sake of peace and brotherhood. We have lived together for thousands of years, tied by this lifeline of a river that is the Nile and we will live so for thousands more. The only way forward is together. AS

Editor's Note: Mekdelawit Messay Deribe is an independent scholar researching on the Nile. She can be reached at mekdelawitmessay@gmail.com
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The Hill

Pelosi: 'Shameful' for Trump to order his name on coronavirus stimulus checks

By Cristina Marcos - 04/15/20 01:55 PM EDT

Speaker Nancy Pelosi (D-Calif.) on Wednesday blasted President Trump's decision to have his name printed on the stimulus checks that will be mailed out to individual Americans as the coronavirus pandemic rattles the economy.

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands," Pelosi said in a statement.

The Washington Post reported Tuesday night that some senior IRS officials said the process of adding Trump's name to the checks could slow their delivery by a few days.

But the Treasury Department denied that printing Trump's name on the checks is causing a delay, with a spokeswoman saying Wednesday that they are "scheduled to go out on time" with "absolutely no delay whatsoever."

Treasury spokesperson response to last night's inaccurate and misleading Washington Post story:
pic.twitter.com/5K7SNa6PFC
— Monica Crowley (@TreasurySpox) April 15, 2020

The Post reported that it will be the first time that a president's name appears on a payment disbursed by the IRS.

The checks will still have the signature of a Bureau of the Fiscal Service official. Trump's name will be in the memo line under a line identifying the check as an "economic impact payment."

According to the Post, the decision for the checks to include Trump's name was made Tuesday, causing the IRS's information technology team to rush to make a programming change that two senior officials said would "probably" lead to a delay in issuing checks.

The IRS will mail the checks to people who do not have banking information on file with the agency. People who do have banking information on file with the IRS will receive their payments by direct deposit.

Qualified Americans are eligible for a one-time payment of up to $1,200 if they earn $75,000 or less, with individuals making up to $99,000 eligible for smaller payments on a prorated basis. Families will also receive an additional $500 per child.

The payments were established by the $2 trillion relief package passed by Congress last month.
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CNBC
Small business loans top $296 billion and could reach the program's limit by the end of Wednesday
PUBLISHED WED, APR 15 20201:41 PM EDTUPDATED AN HOUR AGO
Kate Rogers
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KEY POINTS
-1.3 million Paycheck Protection Program loans have been approved with a total value of more than $296 billion through Wednesday afternoon, according to the Small Business Administration.
-The program is quickly reaching its $349 billion limit and Congress has yet to agree on new funding.
-It could reach that limit by the end of Wednesday, a source familiar said.
-There are also other lifelines available to owners, but one of those programs — the Economic Injury Disaster Loan program — is seeing some delays.

Much-needed small business aid is beginning to trickle out and more is expected in the weeks to come as banks start to disburse the rescue funds to Main Street. But the first-come, first-serve Payroll Protection Program of $349 billion in aid may be nearing a ceiling for loan commitments, with more than 1.3 million loans given approval at a value of more than $296 billion through Wednesday afternoon, according to the Small Business Administration.

The program could reach its funding limit by the end of Wendnesday, according to a source familiar with the matter.

The SBA and Treasury Department have yet to release any formal statistics on total loan disbursements from banks to small business owners, with one senior administration official telling CNBC the information is not yet available, despite multiple requests. The SBA did release data showing the average loan size is just under $240,000.

Business owners that have received loan approval numbers should start to get funds soon, as Treasury guidance states that "the lender must make the first disbursement of the loan no later than ten calendar days from the date of loan approval."

Several big banks reporting earnings this week offered a look into the amount of loans going out the door, with Wells Fargo saying it had received 370,000 indications of interest from customers through April 10. JP Morgan Chase, as of April 14, had 300,000 applications in varying stages for $37 billion in loans, with $9.3 billion already into the hands of small business owners.

Other lifelines for small business
Small businesses like Other Half Brewing, a craft brewery with locations in Brooklyn and Rochester, NY, just had its loan funded by Chase. CFO David Burman said the company had to furlough about a quarter of its staff of under 100 employees, and moved other frontline workers into new positions, whether delivering beer orders or design work. The loan will help to bring workers back so the business will be ready to open its doors again, once it's safe to do so.

"It's a tremendous program to keep our business afloat," Burman says. "It's having the assets to hire and keep people on staff, especially as our cash flow has shifted and we are dealing with longer terms with accounts and vendors."

Beyond just PPP loans, the CARES Act includes another important provision for small businesses that currently hold non-disaster loans through the SBA: the Small Business Debt Relief Program. This program provides for six months of payment relief on existing 7(a) and 504 loans for approximately 320,000 small businesses. It also includes those business owners who apply for new 504 or 7(a) loans not part of PPP.

"These are some of our most vulnerable small businesses. Because you know, if they got an SBA loan, they probably had difficulty getting a traditional bank loan," Sen. Chris Coons (D-DE), a member of the Senate Small Business & Entrepreneurship Committee says. "So these are exactly the companies we want to make sure know that for the next six months, they don't need to do anything."

Sen. Coons said he is working with SBA Administrator Jovita Carranza to make sure these affected small businesses are aware of the loan relief available to them. A senior administration official says outreach to lending partners, stakeholders, borrowers and more is ongoing through e-communications, and that additional guidance is coming later this week.

"Given how sharp and steep our economic decline is right now, I really hope that [the SBA] will move as quickly as they possibly can to deliver guidance," Coons says.

Treasury Secretary Steven Mnuchin has vowed to replenish the program to the tune of another $250 billion, but Congress has yet to agree to terms on the new funding. Senate Democrats blocked an effort to pass the additional funding last week.

Some funding delays
Another option for Main Street businesses needing assistance is the Economic Injury Disaster Loan program, which provides disaster assistance loans of up to $2 million. Small business owners apply directly with the SBA to access the aid, but there have been delays.

In the past, borrowers were told they could also access up to $10,000 as a cash advance within three days of a successful application to the program. Guidance has since changed, with businesses now being told funds will be distributed "within days" and that aid will be limited to $1,000 per employee up to $10,000.

A senior administration official said that the funds are being distributed, and that nearly four million businesses have applied for EIDL funding for a total of $383 billion, but that Congress has allocated just $17 billion for the program. Both the Senate and the House are aware of the funding needs, the official said.

In its letter to Congress and the SBA this week, the NFIB said that research as of April 9 showed that no business owner surveyed by its group had received EIDL funding or a grant, urging the SBA to distribute funds and request more aid.

Jason Duff, founder of Small Nation, a community developer focused on revitalizing the downtown of Bellefontaine, Ohio says his business just accessed his PPP loan this week, for $160,000 to bring back employees now. But he's still waiting on an EIDL grant and the full loan amount.

"The biggest victory was getting our SBA approval number (for PPP), after we got that, the loan was funded within four days, and we are extremely thankful to have that runway of cash," Duff says. The EIDL is "a very different situation. When we applied we were told that up to $15,000 was going to show up in our account within three days. It's been longer than almost two weeks at this point from when those conversations were happening.

For most for most of businesses, including my own, we have not seen that money show up."

— With reporting by Dawn Giel and Hugh Son
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Foreign Policy

China Is Bargain Hunting—and Western Security Is at Risk.
Beijing could use the coronavirus-induced economic crisis to go on a buying spree. The U.S. and European governments must restrict the purchasing of distressed companies in sensitive sectors.

By Elisabeth Braw | April 15, 2020, 3:55 PM

On April 7, a Chinese company suffered a surprising setback in the United Kingdom. Following an uproar by British legislators, an arm of the Chinese state-owned investment firm China Reform had to abandon its bid to dominate Imagination, a leading British technology firm that makes smartphone chips. Even if that effort failed, others are likely to succeed.

That's because many Western manufacturers of popular products will face financial uncertainty as a result of the coronavirus pandemic, making them easy prey for Chinese companies, which are already on a corporate buying spree in the West.

Canyon Bridge, a Cayman Islands-based outfit that is majority-owned by China Reform, bought Imagination in 2017—but the U.K. government didn't intervene. This month, however, when China Reform attempted to put four directors on Imagination's board and thus seize control of the company, British members of Parliament rebelled; China Reform abandoned the attempt.

Many Western manufacturers of popular products will face financial uncertainty as a result of the coronavirus pandemic, making them easy prey for Chinese companies

Imagination is well known, but across Europe, North America, and other advanced economies there are countless cutting-edge firms in key sectors such as biotech and electronics that are neither as rich nor as well funded as Imagination. And like most other companies, they've been hit by the standstill that coronavirus has imposed on the economy. A recent survey of more than 10,000 Japanese firms, for example, showed that 63 percent predicted the coronavirus would have a negative impact on their business performance.

China Reform's majority stake in Imagination is part of a major Chinese acquisition spree in Europe and North America over the past few years. Last year, for example, Chinese entities invested 11.7 billion euros (nearly $13 billion) in European Union countries, the vast majority of it in mergers and acquisitions and only a minimal share going to forming new companies. In 2018, Chinese entities invested some $25 billion in the United States. Government support makes it even easier for Chinese companies to buy foreign firms.

Chinese acquisitions have caused headaches in Western capitals before. In 2003, Chinese mergers and acquisitions of foreign companies amounted to $1.6 billion. By 2006 it had shot up to $18.2 billion, often involving takeovers of Western household names. But many of those acquisitions, such as TCL's takeover of France's Thomson Electronics, ended in failure.

Then came the 2008-2009 financial crisis, which presented another opportunity for Chinese businesses. In a manner similar to what the world may now be about to experience, they went on an acquisition spree among weakened Western outfits. But that, too, went south for many of them when the acquired companies' value continued to slump, as Wang Duanyong of Shanghai International Studies University pointed out in a 2011 paper.

But China, Inc. persevered. It shifted its attention from Western legacy companies to, for example, state-of-the-art technologies and research and development facilities. Today's investments and takeovers continue in that mode and are often part of China's Made in China 2025 strategy, through which China plans to become a superpower in technology, manufacturing, and cybertechnology. As Max Zenglein and Anna Holzmann of the Mercator Institute, a German think tank, note in a new report on Made in China 2025, "in smart manufacturing, digitalization and emerging technologies, China wants to leapfrog and leave foreign competitors behind." A key part of the strategy is to buy up Western firms. In a 2019 report, the Swedish Defence Research Agency found that Chinese acquisitions of Swedish firms have accelerated since 2014. What's more, half of the takeovers fall within focus areas of Made in China 2025.

Indeed, Chinese investments now target Made in China 2025's core sectors. Northern Europe—home of many innovation-heavy smaller businesses—is currently China's top investment target in Europe. By contrast, the

Chinese buy almost no firms in Central and Eastern Europe, apparently because those countries don't have enough cutting-edge firms in China's preferred sectors. Another report by the Mercator Institute, the "Chinese FDI in Europe: 2019 Update," points out that Chinese companies also engage in enormous quantities of research and development collaboration—often of a sensitive nature—with Western counterparts.

In the United States, the government has woken up to the national security implications of losing sensitive capabilities to China; the Committee on Foreign Investment in the United States (CFIUS) now plays a very active role in screening potential takeovers on national security grounds. (Last year, it famously forced a Chinese company to reverse its acquisition of the gay dating app Grindr.)

The EU has no CFIUS, only a largely toothless screening mechanism. Some countries are stricter: Earlier this month, the German government introduced a new bill that allows regulators to scrutinize investments that are likely to affect the country's security. (Previous German legislation requires government approval for all investments over 10 percent that pose a direct threat to national security.) The U.K. government screens acquisitions in the military, dual-use, computing hardware, and quantum technology sectors.

Here's the thing: Lots of companies with cutting-edge technology are not active in national security, even when national security is defined broadly. They simply make extremely good parts or products, or offer extremely good services, that are vital to their country's economy.

Ventilators—primarily made by U.S. and European companies—are currently demonstrating their value to every country's well-being, and there are countless other similarly vital and even more technologically advanced products. But now businesses are suffering from the effects of the coronavirus. And as private companies not active in the national security sector, they're not bound by strict regulations. Their boards' only objective is to balance the books. If a Chinese outfit offers a good price to an ailing Western maker of, say, advanced sewage technology, will the board turn it down as matter of patriotic duty? It's unlikely.

At the moment, nothing is more urgent than the medical care of coronavirus victims. But the care of ailing companies shouldn't be far behind. As the Chinese government demonstrated when sending medical supplies to Italy after EU member states had failed to do so, it rapidly spots and exploits Western vulnerabilities. Bloomberg reports that China-based banks are already seeing a spike in requests from Chinese outfits interested in acquiring European companies.

Many Western governments have already passed business aid packages to make sure companies don't go under. But that's not enough. Margrethe Vestager, the European commissioner for competition, has just proposed that governments buy stakes in vital companies to prevent Chinese takeovers. They will also need to screen Chinese raiders taking advantage of the coronavirus. "The U.K. government shouldn't act on one-off cases because individual legislators start lobbying," suggested Ruth Smeeth, who was until last November a member of the British Parliament's Defense Committee. "That only means that high-profile businesses are examined, not the smaller players who may be even more relevant."

As for the EU, Sven-Christer Nilsson, a former CEO of the Swedish telecommunications giant Ericsson, told Foreign Policy that "it absolutely has to establish a CFIUS, as do the individual member states. We can't wait, or we will see the Chinese giving offers companies can't refuse."

The American CFIUS, in turn, needs to rethink what constitutes national security—ventilators clearly do. They must also ask if national security is the only criterion for rejection. Indeed, takeovers should be screened too for the damage they could do to the economy.

"If we have learned anything from the current crisis, it should be that the definition we have been using of national security has been insufficient," said Smeeth. "Our world has changed beyond recognition, and by default so have our core industries. Our mergers and acquisitions policies need to reflect that."

Elisabeth Braw directs the Modern Deterrence project at the Royal United Services Institute. Twitter: @elisabethbraw
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Florida Daily
Marco Rubio Wants Trump Administration to Issue 5G Regulations

By FLORIDA DAILY -
04.15.20

On Tuesday, U.S. Sen. Marco Rubio, R-Fla., joined other U.S. Senate Republicans in sending members of the Trump administration a letter urging them to issue regulations as soon as possible confirming that U.S. participation in 5G standards-setting is not restricted by export control regulations.

Rubio joined the Republican U.S. Sens. John Cornyn of Texas, Tom Cotton of Arkansas, Mike Crapo of Idaho, Jim Inhofe of Oklahoma and Todd Young of Indiana in writing to U.S. Energy Sec. Dan Brouillette, U.S. Defense Sec. Mark Esper, U.S. State Sec. Mike Pompeo and U.S. Commerce Sec. Wilbur Ross on the matter.

The full text of the letter is below.

Dear Secretaries Ross, Brouillette, Esper, and Pompeo:

As senior Members of Senate Committees responsible for oversight of our national security and economic competitiveness, we write to urge your Department to issue regulations as soon as possible confirming that U.S. participation in 5G standards-setting is not restricted by export control regulations. This step is needed urgently to ensure that U.S. technology continues to form the core of 5G foundational technology.

Since Huawei's designation on the Department's Entity List in May 2019, U.S. technology leaders have been constrained from full participation in 5G standards-setting bodies because of uncertainty over whether such participation is prohibited by the Commerce Department's export control regulations. We are deeply concerned about the risks to the U.S. global leadership position in 5G wireless technology as a result of this reduced participation, and the economic and national security implications of any diminished U.S. role in 5G.

As you know, standards serve an important role in 5G leadership. A standard is a collection of technical specifications developed by engineers from around the globe to ensure that components of devices within a given standard are built to the highest degree of quality, and can interoperate with one another, regardless of where or by whom the device is made. International standards-setting bodies facilitate the exchange of technological information among engineers, and determine, usually by consensus, whether to adopt certain technologies into the standard based on their merit. Many high-tech industries, including 5G wireless, autonomous vehicles (V2X), industrial IoT (smart manufacturing), secure digital services and devices and the Internet itself, depend on standards to build the best technology and create ecosystems that work seamlessly with one another.

It is critical for U.S. companies to participate fully in these standards-setting bodies to ensure that their technologies are represented in the standards. When U.S. export controls restrict U.S. companies from participating in standards-setting bodies, China-based Huawei is well positioned to fill any gaps. As the Committee on Foreign Investment in the United States has said, any restrictions that hinder U.S. participation in 5G standards-setting bodies "would leave an opening for China to expand its influence on the 5G standard-setting process," a result that "would have substantial negative national security consequences for the United States."

We understand that the Department plans to issue regulations confirming that standards participation is largely exempt from export control rules. Given that almost a year has passed since Huawei was first designated to the Entity List, we urge the Administration to promptly issue these regulations to affirm that U.S. participation in 5G standards-setting is not restricted by export control regulations, and we request that you inform us regarding the status of this rulemaking.
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CNBC
American Airlines CEO: 'It certainly feels like we're at bottom' as revenue tumbles 90%
PUBLISHED WED, APR 15 202012:05 PM EDTUPDATED 3 HOURS AGO
Leslie Josephs
@LESLIEJOSEPHS
KEY POINTS
-American is among airlines receiving a portion of $25 billion in payroll grants.
-CEO Doug Parker says the airline has no plans to defer aircraft orders, which include Boeing's 737 Max.
-The carrier's revenue and those of competitors have tumbled.

The record drop in air travel demand because of the coronavirus pandemic appears to be as bad as it's going to get, American Airlines CEO Doug Parker said Wednesday.

"It certainly feels like we're at the bottom," Parker told CNBC in an interview. "Our revenues are down 90% on a year-over-year basis and they've been that way now for a few weeks. The real question is how long you stay at the bottom and when do we begin to recover. I don't think I know that better than anybody else."

American and other large U.S. airlines, including Delta, Southwest and JetBlue on Tuesday announced agreements with the Treasury Department on the terms for their share of $25 billion in government grants and low-interest loans.

American said the Treasury Department approved $5.8 billion in assistance — a $4.1 billion grant and a $1.7 billion low-interest loan. The Fort Worth, Texas-based carrier said it plans to apply for another government loan of around $4.75 billion.

Airline executives have said the coronavirus and measures to stop it from spreading from stay-at-home-orders to corporate travel bans has had a greater impact than the Sept. 11 terror attacks.

Parker said it isn't yet clear when travelers will return en masse, but that some encouraging signs are emerging such as an uptick in bookings for more than three months away and some reservations for corporate events in the fourth quarter.

"There are indications that the world is ready to start traveling again but they're very preliminary and it's certainly not happening today," he said. "Whenever people are prepared to start traveling again our team's going to be in place and ready to take care of them."

Parker added that the airline is not planning to defer new aircraft orders, such as the Boeing 737 Max, which is still grounded after two fatal crashes, but American will retire older aircraft such as Boeing 757s and 767s earlier than planned.

"The new airplanes that are scheduled to come, we want," he said. "We don't have any intention of working with the manufacturers to defer or cancel those orders."
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CNBC
Receiving SSI benefits? You will get your coronavirus stimulus payment automatically, government says
PUBLISHED WED, APR 15 20202:49 PM EDTUPDATED 21 MIN AGO
Lorie Konish
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KEY POINTS
-The government announced on Wednesday that individuals receiving Supplemental Security Income, or SSI, will automatically receive their coronavirus stimulus payments.
-The funds will come via the same method you receive your money each month, either through direct deposit, debit card or paper check.
-If you have qualifying dependents, you should use the government web portal to make sure they are also counted in those payments.

If you're receiving Supplemental Security Income benefits, you will get your coronavirus stimulus payment automatically, the government said on Wednesday.

The payments will come the same way you typically receive your benefit payments, either by direct deposit, a Direct Express debit card or paper check.

"SSI recipients will receive these automatic payments no later than early May," the Treasury Department said in a statement.

The announcement clears up confusion for individuals who rely on these benefits, who are generally elderly, disabled or blind, and have little to no taxable income.

The government had previously said Social Security beneficiaries will not have to do anything to receive their stimulus payments. But SSI recipients do not fall in that group, nor do they typically file tax returns, which led many to fear they would have to register in order to receive the money.

"SSI recipients with no qualifying children do not need to take any action in order to receive their $1,200 economic impact payment. The payments will be automatic," Treasury Secretary Steve Mnuchin said in a statement.

There were approximately 8 million SSI beneficiaries in the U.S. as of March, according to data from the Social Security Administration.

If you are on SSI and do have qualifying dependents (children under 17), you are encouraged to use the government's web portal to ensure they get their $500 payments.

"If SSI beneficiaries in this group do not provide their information to the IRS soon, they will have to wait until later to receive their $500 per qualifying child," the government said.

In order to use the web portal, you will need to have the full names and Social Security numbers for yourself, your spouse and your dependents. You also need to provide your mailing address and bank information (account type and account and routing numbers).

Be aware that not everyone qualifies for a stimulus payment.

Other individuals who will also receive their stimulus payments automatically include those receiving Social Security retirement, disability (SSDI), or survivor benefits, as well as Railroad Retirement benefits.

You need to have a valid Social Security number. You also must meet certain income requirements.

If you earn up to $75,000 as an individual, $112,500 as head of household or $150,000 as a married couple filing jointly, you are eligible for the full amount.

However, payments are reduced above those levels and phase out completely if your adjusted gross income is more than $99,000 for individuals, $136,500 for head of household and $198,000 for married filing jointly.
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# 04-16-2020 PA Senior Staff Notes

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April 16, 2020

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**SECRETARY MENTIONS**

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The Hill (4/15, Jagoda) reports "the Trump Administration on Wednesday announced that Supplemental Security Income (SSI) recipients will automatically receive their coronavirus rebates, expanding the number of people who will not need to file a tax return in order to get their payment." Mnuchin "encouraged SSI recipients with children to use an online tool on the IRS's website so that they receive the $500 per child that they are entitled to in addition to the $1,200 per adult."

PBS NewsHour (4/15, Norwood), Fox Business (4/15, De Lea), and CNBC (4/15, Konish) also report.

***Treasury Denies Adding Trump's Signature Delayed Relief Payments.*** The Washington Post (4/15, Olorunnipa, Rein) reports "the effort to put Trump's name on millions of 'Economic Impact Payment' checks began shortly after the president on March 27 signed the bipartisan $2 trillion legislation aimed at stemming the financial fallout from a global pandemic that has halted much of the economy." The Post says, "After privately suggesting to Treasury Secretary Steven Mnuchin that he be allowed to formally sign the checks, Trump settled for having his name printed in the memo section, according to administration officials, who spoke on the condition of anonymity to discuss internal deliberations." The Post adds that House Speaker Nancy Pelosi "pushed Mnuchin during negotiations on the economic rescue package to ensure that as many checks as possible were deposited though direct deposit; she told House Democrats that she had told Mnuchin that to the extent there had to be paper checks, she didn't want to see them held up for Trump's signature or anything similar."

CNN (4/15, Foran) reports on its website that Pelosi "on Wednesday called the decision for President Donald Trump's name to appear on stimulus checks amid the coronavirus pandemic 'shameful.'"

NPR (4/15, Kurtzleben), The Associated Press (4/15), Reuters (4/15, Lawder), the New York Times (4/15, Rappeport), Fox News (4/15, Olson), MSNBC (4/15, Benen), Vox (4/15, Burns), Vanity Fair (4/15, Levin), The Hill (4/15, Marcos), and Daily Caller (4/15, Talcott) also report.

**Debt Collectors Able To Garnish Coronavirus Stimulus Checks Due To Loophole In Law. (USAT)**

USA Today (4/15, Picchi, Today) reports debt collectors are able to garnish money from coronavirus stimulus checks to households due to a loophole in the law. The loophole "has prompted 25 state attorneys general and Hawaii's Office of Consumer Protection to ask Treasury Secretary Steven Mnuchin to ensure that debt collectors and creditors can't take Americans' stimulus checks." The officials, in a letter sent Monday to Mnuchin, said, "During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment."

**Democrats Say Coronavirus Stimulus Should Not Bail Out Fossil Fuel Companies. (HILL)**

The Hill (4/15, Beitsch) reports that more than 40 Democratic lawmakers sent a letter to Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell demanding that fossil fuel companies not be included in any assistance under the coronavirus relief package passed by Congress last month. The lawmakers wrote: "Giving that money to the fossil fuel industry will do nothing to stop the spread of the deadly virus or provide relief to those in need. It will only artificially inflate the fossil fuel industry's balance sheets."

**Democrats Urge Treasury And Fed To Provide Lifeline To Mortgage Servicers. (BLOOM)**

Bloomberg (4/16, Dexheimer) reports, "Key Democrats in the U.S. House and Senate are calling on Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell to provide a lifeline to mortgage-servicing firms that are bracing for a wave of missed payments." The Fed and Treasury "should use powers given to them under recent stimulus measures to provide liquidity to servicers facing shortfalls, House Financial Services Chairwoman Maxine Waters and Sherrod Brown, the top Democrat on the Senate Banking Committee, said in a letter Wednesday." They argue that the steps Ginnie Mae has already taken may not be enough, as mortgage servicers are "expected to face increased strain as millions of homeowners and renters lose jobs, are furloughed, or see reduced hours, all of which will keep them from making mortgage and rent payments, as a result of this public health crisis."

**Oversight Commission Calls On Fed To Release Details About Bailouts. (NYT)**

The New York Times (4/15, Rappeport) reports, "The lone member of the nascent Congressional Oversight Commission created as part of President Trump's $2 trillion economic stimulus law is calling on the Federal Reserve to release detailed information about which companies receive loans from its emergency lending facilities and how the money is being used." The demand "comes amid growing concern that disbursements from the giant economic stabilization package will be shrouded in secrecy or used improperly." In a letter sent on Wednesday to Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell, "Bharat Ramamurti, the only person appointed to the Congressional Oversight Commission so far, demanded clarity."

## POLITICO MORNING MONEY

**Get ready for some more dismal numbers** — It's that dreaded day of the week again when the weekly jobless claims report hits at 8:30 a.m.. It also happens to be the day the White House plans to roll out new guidelines on social distancing. Make of that what you will.

In any event, the number is likely to be horrible but not as horrible as last week. Consensus is around 5 million, which would be down from 6.6. million the last two weeks but still atrociously bad.

**Professors Paul Goldsmith-Pinkham and Aaron Sojourner**, who have been pretty well on the mark thus far: "We're predicting 4.8m UI claims for the week ending on 4/11 seasonally adjusted and 4.5m non-seasonally adjusted." They note that Google searches for how to get unemployment are down somewhat, a hopeful sign.

**Pantheon's Ian Shepherdson**: "For all the excitement generated by yesterday's raft of appalling economic reports, the weekly jobless claims numbers still offer the best, and almost real-time, guide to the big picture.

"The good news—all things are relative at this point— is that we expect today's report for the week ended April 11 to show that claims dropped sharply last week, to about 4,500K from 6,606K. That would still be an awful number, but it would mark the beginning of the end of the initial hit."

**April jobs report preview (way ahead of time)** — Via Deutsche Bank's Torsten Slok: "Two professors, Alex Bick and Adam Blandin, have replicated the employment report for the period March 29-April 4, and they find an unemployment rate of 20.2% in April and a decline in nonfarm payrolls of 24 million jobs." You can prepare all you want. If that kind of number hits it will still blow us all away.

**Trump's banker call goes badly** — The White House held a call with top Wall Street titans and other senior bankers and financiers on Wednesday morning (along with other groups) to talk about how to reopen the economy in the face of the coronavirus crisis. But there was a small problem. Actually several problems.

Many of the bankers said they knew nothing about the call until late Tuesday night. Several had quarterly earnings calls Wednesday morning that directly conflicted with the timing of the White House summons.

Goldman Sachs CEO David Solomon couldn't be on the call because of earnings. Neither could JPMorganCEO Jamie Dimon, though not because of earnings. Bank of America CEO Brian Moynihan was able to dial in right after his earnings call ended. Another senior executive from JPMorgan attempted to get on the call in Dimon's place, two sources told POLITICO, but couldn't get through for 20 minutes and finally gave up.

**One top executive called the call the whole thing a "shit show"** that produced little of substance. Trump asked several questions, including to Moynihan about how the small business loan program was going (it's going broke). He praised the bravery of Morgan Stanley CEO James Gorman, who got Covid-19 but recovered. Gorman said his case was relatively mild and tried to deflect the praise.

**Several executives called for more Covid-19 testing**. And that was pretty much it, according to people on or briefed on the call. "It was really nothing," one person briefed on the call said.

Beyond the haphazard nature of the call, senior bankers are getting increasingly frustrated with Trump's approach to the crisis. They say pressure tactics to reopen the economy as fast as possible make no sense if the virus isn't fully under control and consumers and businesses don't feel safe to resume anything close to normal activities.

**One Wall Street CEO told MM:** "I really don't understand how they are communicating on this. ... He's got to stop talking about turning the economy back on and start talking about making people feel safe, things that are happening around testing and the health care system. That's the only way you will really get the economy re-open over a period of time."

**Caveat** — Another person familiar with the call said there were some on the line backing Trump's push to open as soon as possible and that it wasn't all bankers urging caution.

**DRIVING THE DAY**

Jobless claims at 8:30 a.m. expected to show a gain of 5.4M, down from 6.6M ... Entirely possible Wall Street would react positively to any drop. An increase would be a very different story. ... Trump is expected to roll out new social distancing guidelines for the states, presumably at the 5:00 p.m. briefing.

**MARKETS DOWN EARLY** — Via Bloomberg: "U.S. stock index futures extended losses as a new round of dismal economic data damped demand for riskier assets. Contracts on the S&P 500 fell 0.6% as of 10:52 a.m. in Tokyo.

"Futures slumped 2.4% on Wednesday, with the underlying S&P 500 Index also dropping, after data showed factory output slid in

March by the most since 1946 and retail sales tumbled by the most on record. A Federal Reserve report said the economy went into a defensive crouch due to the coronavirus."

**WARREN WOULD ACCEPT VP SLOT** — Sen. Elizabeth Warren (D-Mass.) told MSNBC's Rachel Maddow she would take the VP nomination if Joe Biden offered it

**DAILY FUNNIES** — Per an MM reader in the financial biz: "Some in the industry weighing participation in the Fed's Main Street Extended Lending Facility thought it might be a bad omen that the acronym could be phrased as F-MSELF." Lol.

**SMALL BUSINESS RESCUE FUND RUNS DRY** — Our Zachary Warmbrodt: "The small business rescue set up by Congress to avert massive layoffs is set to exhaust its $350 billion funding capacity, top lawmakers say, as Congress remained in a stalemate over how to allocate more money for the popular loan program.

"In a joint statement Wednesday evening, Senate Majority Leader Mitch McConnell of Kentucky and House Minority Leader Kevin McCarthy of California said that funding for the so-called Paycheck Protection Program will be depleted 'in a matter of hours.' That would force the program to stop accepting applications for the government-backed loans, which can be forgiven if businesses agree to maintain their payrolls.

"As of 9 p.m., the SBA reported that 1.5 million applications had been approved for more than $324 billion. In a message obtained by POLITICO, the agency began to warn banks Wednesday that lenders would no longer be able to load loan requests into the SBA's systems and that the agency would not accept applications for new lenders to participate in the program."

**MM SIDEBAR** — This is obviously a terrible thing that has to be fixed. MM has no idea how or which side needs to bend in which way. But it better happen soon because partisan nonsense can't get in the way of saving as many jobs and businesses as we can.

**React** — ABA's Rob Nichols: "America's banks were standing by their small business customers before [PPP] and will stand by them now that PPP money is nearly depleted, which we hope is only temporary"

**TRUMP THREATENS HISTORIC ADJOURNMENT** — Our John Bresnahan: "President Donald Trump is threatening to invoke a never-before-used authority to push through dozens of executive-branch nominees while Congress remains out of Washington due to the coronavirus crisis.

"The move would almost certainly set off a legal battle between the White House and Congress over the limits of presidential power. Complaining that the Senate Democrats are using so-called 'pro forma sessions' to prevent him from making recess appointments, Trump threatened to formally adjourn Congress and install his nominees without a vote. Those nominees could potentially serve though the end of 2021"

**CORONAVIRUS EFFECTS**

**MORE PPP ISSUES** — Also via Zach: "Major U.S. restaurant chains are starting to secure government-backed loans that Congress created to protect small businesses during the pandemic, fueling concerns that big corporations will siphon away rapidly dwindling funds.

"Potbelly Corp. — the nationwide sandwich shop operator — and Ruth's Hospitality Group, which runs a chain of steakhouses, are among the large companies that have disclosed receiving the government-backed loans. Before the Covid-19 outbreak, they reported employing thousands of people. ... [L]awmakers ... gave flexibility for larger restaurant and hotel operators to apply."

**WHAT WILL REOPENING LOOK LIKE?** — Via Goldman Sachs: "Absent a vaccine or treatment breakthrough, reopening will be gradual. New evidence suggests that the share of the population that has been infected is higher than test counts imply, but still too low to achieve herd immunity soon.

"As a result, the public will have to be persuaded that reopening is safe. We see a few prerequisites: further declines in confirmed new infections, sufficient hospital and testing capacity, and the ability to trace and quarantine those who might be infected. These look achievable in coming months, but there is much uncertainty about the feasibility of controlling virus spread during reopening"

**GIG WORKERS STRUGGLING FOR BENEFITS** — Our Megan Cassella and Rebecca Rainey: "The $2 trillion rescue package was supposed to help out Uber drivers, freelance workers and other independent contractors who usually aren't eligible for unemployment benefits.

"But so far, this 23 million-strong group of working Americans is running into dead ends, delays and bureaucracy trying to collect an unemployment check. One reason for the delay is that the Department of Labor didn't put out its first set of guidelines for the new program until April 5, more than a week after the stimulus passed, leaving state unemployment offices stalled."

**NJ NOT GOING BACK TO NORMAL** — Our Samantha Maldonado on MM's home state: "New Jersey Gov. Phil Murphy said ... that the coronavirus has created a 'new normal' for the state that's likely to continue long after businesses are allowed to reopen.

"'The notion that we're going to go back to some sort of, let's just turn the clock back to three months ago, I just don't see it,' Murphy said ... 'People talk about a new normal and I think that's a reality.' Murphy floated the idea of restaurants taking customers' temperatures or issuing saliva tests, if available, before allowing diners to enter. He painted a picture of establishments filled to only 50 percent capacity"

**TARRIFFS MAKE TIMES HARDER** — Our Adam Behsudi: "Amid the worst recession in nearly a century, a wide range of U.S. businesses hit by ... Trump's tariffs are starting to face an increasingly stark juggling act of trying to keep employees on the payroll while paying staggering tariff bills, some as high as 25 percent.

"Every month, Kevin Feig sends the Treasury roughly $300,000 in tariffs to import auto parts that he supplies to national retail chains. He said his tariff bill matches his monthly payroll expenses for the 110 workers he is hoping to keep employed through a federally backed loan from the government's new Paycheck Protection Program."

**G-20 FREEZES POOR COUNTRIES' DEBTS** — Our John Rega in Brussels: "G-20 countries agreed to suspend poor countries' debt payments for a year, freeing up $20 billion for them to spend on treating the coronavirus pandemic and shore up their economies.

"Banks and other private creditors, along with multinational development banks, should voluntarily do the same, the finance chiefs from the economic powers said … after a teleconference on containing the economic damage from Covid-19."

**TRUMP CRITIC LARRY LINDSEY NAMED TO CORONA COUNCIL** — Our Matthew Choi: "He called … Trump a 'total narcissist.' Now he may be advising the president on economic policy in the face of the coronavirus pandemic.

"Larry Lindsey, director of the National Economic Council for President George W. Bush, was named part of … Trump's cryptic White House economic advisory group … to help deal with the fallout of the coronavirus crisis."

**BIG JOB LOSSES FOR NYC** — Our Erin Durkin: "The coronavirus pandemic could plunge New York City into the worst economic crisis since the 1970s, costing the city 475,000 jobs and nearly $10 billion in revenue, a budget watchdog found.

"According to a new report from the Independent Budget Office, the local economy is expected to lose 475,000 jobs over the next 12 months. That would lead to a shortfall of $9.7 billion in tax revenue in 2020 and 2021, compared to previous projections."

**FOR YOUR RADAR**

**SHOULD WE FORGIVE CONSUMER DEBT?** — Columbia Business School Professor Tomasz Piskorski and Stanford Grad School of Business Professor Amit Seru argue in Barron's that we should: "By our estimates, more than 30% of all borrowers could default on their mortgage, about 1.5 times the level of defaults during the 2008 crisis.

"As we learned in that recession, the pain of defaults does not stop with the borrower: The damage creates ripple effects that slow down the economy."

**DEALING WITH THE UNBANKED** — Former Ex-Im bank chief Fred Hochberg in The Hill: "Now is not the time to think small. Washington should take strides to address systemic inequities that have left too many Americans behind and ensure that all Americans have banking and broadband access as we start to think through what the long road to recovery looks like."

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Fox News (4/15, Singman), NBC News (4/15, Kapur, Lederman), USA Today (4/15, Tompor), Politico (4/15, Eckert), Los Angeles (CA) Times (4/15, Wire), The Hill (4/15, Jagoda), and Business Insider (4/10, Loudenback) also report.

***Administration Says Supplemental Security Income Recipients Will Automatically Receive Coronavirus Payments.*** Business Insider (4/15, Zeballos-Roig) reports that consumers "receiving Supplemental Security Income benefits will no longer need to file a tax return to get a stimulus check, the Treasury Department announced on Wednesday." Secretary Mnuchin stated, "SSI recipients with no qualifying children do not need to take any action in order to receive their $1,200 economic impact payment. The payments will be automatic."

The Hill (4/15, Jagoda) reports "the Trump Administration on Wednesday announced that Supplemental Security Income (SSI) recipients will automatically receive their coronavirus rebates, expanding the number of people who will not need to file a tax return in order to get their payment." Mnuchin "encouraged SSI recipients with children to use an online tool on the IRS's website so that they receive the $500 per child that they are entitled to in addition to the $1,200 per adult."

PBS NewsHour (4/15, Norwood), Fox Business (4/15, De Lea), and CNBC (4/15, Konish) also report.

***Treasury Denies Adding Trump's Signature Delayed Relief Payments.*** The Washington Post (4/15, Olorunnipa, Rein) reports "the effort to put Trump's name on millions of 'Economic Impact Payment' checks began shortly after the president on March 27 signed the bipartisan $2 trillion legislation aimed at stemming the financial fallout from a global pandemic that has halted much of the economy." The Post says, "After privately suggesting to Treasury Secretary Steven Mnuchin that he be allowed to formally sign the checks, Trump settled for having his name printed in the memo section, according to administration officials, who spoke on the condition of anonymity to discuss internal deliberations." The Post adds that House Speaker Nancy Pelosi "pushed Mnuchin during negotiations on the economic rescue package to ensure that as many checks as possible were deposited though direct deposit; she told House Democrats that she had told Mnuchin that to the extent there had to be paper checks, she didn't want to see them held up for Trump's signature or anything similar."

CNN (4/15, Foran) reports on its website that Pelosi "on Wednesday called the decision for President Donald Trump's name to appear on stimulus checks amid the coronavirus pandemic 'shameful.'"

NPR (4/15, Kurtzleben), The Associated Press (4/15), Reuters (4/15, Lawder), the New York Times (4/15, Rappeport), Fox News (4/15, Olson), MSNBC (4/15, Benen), Vox (4/15, Burns), Vanity Fair (4/15, Levin), The Hill (4/15, Marcos), and Daily Caller (4/15, Talcott) also report.

**Debt Collectors Able To Garnish Coronavirus Stimulus Checks Due To Loophole In Law. (USAT)**

USA Today (4/15, Picchi, Today) reports debt collectors are able to garnish money from coronavirus stimulus checks to households due to a loophole in the law. The loophole "has prompted 25 state attorneys general and Hawaii's Office of Consumer Protection to ask Treasury Secretary Steven Mnuchin to ensure that debt collectors and creditors can't take Americans' stimulus checks." The officials, in a letter sent Monday to Mnuchin, said, "During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment."

**Democrats Say Coronavirus Stimulus Should Not Bail Out Fossil Fuel Companies. (HILL)**

The Hill (4/15, Beitsch) reports that more than 40 Democratic lawmakers sent a letter to Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell demanding that fossil fuel companies not be included in any assistance under the coronavirus relief package passed by Congress last month. The lawmakers wrote: "Giving that money to the fossil fuel industry will do nothing to stop the spread of the deadly virus or provide relief to those in need. It will only artificially inflate the fossil fuel industry's balance sheets."

**Democrats Urge Treasury And Fed To Provide Lifeline To Mortgage Servicers. (BLOOM)**

Bloomberg (4/16, Dexheimer) reports, "Key Democrats in the U.S. House and Senate are calling on Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell to provide a lifeline to mortgage-servicing firms that are bracing for a wave of missed payments." The Fed and Treasury "should use powers given to them under recent stimulus measures to provide liquidity to servicers facing shortfalls, House Financial Services Chairwoman Maxine Waters and Sherrod Brown, the top Democrat on the Senate Banking Committee, said in a letter Wednesday." They argue that the steps Ginnie Mae has already taken may not be enough, as mortgage servicers are "expected to face increased strain as millions of homeowners and renters lose jobs, are furloughed, or see reduced hours, all of which will keep them from making mortgage and rent payments, as a result of this public health crisis."

**Oversight Commission Calls On Fed To Release Details About Bailouts. (NYT)**

The New York Times (4/15, Rappeport) reports, "The lone member of the nascent Congressional Oversight Commission created as part of President Trump's $2 trillion economic stimulus law is calling on the Federal Reserve to release detailed information about which companies receive loans from its emergency lending facilities and how the money is being used." The demand "comes amid growing concern that disbursements from the giant economic stabilization package will be shrouded in secrecy or used improperly." In a letter sent on Wednesday to Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell, "Bharat Ramamurti, the only person appointed to the Congressional Oversight Commission so far, demanded clarity."

## POLITICO MORNING MONEY

**Get ready for some more dismal numbers** — It's that dreaded day of the week again when the weekly jobless claims report hits at 8:30 a.m.. It also happens to be the day the White House plans to roll out new guidelines on social distancing. Make of that what you will.

In any event, the number is likely to be horrible but not as horrible as last week. Consensus is around 5 million, which would be down from 6.6. million the last two weeks but still atrociously bad.

**Professors Paul Goldsmith-Pinkham and Aaron Sojourner**, who have been pretty well on the mark thus far: "We're predicting 4.8m UI claims for the week ending on 4/11 seasonally adjusted and 4.5m non-seasonally adjusted." They note that Google searches for how to get unemployment are down somewhat, a hopeful sign.

**Pantheon's Ian Shepherdson**: "For all the excitement generated by yesterday's raft of appalling economic reports, the weekly jobless claims numbers still offer the best, and almost real-time, guide to the big picture.

"The good news—all things are relative at this point— is that we expect today's report for the week ended April 11 to show that claims dropped sharply last week, to about 4,500K from 6,606K. That would still be an awful number, but it would mark the beginning of the end of the initial hit."

**April jobs report preview (way ahead of time)** — Via Deutsche Bank's Torsten Slok: "Two professors, Alex Bick and Adam Blandin, have replicated the employment report for the period March 29-April 4, and they find an unemployment rate of 20.2% in April and a decline in nonfarm payrolls of 24 million jobs." You can prepare all you want. If that kind of number hits it will still blow us all away.

**Trump's banker call goes badly** — The White House held a call with top Wall Street titans and other senior bankers and financiers on Wednesday morning (along with other groups) to talk about how to reopen the economy in the face of the coronavirus crisis. But there was a small problem. Actually several problems.

Many of the bankers said they knew nothing about the call until late Tuesday night. Several had quarterly earnings calls Wednesday morning that directly conflicted with the timing of the White House summons.

Goldman Sachs CEO David Solomon couldn't be on the call because of earnings. Neither could JPMorganCEO Jamie Dimon, though not because of earnings. Bank of America CEO Brian Moynihan was able to dial in right after his earnings call ended. Another senior executive from JPMorgan attempted to get on the call in Dimon's place, two sources told POLITICO, but couldn't get through for 20 minutes and finally gave up.

**One top executive called the call the whole thing a "shit show"** that produced little of substance. Trump asked several questions, including to Moynihan about how the small business loan program was going (it's going broke). He praised the bravery of Morgan Stanley CEO James Gorman, who got Covid-19 but recovered. Gorman said his case was relatively mild and tried to deflect the praise.

**Several executives called for more Covid-19 testing**. And that was pretty much it, according to people on or briefed on the call. "It was really nothing," one person briefed on the call said.

Beyond the haphazard nature of the call, senior bankers are getting increasingly frustrated with Trump's approach to the crisis. They say pressure tactics to reopen the economy as fast as possible make no sense if the virus isn't fully under control and consumers and businesses don't feel safe to resume anything close to normal activities.

**One Wall Street CEO told MM:** "I really don't understand how they are communicating on this. ... He's got to stop talking about turning the economy back on and start talking about making people feel safe, things that are happening around testing and the health care system. That's the only way you will really get the economy re-open over a period of time."

**Caveat** — Another person familiar with the call said there were some on the line backing Trump's push to open as soon as possible and that it wasn't all bankers urging caution.

**DRIVING THE DAY**

Jobless claims at 8:30 a.m. expected to show a gain of 5.4M, down from 6.6M ... Entirely possible Wall Street would react positively to any drop. An increase would be a very different story. ... Trump is expected to roll out new social distancing guidelines for the states, presumably at the 5:00 p.m. briefing.

**MARKETS DOWN EARLY** — Via Bloomberg: "U.S. stock index futures extended losses as a new round of dismal economic data damped demand for riskier assets. Contracts on the S&P 500 fell 0.6% as of 10:52 a.m. in Tokyo.

"Futures slumped 2.4% on Wednesday, with the underlying S&P 500 Index also dropping, after data showed factory output slid in March by the most since 1946 and retail sales tumbled by the most on record. A Federal Reserve report said the economy went into a defensive crouch due to the coronavirus."

**WARREN WOULD ACCEPT VP SLOT** — Sen. Elizabeth Warren (D-Mass.) told MSNBC's Rachel Maddow she would take the VP nomination if Joe Biden offered it

**DAILY FUNNIES** — Per an MM reader in the financial biz: "Some in the industry weighing participation in the Fed's Main Street Extended Lending Facility thought it might be a bad omen that the acronym could be phrased as F-MSELF." Lol.

**SMALL BUSINESS RESCUE FUND RUNS DRY** — Our Zachary Warmbrodt: "The small business rescue set up by Congress to avert massive layoffs is set to exhaust its $350 billion funding capacity, top lawmakers say, as Congress remained in a stalemate over how to allocate more money for the popular loan program.

"In a joint statement Wednesday evening, Senate Majority Leader Mitch McConnell of Kentucky and House Minority Leader Kevin McCarthy of California said that funding for the so-called Paycheck Protection Program will be depleted 'in a matter of hours.' That would force the program to stop accepting applications for the government-backed loans, which can be forgiven if businesses agree to maintain their payrolls.

"As of 9 p.m., the SBA reported that 1.5 million applications had been approved for more than $324 billion. In a message obtained by POLITICO, the agency began to warn banks Wednesday that lenders would no longer be able to load loan requests into the SBA's systems and that the agency would not accept applications for new lenders to participate in the program."

**MM SIDEBAR** — This is obviously a terrible thing that has to be fixed. MM has no idea how or which side needs to bend in which way. But it better happen soon because partisan nonsense can't get in the way of saving as many jobs and businesses as we can.

**React —** ABA's Rob Nichols: "America's banks were standing by their small business customers before [PPP] and will stand by them now that PPP money is nearly depleted, which we hope is only temporary"

**TRUMP THREATENS HISTORIC ADJOURNMENT** — Our John Bresnahan: "President Donald Trump is threatening to invoke a never-before-used authority to push through dozens of executive-branch nominees while Congress remains out of Washington due to the coronavirus crisis.

"The move would almost certainly set off a legal battle between the White House and Congress over the limits of presidential power. Complaining that the Senate Democrats are using so-called 'pro forma sessions' to prevent him from making recess appointments, Trump threatened to formally adjourn Congress and install his nominees without a vote. Those nominees could potentially serve though the end of 2021"

**CORONAVIRUS EFFECTS**

**MORE PPP ISSUES** — Also via Zach: "Major U.S. restaurant chains are starting to secure government-backed loans that Congress created to protect small businesses during the pandemic, fueling concerns that big corporations will siphon away rapidly dwindling funds.

"Potbelly Corp. — the nationwide sandwich shop operator — and Ruth's Hospitality Group, which runs a chain of steakhouses, are among the large companies that have disclosed receiving the government-backed loans. Before the Covid-19 outbreak, they reported employing thousands of people. … [L]awmakers … gave flexibility for larger restaurant and hotel operators to apply."

**WHAT WILL REOPENING LOOK LIKE?** — Via Goldman Sachs: "Absent a vaccine or treatment breakthrough, reopening will be gradual. New evidence suggests that the share of the population that has been infected is higher than test counts imply, but still too low to achieve herd immunity soon.

"As a result, the public will have to be persuaded that reopening is safe. We see a few prerequisites: further declines in confirmed new infections, sufficient hospital and testing capacity, and the ability to trace and quarantine those who might be infected. These look achievable in coming months, but there is much uncertainty about the feasibility of controlling virus spread during reopening"

**GIG WORKERS STRUGGLING FOR BENEFITS** — Our Megan Cassella and Rebecca Rainey: "The $2 trillion rescue package was supposed to help out Uber drivers, freelance workers and other independent contractors who usually aren't eligible for unemployment benefits.

"But so far, this 23 million-strong group of working Americans is running into dead ends, delays and bureaucracy trying to collect an unemployment check. One reason for the delay is that the Department of Labor didn't put out its first set of guidelines for the new program until April 5, more than a week after the stimulus passed, leaving state unemployment offices stalled."

**NJ NOT GOING BACK TO NORMAL** — Our Samantha Maldonado on MM's home state: "New Jersey Gov. Phil Murphy said … that the coronavirus has created a 'new normal' for the state that's likely to continue long after businesses are allowed to reopen.

"'The notion that we're going to go back to some sort of, let's just turn the clock back to three months ago, I just don't see it,' Murphy said … 'People talk about a new normal and I think that's a reality.' Murphy floated the idea of restaurants taking customers' temperatures or issuing saliva tests, if available, before allowing diners to enter. He painted a picture of establishments filled to only 50 percent capacity"

**TARRIFFS MAKE TIMES HARDER** — Our Adam Behsudi: "Amid the worst recession in nearly a century, a wide range of U.S. businesses hit by ... Trump's tariffs are starting to face an increasingly stark juggling act of trying to keep employees on the payroll while paying staggering tariff bills, some as high as 25 percent.

"Every month, Kevin Feig sends the Treasury roughly $300,000 in tariffs to import auto parts that he supplies to national retail chains. He said his tariff bill matches his monthly payroll expenses for the 110 workers he is hoping to keep employed through a federally backed loan from the government's new Paycheck Protection Program."

**G-20 FREEZES POOR COUNTRIES' DEBTS** — Our John Rega in Brussels: "G-20 countries agreed to suspend poor countries' debt payments for a year, freeing up $20 billion for them to spend on treating the coronavirus pandemic and shore up their economies.

"Banks and other private creditors, along with multinational development banks, should voluntarily do the same, the finance chiefs from the economic powers said ... after a teleconference on containing the economic damage from Covid-19."

**TRUMP CRITIC LARRY LINDSEY NAMED TO CORONA COUNCIL** — Our Matthew Choi: "He called ... Trump a 'total narcissist.' Now he may be advising the president on economic policy in the face of the coronavirus pandemic.

"Larry Lindsey, director of the National Economic Council for President George W. Bush, was named part of ... Trump's cryptic White House economic advisory group ... to help deal with the fallout of the coronavirus crisis."

**BIG JOB LOSSES FOR NYC** — Our Erin Durkin: "The coronavirus pandemic could plunge New York City into the worst economic crisis since the 1970s, costing the city 475,000 jobs and nearly $10 billion in revenue, a budget watchdog found.

"According to a new report from the Independent Budget Office, the local economy is expected to lose 475,000 jobs over the next 12 months. That would lead to a shortfall of $9.7 billion in tax revenue in 2020 and 2021, compared to previous projections."

**FOR YOUR RADAR**

**SHOULD WE FORGIVE CONSUMER DEBT?** — Columbia Business School Professor Tomasz Piskorski and Stanford Grad School of Business Professor Amit Seru argue in Barron's that we should: "By our estimates, more than 30% of all borrowers could default on their mortgage, about 1.5 times the level of defaults during the 2008 crisis.

"As we learned in that recession, the pain of defaults does not stop with the borrower: The damage creates ripple effects that slow down the economy."

**DEALING WITH THE UNBANKED** — Former Ex-Im bank chief Fred Hochberg in The Hill: "Now is not the time to think small. Washington should take strides to address systemic inequities that have left too many Americans behind and ensure that all Americans have banking and broadband access as we start to think through what the long road to recovery looks like."

# Flagging: The Washington Post: Glitches prevent $1,200 stimulus checks from reaching millions of Americans

**From:** (b)(6) [redacted]@treasury.gov>
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**Date:** Thu, 16 Apr 2020 11:42:18 -0400

The Washington Post: **Glitches prevent $1,200 stimulus checks from reaching millions of Americans (Heather Long, Michelle Singletary, 4.16.20)**

Many Americans woke up Wednesday expecting to find a payment of $1,200 or more from the U.S. government in their bank account, but instead they realized nothing had arrived yet — or the wrong amount was deposited. Parents of young children complained they did not receive the promised $500 check for their dependent children.

U.S. Treasury Secretary Steven Mnuchin has instructed the Internal Revenue Service to get payments out as fast as possible to help offset the pain of losing jobs and shutting down businesses, but numerous glitches — affecting filers who used tax preparers, parents of dependent children and people with 2019 tax returns still to be processed — are delaying payments and causing confusion.

Several million people who filed their taxes via H&R Block, TurboTax and other popular services were unable to get their payments because the IRS did not have their direct deposit information on file, according to the Treasury, companies and experts.

The IRS launched a "Get My Payment" tool Wednesday for people to track the status of their payment and enter direct deposit information, but many who used it said they received a message saying "Payment Status Not Available," a frustration that left them without answers.

How to spend the coronavirus stimulus checks

Some parents told The Washington Post that they received a $1,200 payment for a single head of household or a $2,400 check for a married couple but that the IRS left out the $500-per-child-under-17 payments.

IRS and Treasury officials acknowledged they are aware of these issues and are working to fix them. A Treasury spokeswoman noted that the IRS processed nearly 80 million payments in less than three weeks. That's just over half the 150 million payments expected to go out under the Economic Impact Payment program.

Social Security recipients will automatically receive the payments later this month. Paper checks will have President Trump's name on them and are expected to start going out in the coming days. Low-income Americans who do not normally file a tax return, including the homeless, are also eligible to receive the $1,200 check, but only if they enter their information in a new non-filers tool on the IRS.gov website.

Below is a rundown of the most common issues preventing people from getting the payments and what steps the IRS recommends to rectify them.

The $1,200 stimulus checks are arriving. People are mostly spending them on food

Millions of H&R Block, TurboTax and Jackson Hewitt customers didn't get their payments

Customers who use popular tax preparation services such as H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to The Post that they didn't get their stimulus payment on Wednesday.

Up to 21 million tax filers could be affected, said consumer law expert Vijay Raghavan, because the IRS does not have these people's direct deposit information on file if they received an advance on their tax refund from these companies or had the fee for tax preparation taken out of their tax refund.

The tax preparation companies received these people's tax refund first, deducted their fees and then distributed the remaining refund to the customers. Because of that, the IRS had a "temporary bank account" on file that the tax preparer created for the 2019 tax season, Raghavan said.

Matt Sielen of Chino, Calif., who recently lost his job, was shocked to discover that he would not be receiving the payment on his H&R Block Emerald Card, the debit card on which he received his tax refund. Sielen and his wife, a nurse who cares for homebound people, have two young children and were counting on the $3,400 payment to pay rent and other bills. The couple had H&R Block take their tax preparation fee out of their refund earlier this year, which means the IRS didn't have their bank details.

"I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

After he was unable to get through to anyone on H&R Block's phone line, Sielen went on the IRS website and was told to enter the couple's bank information. He did that but wishes H&R Block had been clearer about what to do. The company's website says that "we are still waiting for answers from the IRS regarding the majority of Emerald Card holders."

The Post spoke with six other people in a similar situation who did not get the IRS payment. A Treasury spokesperson said they are aware of the problem.

Frustrated taxpayers also took to Twitter to vent about their inability to track when and how they would be getting their money. Some posted a image of the message they received after entering their information: "Payment Status Not Available."

There are a number of reasons the tool can't check the status of a stimulus payment, the IRS said.

- You aren't eligible for a payment.
- Your payment is based on your status as a Social Security, disability or railroad retirement beneficiary. In this case, the IRS will use your SSA or RRB Form 1099 payment information. Your payment information isn't available on the Get My Payment website.
- You have not filed a 2018 or 2019 federal tax return.
- You filed your 2019 return, but it hasn't been fully processed.
- You used the non-filers tool, but the information you entered is still being processed.
- There's a problem verifying your identity when answering the security questions.
- Information on the site is updated only once a day, so checking more than once in a 24-hour period won't yield a different result.

**Receiving the wrong payment amount or no money for dependent children**

A number of people indicated that they received the incorrect payment amount. Five people contacted The Post saying that they didn't receive any money for their children or that they received only one child payment when they have three kids.

People whose adjusted gross income qualifies them to receive a stimulus check are supposed to receive an additional $500 for every dependent child under 17. But one reader from Kentucky with three children under age 15 said she received only $1,200 on Wednesday. She double-checked her 2019 tax return and verified that all three children were listed as dependents.

Individuals who receive Social Security retirement, survivors or disability (Social Security Disability Insurance) benefits or Railroad Retirement benefits will automatically receive the $1,200 stimulus payment if they are eligible. The IRS announced that it has added to this group Supplemental Security Income (SSI) recipients. The automatic payments for SSI recipients will go out no later than early May, according to the agency statement.

However, the IRS says that if you fall into one of those categories and have children under 17, you have to use the non-filers tool at IRS.gov to claim the $500 payment per child. You'll need a valid Social Security number or Adoption Taxpayer Identification Number for each dependent you want to claim the stimulus payment.

Jamie Jones, a Virginia widow and mother of three receiving Social Security survivor benefits, said she received her $1,200 payment, but her deposit did not include the extra $1,500 for her children. Because she filed a tax return for 2019, she couldn't use the non-filers tool, she said. She listed her children ages 8, 10 and 12 on her tax return, so the IRS should have made the additional payment.

"I've never been one to look for handouts, and work hard to try to keep my family afloat," Jones said. "My oldest daughter currently has outgrown her tennis shoes and even though the stores were shut down, I had planned to allocate some of this money to an online purchase to get her a new pair of shoes."

A spokesman for the IRS wasn't sure why Jones's payment didn't include the money for the children. Jones may have to wait for the letter in the mail to correct the underpayment.

People who receive what they believe is an incorrect amount will have an opportunity to let the IRS know. The agency is required to mail a letter to your last known address 15 days after sending your payment. The letter is supposed to explain how the payment was made and provide instructions on how to report any issues.

**The IRS website locks you out if you try too many times**

To thwart fraudsters, the IRS tool locks out people who try multiple times a day. This has become a problem for people trying to give the IRS direct deposit information.

Andrea Tasan and her husband were eventually locked out of the Get My Payment site after trying to check the status of their payment.

The Maryland couple filed tax returns in 2018 and 2019, each time requesting that their refunds be applied to pay the following year's taxes. Because of this, the IRS has no direct deposit information for them. The Get My Payment tool confirmed they were eligible for a stimulus payment based on their 2019 return, but they couldn't get any more information.

"The system returned with the response that our information did not match their records," Tasan said.

They tried again using their adjusted gross income and refund amounts for their 2018 return. Again they were told the information doesn't match the IRS records. The system then locked them out because they made "too many attempts" to access the tool.

They now have to wait a day to try again. The IRS is also preventing people from changing the bank account information already on file as a measure to prevent fraud.

**People who owed $0 in taxes can't check their payment status**

Others complained about a glitch in the tool that won't allow them to move forward because they neither owed any money to the IRS nor received a refund for 2018 or 2019. Typing in zero didn't work.

"I could not give an affirmative answer to any of these questions since I owed no tax and did not receive a refund," one reader wrote. "Submitting the form returned an error so I tried again and answered 'yes' to owing tax and 'zero' to the amount. Error again."

"We are aware of the problem and are checking into it," IRS spokesman Eric Smith said.

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# AM News Roundup April 16, 2020

From: (b)(6) [redacted]@treasury.gov>
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Date: Thu, 16 Apr 2020 14:06:19 -0400

**AM News Roundup**
**April 16, 2020**

**Secretary Steven Mnuchin**

- CNN Wire: Mnuchin and Small Business Administration urge Congress to boost loan program funding
- The Associated Press: GOP lawmakers push for 'clean' extension of payroll program
- The Associated Press: Government nears lending limit on small business program
- The Associated Press: Mnuchin, Schumer rev up talks as small-business aid runs dry
- The Washington Post: Why airlines, Boeing opted for billions in buybacks
- The Washington Post: Trump denied wanting his name on relief checks. Here's how it happened.
- Los Angeles Times: THE NATION; Small-business fund is nearly spent
- Los Angeles Times: BUSINESS: Where's your stimulus check? Look here
- USA TODAY: Trump seeks reopening advice from US firms
- USA TODAY: President's name is being added to stimulus checks
- USA TODAY: Debt collectors can garnish coronavirus stimulus checks
- The Washington Times: Treasury unveils new 'Get My Payment' app online to speed delivery of $1,200 emergency payments
- The Washington Times: IRS: Emergency payments going out 'on schedule,' 'without delay'
- The Washington Times: Paycheck Protection Program runs dry; GOP blames Democrats
- The New York Times: Trump's Business Advisory Council Gets Off to a Chaotic Start
- The New York Times: Fed Faces Call For Openness In Disbursing Bailout Funds
- The New York Times: Some Banks Keep Customers' Stimulus Checks if Accounts Overdrawn
- The New York Times: Aid Finances Run Dry For Small Businesses As Program Falls Short
- The Wall Street Journal: Fintech Lending to Small Businesses Faces Coronavirus Obstacles
- The Wall Street Journal: Small-Business Aid Package Excludes Many Franchises in Coronavirus Crisis
- The Financial Times: America's $350bn pot for small business loans is almost empty
- The Financial Times: US airlines weigh benefits of tapping more aid
- The Financial Times: Mnuchin sets out opposition to rescue plan for emerging markets
- Reuters: U.S. opposes general allocation of Special Drawing Rights to IMF members
- Reuters: As pandemic lingers, U.S. House looking 'very closely' at remote voting
- Reuters: U.S. Senate Democrats seek $30 billion for national coronavirus testing
- FOXBusiness: Treasury, SBA seek more coronavirus small business loan program funds from Congress
- The Hill: Business loan funds almost exhausted as Schumer, Mnuchin wrestle over deal
- Roll Call: Virus aid talks bleed into Thursday amid small-business funds lapse
- The Hill: Republicans go on attack as loans for small businesses start to run out
- MarketWatch: Mnuchin says he opposes IMF special issuance of SDRs
- Forbes: Tracking Your Stimulus Check? Here's How To Decode The Confusing "Payment Status Not Available" Error Message
- The Washington Post: White House says new small business loan program is out of money, leaving many firms grasping for lifelines
- The Financial Times: US small business rescue fund runs out of cash

**Treasury**

- American Banker: CFPB, FHFA to share data on mortgage servicing
- American Banker: Dear Congress: Don't let initial PPP be final word on small-business aid
- CNBC: Airlines cheer government coronavirus aid but paint bleak demand picture
- McClatchy DC: Trump's name will be on some stimulus checks. Here's why that hasn't happened before
- CNBC: Schumer, Pelosi staff to continue talks with Treasury on Thursday about interim emergency coronavirus relief bill
- Bloomberg: U.S. warns North Korean hacking threatens international finance
- NBC News: Delays to coronavirus stimulus cash cause angst, confusion: 'This is all just insane'
- Politico: Small business loan funds nearly depleted with Congress deadlocked
- The New York Times: Some Banks Keep Customers' Stimulus Checks if Accounts Are Overdrawn
- The New York Times: I'm Overseeing the Coronavirus Relief Bill. The Strings Aren't Attached.
- The Washington Post: U.S. now has 22 million unemployed, wiping out a decade of job gains

- MarketWatch: **The IRS is sending $1,200 stimulus checks to dead people**
- The Wall Street Journal: **Economics vs. Epidemiology: Quantifying the Trade-Off**
- The Wall Street Journal: **U.S. Jobless Claims Top 20 Million Since Start of Shutdowns**
- The New York Times: **'Nowhere to Hide' as Unemployment Permeates the Economy**
- The Washington Post: **'Almost everybody I know is out of work': How the coronavirus has unleashed economic havoc in Michigan**
- The Washington Post: **We're in an economic gutter. Can we crawl out?**
- The Financial Times: **US banks detail dramatic fall in credit card spending**
- The Financial Times: **Neel Kashkari: Big US banks should raise $200bn in capital now**
- The Financial Times: **American jobless claims mount to 22m since shutdowns**

**Other News**

- The Washington Post: **Oil-rich Venezuela is running out of gas, and Maduro is running out of options**

**Secretary Steven Mnuchin**
CNN Wire

April 16, 2020 Thursday 2:54 AM GMT

Mnuchin and Small Business Administration urge Congress to boost loan program funding



Length: 425 words

Dateline: WASHINGTON (CNN)

Body
WASHINGTON (CNN) -- Treasury Secretary Steven Mnuchin and US Small Business Administration head Jovita Carranza urged Congress on Wednesday night to provide more money for the SBA's Paycheck Protection Program.

The new loan program was designed to help put millions of dollars directly into the hands of small business owners affected by coronavirus. But as CNN has reported, the program is expected to officially run out of funding by Wednesday evening or Thursday morning amid an impasse between Democrats and Republicans on funding it.

"We urge Congress to appropriate additional funds for the Paycheck Protection Program -- a critical and overwhelmingly bipartisan program -- at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks," Mnuchin and Carranza said in a statement.

"The high demand we have seen underscores the need for hardworking Americans to have access to relief as soon as possible," they said. "We want every eligible small business to participate and get the resources they need."

A senior Democratic aide, in reference to House Speaker Nancy Pelosi of California and Senate Minority Leader Chuck Schumer of New York, said: "Schumer and Pelosi staff spoke with Secretary Mnuchin and Treasury staff today. They agreed to continue talks tomorrow."

Democrats have asked that any funding for the program include more money for local and state governments and hospitals. They have also requested that any additional money include a set-aside provision that would ensure vulnerable communities receive loans.

The negotiations come as the program has been beset with technical glitches and lender frustrations since its launch April 3.

The tensions stem from the need to get the funding quickly to businesses that are no longer collecting revenue due to coronavirus shutdowns while ensuring the money goes where it's intended.

Many lenders have been slow to accept loan applications because they felt they needed more technical guidance from the Treasury Department and the Small Business Administration.

"There are bound to be problems," Senate Majority Leader Mitch McConnell told McClatchy earlier this month. "You can't pass a bill of this magnitude in a week and have a perfect implementation of $2.2 trillion, so sure there are going to be glitches."

This story has been updated with details about the program's rollout.

CNN's Phil Mattingly and Jeremy Herb contributed to this report.


#Top of the Document

The Associated Press

April 16, 2020 Thursday 4:41 AM GMT

**GOP lawmakers push for 'clean' extension of payroll program**



Section: POLITICAL NEWS

Length: 981 words

Byline: By ANDREW TAYLOR, Associated Press

Dateline: WASHINGTON

Body

WASHINGTON (AP) - With a key coronavirus rescue fund nearly exhausted, negotiations are accelerating in Washington over President Donald Trump's $250 billion emergency request to help smaller employers across the country keep workers on their payroll.

Senate Minority Leader Chuck Schumer and Treasury Secretary Steven Mnuchin spoke Wednesday morning about legislation to shore up a paycheck subsidy program that has nearly reached its $349 billion lending limit. House and Senate Democratic aides spoke by phone with Treasury officials later in the day about Democratic demands for additional money for hospitals and state and local governments.

Reaching a deal won't be easy. The Capitol is largely shuttered, requiring consensus from all sides for any legislation to pass, and top GOP leaders are vowing to stick closely to Trump's request despite Democratic demands. Long-standing feuds and rivalries hang over the talks, including a toxic relationship between House Speaker Nancy Pelosi and Trump.

But the unprecedented legislative environment gives Democrats considerable influence, even if their funding requests for hospitals and state and local governments may have to be scaled back significantly or dropped, at least for now. Democrats blocked a fast-track bid to pass the funding last week, and Republicans in turn stymied their efforts for additional funding for other priorities in a brief debate that was mostly a messaging exercise.

Majority Leader Mitch McConnell, R-Ky., issued a joint statement with top House Republican Kevin McCarthy of California urging quick funding for the paycheck program. The Senate is away from Washington through May 4, though it convenes twice each week for pro forma sessions that could be used to pass more coronavirus aid - though only if no senator objects.

Republicans amped up the pressure for a "clean" extension of the paycheck program in statements Wednesday night. House GOP Whip Steve Scalise said Democrats "need to stop holding small businesses and workers across America hostage to their endless spending demands."

With leaders unable to readily summon lawmakers to Washington, the usual power dynamics are scrambled, especially in the House. There, Minority Leader McCarthy, for example, can stymie legislation more easily than if members are present, and Pelosi, D-Calif., cannot rule the House with her typical tight grip.

"Tell Chuck Schumer and Nancy Pelosi to STOP blocking critical funding for small businesses. The Paycheck Protection Program is about to run out of money -- millions of jobs are hanging in the balance. Congress MUST ACT!" McCarthy wrote Tuesday on Twitter.

At issue is a $350 billion paycheck protection program that's a centerpiece of last month's $2.2 trillion rescue bill. The program gives grants to businesses with fewer than 500 workers so that they can maintain payroll and pay rent while shutting down their businesses during social distancing edicts.

The program is quickly running dry after being open for only a matter of days, though it's unclear how much money has actually been distributed to businesses. Mnuchin says an additional $250 billion is needed immediately.

But Democrats want money for hospitals burdened under COVID-19 caseloads and additional funding for states and local governments straining as the economy slides into recession.

Democrats also want to make sure the paycheck protection program is opened up more to businesses that don't have established relationships with banks that have been accepting applications for rescue funding.

"We cannot allow the billions, hundreds of billions of dollars being spent to fight the horror of the coronavirus and the impact on our economy to further harden the disparity of the lack of access to credit for so many in the small-business community," Pelosi said Wednesday afternoon on CNN. She also reiterated demands for "desperate state and local governments" and hospitals.

Pelosi is pressing to add money to be distributed by community development financial institutions, which are small, nontraditional lenders that focus on making loans in underdeveloped and underserved neighborhoods, typically communities with larger minority populations.

The outlook for the legislation is unclear at best, and negotiators may not be able to meet a potential deadline of Thursday afternoon's pro forma session.

Eventually, the need for consensus seems likely to result in a relatively limited package.

"I don't see big new issues being put in the mix here," said Steve Elmendorf, a veteran Democratic lobbyist.

"It's a matter of adding money to things they've already done so long as the amounts aren't out of whack with reality," said Hazen Marshall, a former GOP leadership aide who lobbies Congress. "They can probably thread this needle if they can just keep it to money."

Where the negotiation heads isn't clear, but Republicans are increasingly agitating to help rural hospitals, while Democrats are also keen to boost aid to cash-strapped states and local governments whose revenues have cratered. Aiding the states may be a stretch for now, however, as the issue can easily provoke fights between large, high-tax states like California and New York and smaller states more typically run by Republicans.

Senate Democrats are already eyeing the next coronavirus bill, proposing that it include $30 billion for a comprehensive federal plan to ramp up testing and its supply chain for diagnostic materials, as well as the ability to trace the spread of COVID-19.

Greater access to testing is a key element to have in place in order to reopen the economy, as Trump is itching to do. The proposal envisions emergency money to quickly scale up testing and develop a pipeline to ensure an adequate supply of material.

"We need testing to be fast, free, and everywhere," said Schumer, D-N.Y.

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Associated Press writer Laurie Kellman contributed to this report.
#Top of the Document

Associated Press International

April 16, 2020 Thursday 00:54 GMT

**Government nears lending limit on small business program**



Section: BUSINESS NEWS

Length: 415 words

Dateline: NEW YORK

Body
NEW YORK (AP) - The government is approaching the $349 billion lending limit on its Paycheck Protection Program that is funneling relief money to the nation's small businesses.

The Small Business Administration says that as of Wednesday afternoon, it had approved more than 1.44 million loans totaling more than $311 billion - up more than $50 billion since Monday. The Trump administration has asked Congress, which set the original ceiling, for another $250 billion for the program. However, that request has stalled in the Senate.

Treasury Secretary Steven Mnuchin and Small Business Administration head Jovita Carranza on Wednesday urged Congress to appropriate more funds. The SBA has processed more than 14 years' worth of loans in less than 14 days, they said.

"We want every eligible small business to participate and get the resources they need," two said in a joint statement.

A breakdown of the loans on the SBA website showed that as of Monday, the average loan size was $239,152, and 70% of the loans were for $150,000 and under- an amount likely sought by very small companies. At that point, loans worth $247.5 billion had been approved.

Construction firms were approved for the largest share of the loans, nearly 14%, or $34 billion. Many companies in construction are small, local or regional businesses. In second place were companies that provide professional, scientific and technical services, with 12.3% or $30.35 billion, and manufacturers were in third place with 12.25%, or $30.32 billion

Health care and social assistance companies were in fourth place about $28 billion in loans, and No. 5 was lodging and food services, with nearly $23 billion.

An email to the SBA seeking comment about the status of the program was not immediately answered.

It's unclear how much money has actually been distributed from the program, which launched April 3. Thousands of business owners are still awaiting word on their loan applications.

The country's most populous states had the most loans. Texas had the most loans although it is the second-largest state; it had over 88,000 loans worth nearly $21.8 billion. California, No. 1 in population, was second in loans, with nearly 55,000 worth nearly $20.9 billion.

Florida, third in population was also third in loans, getting just over 52,000 worth nearly $12.7 billion. New York, fourth in population and loans, had nearly 41,000 worth $11.7 billion.

But Ohio, seventh in population, was No. 5 in loans with 38,000 worth nearly $10.4 billion.
#Top of the Document

Associated Press International

April 16, 2020 Thursday 2:36 AM GMT

**Mnuchin, Schumer rev up talks as small-business aid runs dry**



Section: POLITICAL NEWS

Length: 981 words

Byline: By ANDREW TAYLOR, Associated Press

Dateline: WASHINGTON

Body
WASHINGTON (AP) - With a key coronavirus rescue fund nearly exhausted, negotiations are accelerating in Washington over President Donald Trump's $250 billion emergency request to help smaller employers across the country keep workers on their payroll.

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Reaching a deal won't be easy. The Capitol is largely shuttered, requiring consensus from all sides for any legislation to pass, and top GOP leaders are vowing to stick closely to Trump's request despite Democratic demands. Long-standing feuds and rivalries hang over the talks, including a toxic relationship between House Speaker Nancy Pelosi and Trump.

But the unprecedented legislative environment gives Democrats considerable influence, even if their funding requests for hospitals and state and local governments may have to be scaled back significantly or dropped, at least for now. Democrats blocked a fast-track bid to pass the funding last week, and Republicans in turn stymied their efforts for additional funding for other priorities in a brief debate that was mostly a messaging exercise.

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Associated Press writer Laurie Kellman contributed to this report.
#Top of the Document

The Washington Post

April 16, 2020 Thursday, Regional Edition

**Why airlines, Boeing opted for billions in buybacks**



Distribution: Every Zone

Section: A-SECTION; Pg. A20

Length: 756 words

Byline: Allan Sloan

Body
There's been lots of fuss made, some of it by me, about how four big airlines and aerospace giant Boeing have spent more than $70 billion over the past five years to buy back their own stock but now want tens of billions of dollars of the federal coronavirus bailout money.

Treasury Secretary Steven Mnuchin announced Tuesday that 10 airlines had reached an agreement in principle to accept $25 billion in grants to get through the crisis.

Now that the question of grants has been settled, it's time to see what kind of deal Mnuchin makes when it comes to giving the airlines big federal loans or perhaps guaranteeing big loans that the airlines get from third parties.

If you're a normal person, you might wonder why a company would spend billions to buy its own shares rather than use that cash to expand? Or to reduce its debt? Or to send bigger cash dividends to its shareholders?

I'll show you in a bit, using an analysis that the Zion Research Group, a New York City consulting firm, did at my request.

But before I start, let me explain why so many corporations spend so much money buying back their own shares in the public market even though it reduces a company's financial strength and leaves it far more vulnerable to shocks such as the coronavirus (the airlines) or two fatal airliner crashes plus the coronavirus (Boeing).

Wall Street's game doesn't involve just showing high and ever-rising earnings. It involves showing high and ever-rising earnings per share - which isn't necessarily the same thing.

If a company has, say, 2 million shares and earns a $10 million profit, its per-share earnings are $5: $10 million divided by 2 million.

Let's say that same company buys back lots of its own stock, earns only $6 million but has just 1 million shares outstanding. That makes its earnings $6 a share. That results in a smaller company but a higher stock price than if its earnings were only $5 a share. That's why I asked Dave Zion, the head of Zion Research, to study the impact that five years of buybacks by Boeing, Southwest Airlines, United Airlines, Delta Air Lines and American Airlines have had on those companies' per-share profits.

The answer was "a lot" - an answer that justifies the federal government demanding, and hopefully getting, a big slug of stock on terms that give taxpayers a substantial piece of the companies' post-bailout upside.

According to Zion's numbers, Southwest's $8.5 billion of share buybacks from 2015 through 2019 accounted for almost a third of its compounded annual earnings-per-share growth rate for those five years.

Southwest's earnings per share grew at a 32.6 percent compounded annual rate, Zion says, but would have grown at only 14.3 percent without buybacks.

United's 32.2 percent earnings growth rate would have been only 21.3 percent without its $8.6 billion of buybacks. Delta's 56.4 percent growth rate would have been 47.8 percent without its $10.1 billion of buybacks.

In the case of American, its $11.9 billion of buybacks slowed its earnings-per-share decline to 0.7 percent a year, compared with what would otherwise have been a 10.2 percent decline.

Boeing reported a loss in 2019 after profits in the four previous years, so there's no way to do earnings-per-share buyout math. However, Zion notes that Boeing's $34.6 billion of buybacks reduced its share count by 24.6 percent. So when Boeing gets back to making money, its profit will be spread over fewer shares than if there hadn't been buybacks.

Mnuchin has been talking the right talk about demanding that taxpayers get stock from the airlines and Boeing in return for bailing them out. But let's see what the actual bailout terms turn out to be.

Let's also see if President Trump, who's obsessed with the stock market, risks having one or two of these airlines refuse Treasury's bailout terms, go into bankruptcy and send their stock price to zero. Finally, let's see if Democrats are willing to put taxpayers' interests ahead of the interests of the airline employees' unions.

If these companies hadn't done a combined $73.7 billion in buybacks, their earnings per share would have been lower, but they would have a lot less debt and far more borrowing power than they've got now. That would greatly reduce the size of the bailout they need to stay afloat.

The companies chose to sacrifice a significant portion of their financial strength to make shareholders happy. Now, it's time for them to sacrifice a significant portion of their stock to make taxpayers happy in return for being bailed out.

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The Washington Post

April 16, 2020 Thursday, Regional Edition

**Trump denied wanting his name on relief checks. Here's how it happened.**



Distribution: Every Zone

Section: A-SECTION; Pg. A04

Length: 1375 words

Byline: Toluse Olorunnipa;Lisa Rein

Body
When President Trump publicly denied on April 3 that he wanted his signature on stimulus checks that would be sent to millions of Americans struggling amid a pandemic, officials in the Treasury Department were already secretly working on a plan to get the president's name on the payments.

Trump, who was reportedly musing about placing his signature on the checks as early as late March, defended the unprecedented move Wednesday.

"I don't know too much about it. But I understand my name is there," Trump said. "I don't know where they're going, how they're going. I do understand it's not delaying anything, and I'm satisfied with that. I don't imagine it's a big deal. I'm sure people will be very happy to get a big, fat, beautiful check and my name is on it."

The effort to put Trump's name on millions of "Economic Impact Payment" checks began shortly after the president on March 27 signed the bipartisan $2 trillion legislation aimed at stemming the financial fallout from a global pandemic that has halted much of the economy. It will be the first time a president's name appears on an Internal Revenue Service disbursement.

While Trump has spent recent weeks talking with friends and supporters about his coronavirus response and his reelection campaign, the effort to place his name on the checks was largely kept secret until this week, with top White House officials in the dark until the plan became public. The White House press office did not respond to requests for comment Wednesday.

Some senior officials at the IRS did not find out about the plan until Tuesday morning, underscoring the unorthodox process that has turned Trump's desire into reality.

After privately suggesting to Treasury Secretary Steven Mnuchin that he be allowed to formally sign the checks, Trump settled for having his name printed in the memo section, according to administration officials, who spoke on the condition of anonymity to discuss internal deliberations.

The placement of Trump's name on the stimulus checks was taken out of the hands of the IRS early in the process, according to two government officials. The plan has been closely held within the IRS, and Commissioner Charles Rettig has not discussed it on his daily calls with his top executives, senior agency officials said.

When the decision came down from the Treasury Department late Monday that the first batch of paper checks would include "Donald J. Trump" on the memo line, it was announced to just five senior IRS officials.

The IRS, already tasked with quickly disbursing hundreds of billions of dollars in payments to Americans, is now rushing to prepare checks that bear Trump's name. The signature line will continue to feature the name of a civil servant, keeping with long-standing practice, but the IRS must change the computer code to add Trump's name before the Bureau of the Fiscal Service can print the checks, officials said.

On Wednesday, working remotely on laptops in their homes across the country, the computer code developers and testers on the IRS's technology teams raced to program the agency's mainframe computers to add the president's name to the template for millions of paper stimulus checks.

They're the first batch to be issued to Americans whose banking information the IRS does not have. With many Americans struggling to pay their bills, making the change and testing the new system must be done under a time crunch. The process is supposed to start on Thursday. The IRS and the Treasury Department said the last-minute change would not delay the payments.

Democratic leaders seized on a report in The Washington Post that the decision to put Trump's name on the relief checks could delay the delivery of some of the payments.

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands," House Speaker Nancy Pelosi (D-Calif.) said in a statement Wednesday.

House Majority Leader Steny H. Hoyer (D-Md.), said the potential delay reflected the "height of insecurity" by Trump. "In the midst of this crisis, President Trump is doing what he always tends to do: make it all about Trump," he said.

Rep. Ayanna Pressley (D-Mass.) took to Twitter to voice her displeasure, calling the move "a cruel political stunt from a petulant man who's failing our families."

Some Republicans defended Trump.

Sen. Charles E. Grassley (R-Iowa) said previous presidents took steps to show the public their role in stimulus efforts. Grassley issued a statement defending the decision as nothing out of the ordinary and carrying a "negligible expense."

"Presidents regularly associate their name with economic stimulus programs," the statement said.

The Treasury Department and the IRS pushed back against claims that Trump's decision to add his name to the stimulus checks could delay their delivery.

"Thanks to hard work and long hours by dedicated #IRS employees, Economic Impact Payments are going out on schedule, as planned, without delay, to the nation," the IRS said Wednesday on Twitter. "The IRS employees are delivering these payments in record time."

Millions of Americans began receiving payments of up to $1,200 on Wednesday via direct deposit. Those electronic payments, which were part of a $2 trillion bipartisan coronavirus rescue package, did not include Trump's name.

But for Americans who receive paper checks by mail - about 70â million of the 150 million who qualify - Trump's name will feature prominently in the memo section.

On April 3, the president was asked about a Wall Street Journal report that said he had spoken to friends about wanting to sign the checks. He denied it.

"No. Me sign? No. There's millions of checks," Trump said. "I'm going to sign them? No. It's a Trump administration initiative. But do I want to sign them? No."

But the president often personalizes the pandemic response. In his daily news briefings, he spends considerable time describing what his administration has done to combat the pandemic.

On March 27, Trump lashed out against state governors who had criticized his response, saying any criticism of him amounts to criticism of the broader federal effort.

"I think they should be appreciative because you know what? When they're not appreciative to me, they're not appreciative to the Army Corps," he said. "They're not appreciative to FEMA."

Trump has also indicated a desire to have the federal government provide unemployment checks to millions of out-of-work individuals, seeking to take over the role traditionally played by states. It's not clear if the president also wanted to sign such federally provided unemployment checks.

Millions of Americans have already opened their mailboxes to find Trump's name. In March, the Centers for Disease Control and Prevention sent out postcards with the headline "PRESIDENT TRUMP'S CORONAVIRUS GUIDELINES FOR AMERICA." The card included several recommendations for slowing the spread of the virus, including washing hands and avoiding recreational travel.

According to a person familiar with the conversations, Pelosi pushed Mnuchin during negotiations on the economic rescue package to ensure that as many checks as possible were deposited though direct deposit; she told House Democrats that she had told Mnuchin that to the extent there had to be paper checks, she didn't want to see them held up for Trump's signature or anything similar.

While several senior Trump administration officials said they did not know where Trump got the idea for putting his name on the stimulus checks, many said they were not surprised by the move. Trump has long exhibited a desire for featuring his signature prominently on objects, including newspaper clippings, stock market charts and even Bibles.

Hours after the House of Representatives impeached him in December, Trump signed copies of the two impeachment articles for a supporter, the Detroit Free Press reported.

While visiting Houston in the aftermath of Hurricane Harvey in 2017, Trump signed the wall of an events center that was being used to house storm victims and the homeless.

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Josh Dawsey and Erica Werner contributed to this report.
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Los Angeles Times

April 16, 2020 Thursday, Home Edition

**THE NATION; Small-business fund is nearly spent;**
**Deal on popular loan program eludes White House, Democrats.**



Section: MAIN NEWS; National Desk; Part A; Pg. 4

Length: 798 words

Byline: Jennifer Haberkorn

Dateline: WASHINGTON

Body

Democrats and the Trump administration were at a stalemate Wednesday over how to resupply the popular Paycheck Protection Program, which helps small businesses cope during the coronavirus pandemic and is due to run out of money as soon as Wednesday night.

The standoff came as Senate Democrats pushed the administration to lay the groundwork for how the nation may reemerge from social distancing and stay-at-home orders.

Republicans and Democrats agree they need to provide more funding to the Paycheck Protection Program, which offers forgivable loans to help small businesses maintain their payrolls amid the deep economic fallout from the coronavirus.

But the GOP balked at additional Democratic demands, such as tagging some of the funding for businesses that don't have an existing relationship with a bank that supply the loans. Participating banks have largely given preference to their current customers.

As of 9 p.m. Eastern time Wednesday, the Small Business Administration had approved 1.5 million applications totaling more than $324 billion of the $349 billion that Congress authorized in last month's $2.2-trillion coronavirus relief package, according to the agency.

Sen. Marco Rubio (R-Fla.), chairman of the Senate committee with jurisdiction over small business, said that the program is expected to "grind to a halt" Wednesday evening as it hits its spending limit.

"Now 700,000 small business applications are in limbo & no new loans will be made until the game of chicken in Congress ends," Rubio said on Twitter. "Inexcusable."

President Trump chastised Democrats, accusing them of blocking money to a program that has widespread bipartisan support.

The Paycheck Protection Program has been "so good that it's almost depleted and we want to replenish it," he said. "And we can't get the Democrats to approve it. And that's a program that they and everyone else admits is great."

House Speaker Nancy Pelosi (D-San Francisco) told CNN on Wednesday that Democrats were trying to ensure that a portion of the funding is set aside for small businesses that need it the most.

"What we were finding out, in just even the first hours of [the program], was that it was not working for the, shall we say, under-banked," she said.

Senate Minority Leader Charles E. Schumer (D-N.Y.) and Pelosi's staff spoke Wednesday with Treasury Secretary Steven T. Mnuchin and agreed to continue negotiations on Thursday, when the issue could come to a head, according to a senior Democratic aide.

The Senate is due to hold a brief session in Washington, during which Republicans and Democrats may try to quickly pass a bill to address the issue.

The standoff over the funding program comes as Democrats on Wednesday released a national coronavirus testing strategy, arguing that they're filling a void left by the Trump administration, which hasn't released a plan to scale up COVID-19 testing to allow Americans to return to work and school.

"The U.S. lags the world in testing and we lead the world in COVID-19 cases," said Sen. Debbie Stabenow (D-Mich.). "We are raising the alarm bells."

The demand for a national strategy comes as health experts have reached consensus that the first step in allowing people to ease off social distancing is extensive and accessible testing so that those who are infected can isolate while others can go to work and school. In addition, they agree that effective antibody tests will be required so people know if they have been exposed to the virus and have recovered.

The Trump administration hasn't done enough to develop a testing plan, Democrats say, pointing to a decrease in recorded COVID-19 testing last week. Trump has said repeatedly that he wants the economy to reopen quickly, but has not detailed how he would determine when to do that and how testing might factor into that decision.

Reopening society will require an "organized, coordinated and focused plan," Schumer said. "Not exactly the Trump administration's strong suits."

The Democrats' goal would be to develop a plan to ensure testing is "fast, free and everywhere," said Sen. Patty Murray (D-Wash.), who led the development of the plan. They say they will try to get the requirement for a national testing strategy into the next major coronavirus relief bill.

The Democrats' plan would require the administration to develop a strategy for the nation. It would provide emergency funding to quickly scale up access to testing, including the development of millions of tests and supplies, and a reliable pipeline of production.

The plan would also require the administration to ensure access to testing in every community, including areas that are now underserved, and public health infrastructure to better contain the virus, including more thorough contact-tracing for people who develop COVID-19.
#Top of the Document

Los Angeles Times

April 16, 2020 Thursday, Home Edition

**BUSINESS; Where's your stimulus check? Look here;**
**New IRS website can speed up payment and provide status update, but some users have encountered glitches.**



Section: MAIN NEWS; National Desk; Part A; Pg. 9

Length: 810 words

Byline: Sarah D. Wire

Dateline: WASHINGTON

Body
Americans can speed up delivery of their up-to-$1,200 coronavirus assistance payout through an IRS website that launched Wednesday.

The site, at www.irs.gov/coronavirus/economic-impact-payments, allows them to provide bank account details needed to receive electronic payment, and to check when the payment will arrive.

According to the IRS, more than 6.2 million taxpayers used the site to learn their payment status Wednesday, and almost 1.1 million taxpayers were able to provide banking information. The IRS has direct deposit information for fewer than half of the country's estimated 170 million taxpayers and created the site to speed the stimulus to more Americans.

Although some people logged in easily, there were reports from others who encountered delays or difficulties using the site.

The IRS said it was looking into the complaints and directed people to a list of frequently asked questions on its website.

To use the site, people will need information from their 2018 or 2019 taxes to prove their identity, Treasury Secretary Steven T. Mnuchin said this week at the White House. The site also allows people who have already provided the IRS with direct deposit information to verify which account the government has on file.

"You'll be able to put in your direct deposit information, and within several days we will automatically deposit the money into your account," Mnuchin said.

The site does not allow people to change the bank account information that the government already has on file. So if a person has since closed the bank account they used for direct deposit last year, the bank will send the money back and the IRS will mail a paper check to the person's last known address.

Many users on the site received the message "Payment Status Not Available." According to the IRS, that appeared because the person is not eligible for the payment, has not filed a 2018 or 2019 tax return and was required to, or recently filed a tax return that has not been processed. It also appears for people who receive Social Security, disability or Veterans Affairs benefits.

Taxpayers who have authorized direct withdrawals from their bank accounts to pay taxes will still need to provide direct deposit details, according to the IRS.

Amy Ballano, 55, of Myrtle Beach, S.C., said she and her husband have always owed money on their taxes and paid electronically. But when she tried to give her direct deposit information Wednesday, she got the "Payment Status Not

Available" message.

"It's funny the IRS can find you when they want you to give them money," Ballano said.

Karen Yukawa, 31, of Torrance said she moved and got married since filing her 2018 return, and submitted a "married filing jointly" 2019 tax return a few weeks ago.

"I was scrambling to file our taxes really quickly so they would have our new information," she said.

When she visited the site Wednesday, she learned a $1,200 payment had been deposited into the account she used on her 2018 taxes. Her husband received the "Payment Status Not Available" message. He has closed the account he used for 2018.

The first wave of payouts began Friday to people who had provided direct deposit information. Mnuchin said more than 80 million Americans were expected to receive the payout through direct deposit by Wednesday.

Millions of Americans don't have direct deposit information on file with the IRS. It could take weeks or even months for people to receive a paper check.

All U.S. residents are eligible for a payment as long as they have a work-eligible Social Security number, cannot be claimed as a dependent on another person's taxes, and meet the income requirements.

Those with adjusted gross income below $75,000, or $150,000 for a married couple, would get $1,200 per adult, or $2,400 for a couple. In addition, they are eligible for $500 per child younger than 17. Individuals who make $75,000 to $99,000, or married couples making $150,000 to $198,000, are eligible for a portion of the payment.

Taxpaying immigrants without legal status will not get a check.

Social Security recipients, even those who didn't file taxes in 2018 or 2019, should receive the money automatically.

Also Wednesday, the Treasury Department announced that those who receive SSI benefits -- often called disability benefits -- will not have to file a tax return to get the payout, unless they have a dependent.

Those with a dependent will need to give the IRS some basic identifying information to receive the child payment by using a site created last week by the IRS.

House Veterans Affairs Committee Chairman Mark Takano (D-Riverside) and other members continue to push the Veterans Affairs Department to get the money to disabled veterans without requiring them to file a tax return.

"Not finding a solution, that's not acceptable to me. These folks are going to need these checks sooner, not later," Takano said.
#Top of the Document

USA TODAY

April 16, 2020 Thursday, FIRST EDITION

**Trump seeks reopening advice from US firms**



Section: NEWS; Pg. 3A

Length: 454 words

Byline: John Fritze and David Jackson, USA TODAY

Body

WASHINGTON - President Donald Trump named dozens of the nation's largest companies to an advisory group Tuesday to help him study options for restarting the U.S. economy as conservative groups lobby for a quick reopening.

Trump named more than 100 industry leaders to what the White House described as "economic revival industry groups" and left unclear exactly what their role will be in the process.

"They're going to give us some ideas," the president said Tuesday.

The list included Sysco and Tyson Foods among nearly a dozen agriculture companies; some of the nation's largest banks, such as Bank of America, Goldman Sachs and Morgan Stanley; defense contractors such as Lockheed Martin and Northrop Grumman; and fast food companies including McDonald's, Wendy's and Starbucks.

Apple, Google, Walmart, Target and other household brands were included.

Conservative and business groups such as the Club For Growth and the Tea Party Patriots have lobbied the administration to at least begin to reopen the economy as soon as possible. The argument has become popular on conservative talk radio.

Stephen Moore, an economist, said the economy must be reopened "in a safe way" by May 1, or the result would be "calamitous."

"We could see unemployment rates of 20 to 30% for the rest of the year and millions of small businesses from shore to shore in body bags," Moore said.

The virus caused turmoil in the markets, and millions of Americans lost their jobs.

Trump acknowledged an eagerness to ease social distancing guidelines that has at times run counter to the advice of public health officials.

The White House included several health care companies on the advisory list.

Scott Gottlieb, the former commissioner of the Food and Drug Administration, is on the list.

The president created a Coronavirus Task Force led by Vice President Mike Pence in late January. Some groups said the reopening needs to be accompanied by a reduction of regulations for businesses.

"It's clear that we need a plan to reopen the economy quickly that balances health and financial concerns, but just as important, we need to suspend or remove many of the costly regulations to reignite the economy when we get back to work," said David McIntosh, president of the Club for Growth.

Alfredo Ortiz, president of the Job Creators Network, said "bureaucrats" would prefer to keep the economy closed down "for a year."

Ortiz, who has spoken with Treasury Secretary Steve Mnuchin about the hardships facing small businesses, said people will know how to act when the economy revives.

"We know a lot more about the virus than we did a few weeks ago," he said. "The American people have learned what it takes to stay safe, and it's showing up in the number of cases."
#Top of the Document

USA TODAY

April 16, 2020 Thursday, FIRST EDITION

**President's name is being added to stimulus checks**



Section: NEWS; Pg. 3A

Length: 441 words

Byline: William Cummings, and David Jackson, USA TODAY

Body

WASHINGTON - When Americans receive their anxiously awaited checks from the federal government, which are being sent out to help mitigate the economic hardships caused by the coronavirus outbreak, they may notice the words "President Donald J. Trump" added at the bottom.

Trump suggested to Treasury Secretary Steve Mnuchin the idea of adding his signature to the $1,200 paper checks, and

Trump suggested to Treasury Secretary Steve Mnuchin the idea of adding his signature to the $1,200 paper checks, and the department agreed Monday to add his printed name (but not his autograph).

The Treasury Department confirmed to USA TODAY on Wednesday that Trump's name would be on the checks, but claimed that affixing it would not delay their delivery.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned - there is absolutely no delay whatsoever," a Treasury spokeswoman said in a statement.

She said Treasury and IRS officials "have worked around the clock to get fast and direct economic assistance to hardworking Americans" and said the quick turnaround was a "major achievement."

But The Washington Post, which first reported the story, said senior IRS officials believed the addition of the president's name could slow the printing of the checks.

There were already concerns that the outdated technology used by the IRS could delay the release of the funds, and Chad Hooper, president of the agency's Professional Managers Association, told the Post that changing the computer code to add the president's name could slow things down.

"Any last minute request like this will create a downstream snarl that will result in a delay," Hooper told the Post.

This will mark the first time that a president's name has been printed on a stimulus check, Elke Asen, a policy analyst for the nonprofit Tax Foundation told USA TODAY.

Trump had previously denied wanting to add his signature to the checks.

When asked at an April 3 news conference if he was considering it, Trump said, "There's millions of checks. I'm going to sign them? No. It's a Trump administration initiative, but do I want to sign them? No. The people are getting their money."

Americans who have given the IRS their direct deposit information began to receive the funds on Friday and Mnuchin said he expects about 80 million taxpayers will get the money by Wednesday. Trump's name will not appear on any of those deposits.

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands," House Speaker Nancy Pelosi, D-Calif., said in a statement.

Contributing: Michael Collins and Christal Hayes, USA TODAY; Susan Tompor, Detroit Free Press
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USA TODAY

April 16, 2020 Thursday, FIRST EDITION

**Debt collectors can garnish coronavirus stimulus checks; But some states aren't going to let that happen**



Section: MONEY; Pg. 1B

Length: 674 words

Byline: Aimee Picchi, Special to USA TODAY

Body
The stimulus checks landing in millions of Americans' bank accounts are meant to help people cope with the effects of the coronavirus pandemic. But they could also be helping debt collectors, thanks to a loophole in the $2 trillion stimulus package.

The problem, legal advocates say, is that the stimulus checks aren't explicitly off-limits to debt collectors or creditors, unlike other government payments such as Social Security and disability benefits. That oversight means that debt collectors can garnish bank accounts to seize the stimulus payments, according to Lauren Saunders, associate director of the National Consumer Law Center.

Bank account garnishment happens when creditors are legally permitted to remove money from your bank account to cover an unpaid debt. In some states, bank accounts are frozen when they're garnished, a devastating development for many consumers. And that makes the issue doubly problematic at the moment, given that millions of Americans are struggling with lost jobs and income. Not only could they lose all or part of their stimulus checks, but they could also get locked out of their bank accounts.

"We are hearing a lot of stories for people whose bank accounts are frozen" because of garnishment, Saunders says.

The loophole has prompted 25 state attorneys general and Hawaii's Office of Consumer Protection to ask Treasury Secretary Steven Mnuchin to ensure that debt collectors and creditors can't take Americans' stimulus checks.

"During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment," they said in a letter sent to Mnuchin on Monday.

A Treasury official reportedly told banking officials last week that the law doesn't prohibit banks from taking the stimulus payments for delinquent loans or past-due fees, according to The American Prospect.

A Treasury spokeswoman said the department is looking into the issue.

Treasury has said that about 80 million Americans will receive their checks by the end of the week via direct deposit. The amount depends on your marital status, income and number of children under 17. For instance, individuals earning $75,000 or less will receive $1,200, while joint filers earning $150,000 or less will receive $2,400.

People who earn above that will receive incrementally smaller checks until they phase out completely for single taxpayers with incomes over $99,000 and $198,000 for joint filers with no children. Families with children under 17 will receive $500 per child.

That can add up to a sizable chunk of money, with some families of four receiving as much as $3,400.

Blocking debt collectors from grabbing that money has a simple fix, according to the attorneys general. Treasury could designate the stimulus checks as exempt from garnishments, including redefining the stimulus checks as "benefit payments" that would be off-limits to debt collectors.

Not everyone is waiting for Treasury to act. Already, Massachusetts and Ohio have declared that their residents' stimulus checks can't be touched by debt collectors.

"Significant numbers of people are suddenly finding themselves underemployed or unemployed and have lost wages," notes Lisa Stifler, director of state policy at the Center for Responsible Lending. The stimulus checks are "going to pay things like food and other necessities, so if creditors can seize that for old debts, that completely negates the purpose of these needed payments."

Consumers who are concerned their accounts might get garnished could request a paper check through the IRS.gov's "Get My Payment" service, Saunders noted. They can then cash their check rather than depositing it.

Saunders noted that others who have already received a direct deposit and are concerned about garnishment could withdraw the money from their accounts, although visiting an ATM or bank could pose health risks during the pandemic, she noted.

"People are stuck between a rock and a hard place," she said.
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The Washington Times

16 April 2020

**Treasury unveils new 'Get My Payment' app online to speed delivery of $1,200 emergency payments**



Section: BUSINESS & ECONOMY

Length: 256 words

Byline: Dave Boyer

Body

Taxpayers who haven't signed up for direct deposit with the IRS can receive their emergency payments of up to $1,200 from the government more quickly by submitting their information on a new web app launched Wednesday, the Treasury Department announced.

The free "Get My Payment" app allows taxpayers who filed their tax returns in 2018 or 2019, but didn't provide their banking information, to submit direct deposition information.

After submitting the information, the direct payments, including $500 per child, will be deposited directly in bank accounts instead of waiting for a check to arrive in the mail, Treasury said.

"We are pleased that more than 80 million Americans have already received their Economic Impact Payments by direct deposit in record time," said Treasury Secretary Steven T. Mnuchin. "The free 'Get My Payment App' will allow Americans who do not have their direct deposit information on file with the IRS to input it, track the status, and get their money fast."

The online app will display on any desktop, phone or tablet, and doesn't need to be downloaded from an app store. The portal can be found here at https://sa.www4.irs.gov/irfof-wmsp/login. Applicants will need to submit their Social Security number, date of birth and mailing address. To speed deliver, they'll also need to supply their adjusted gross income from their most recent tax return submitted, either 2018 or 2019; the refund or amount owed from their latest filed tax return; their bank account type plus account number and routing number.

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The Washington Times

16 April 2020

**IRS: Emergency payments going out 'on schedule,' 'without delay'**



Section: BUSINESS & ECONOMY

Length: 523 words

Byline: Dave Boyer and David Sherfinski

Body

The Internal Revenue Service on Wednesday said emergency payments of up to $1,200 are going out "on schedule" and "without delay," amid new reports that President Trump's name will appear on the physical checks going out to Americans.

"Thanks to hard work and long hours by dedicated IRS employees, these payments are going out on schedule, as planned, without delay, to the nation," the agency said. "The IRS employees are delivering these payments in record time compared to previous stimulus efforts."

The direct payments are a centerpiece of the $2.2 trillion economic rescue package Congress recently passed in response to the coronavirus pandemic.

In a break from the past, Mr. Trump's name will appear on the physical checks being sent out to people who aren't getting the money via direct deposit.

The Washington Post first reported the news on Tuesday, citing IRS officials to say that the process could slow their delivery by a few days.

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands," said House Speaker Nancy Pelosi, California Democrat.

The full amount of $1,200 for individuals is available for people earning up to $75,000 per year.

Couples can earn a full amount of $2,400 if they make up to $150,000 per year. There's also an additional $500 credit

Couples can earn a full amount of $2,400 if they make up to $150,000 per year. There's also an additional $500 credit per qualifying child.

The money is getting processed more quickly for people who filed tax returns in 2018 and 2019 and provided direct deposit bank account information.

The IRS and the U.S. Treasury Department on Wednesday announced a new app to allow people who did file a return in 2018 or 2019 but didn't provide banking information to update their direct deposit information and get the automatic payments processed quicker.

Some users reported difficulties when they tried to log in, though the IRS denied that the tool "crashed." The agency said if the site volume gets too high, users are sent to an online "waiting room."

The IRS said people who get a "status not available" response might not be eligible for a payment or might have only recently filed a return.

As of midday Wednesday, more than 6.2 million people obtained their payment status and almost 1.1 million people provided banking information.

Treasury Secretary Steven T. Mnuchin said more than 80 million Americans have already received their payments via direct deposit.

Current, a mobile banking app company, said that as of late Monday, it had already credited more than 16,500 accounts with stimulus payments and that about 45% of the money had been spent.

The payments are not considered taxable income.

The IRS had recently launched a new web tool designed to help people who don't typically file a return, like people who don't make enough money to be levied federal income tax.

Automatic payments are also supposed to go to social security recipients as well, after the Treasury Department reversed course to allow social security beneficiaries who don't typically file taxes to receive them.

• Gabriella Muñoz contributed to this story.
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The Washington Times

16 April 2020

**Paycheck Protection Program runs dry; GOP blames Democrats**



Section: POLITICS

Length: 559 words

Byline: Dave Boyer

Body
A $350 billion emergency fund for distressed small businesses was running out of money Wednesday night and no more applications can be accepted until Congress approves more money, Trump administration officials said.

Treasury Secretary Steven T. Mnuchin and Small Business Administration Administrator Jovita Carranza said the Paycheck Protection Program and the Economic Injury Disaster Loan Program have saved millions of jobs in the past two weeks.

"The SBA has processed more than 14 years' worth of loans in less than 14 days," they said. "By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations."

Senate Democrats blocked a move by the administration and Senate Republicans last week to add $250 billion to the PPP fund, saying they wanted hundreds of billions extra for other emergency relief from the coronavirus crisis.

Senate Small Business Committee Chairman Marco Rubio, Florida Republican, said Wednesday that PPP approved $339 billion to cover paychecks for millions of workers in 12 days, with another $10 billion to cover fees and processing.

"Yet somehow the most bipartisan & successful part of CARES Act is now a hostage in a game of chicken," Mr. Rubio tweeted.

President Trump called on Democrats earlier Wednesday to approve the extra money.

"It's been so good that it's almost depleted, and we want to replenish it, and we can't get the Democrats to approve it," Mr. Trump said.

House Speaker Nancy Pelosi said Wednesday that Democrats "know that in order for the Paycheck Protection Program to succeed, it must work for everyone."

"That is why we have been asking for the administration to work with us to help: the underbanked small businesses and others who are struggling to access the PPP; desperate state and local governments; hospitals on the front lines of the epidemic," she said. "As has been clear since last week, Republicans' bill which fails to address these critical issues cannot get unanimous consent in the House."

Senate Majority Leader Mitch McConnell and House Minority Leader Kevin McCarthy said in a joint statement that the depletion of the PPP fund "did not have to happen."

"The cost of continued Democratic obstruction will be pink slips and shuttered businesses," the Republicans said. "We hope Democrats see reason soon and finally heed Republicans' repeated calls for a funding bill that can quickly earn unanimous consent from all 100 senators and become law."

Mr. Mnuchin and Ms. Carranza urged Congress "to appropriate additional funds for the Paycheck Protection Program a critical and overwhelmingly bipartisan program at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks."

"The high demand we have seen underscores the need for hardworking Americans to have access to relief as soon as possible," they said. "We want every eligible small business to participate and get the resources they need." Mr. Rubio called the impasse "inexcusable," saying 700,000 small business applications are "in limbo" and no new loans will be made until Congress approves extra money.

The program provided loans of up to $10 million for businesses with 500 or fewer employees, to cover payroll and some expenses for two months. The portion of the loan used for payroll is forgiven.
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The New York Times

April 16, 2020 Thursday, Late Edition - Final

**Trump's Business Advisory Council Gets Off to a Chaotic Start**



Section: Section A; Column 0; Foreign Desk; Pg. 10

Length: 1281 words

Byline: By Annie Karni, Kate Kelly and David Gelles

Body
Instead of a formal council, the president created several industry groups, and joined four calls with them. But some participants had no notice they would be included, and others could not join in.

WASHINGTON -- Some business leaders had no idea they were included until they heard that their names had been read in the Rose Garden on Tuesday night by President Trump. Some of those who had agreed to help said they received little information on what, exactly, they were signing up for. And others who were willing to connect with the White House could not participate in hastily organized conference calls on Wednesday because of scheduling conflicts and technical difficulties.

In short, the rollout of what the president referred to last week as his "Opening Our Country Council" was as confusing as the process of getting there. Instead of a formal council, what Mr. Trump announced on Tuesday was a watered-down version that included 17 separate industry groups, including hospitality, banking, energy and "thought leaders." And on Wednesday, a bipartisan group of lawmakers received emails inviting them to join another task force.

The president participated in four calls with those groups during the day at the same time White House officials were playing down their significance, claiming that the creation of a "task force" was never planned, despite the president's mention of it last week.

They said that there was no date for an in-person meeting planned, and that the goal was simply to begin, via conference calls, a dialogue about the economy after the pandemic recedes. The only task force that existed, they insisted, was the coronavirus task force led by Vice President Mike Pence.

The confusion was the latest example of the difficulty the administration has encountered in its attempts to enlist support from the private sector to bolster the president's claim that he has the power to reopen the economy, even as governors have made it clear that they will make those decisions themselves.

Cisco Systems, the networking company, and McDonald's were among the major employers that learned of their involvement in consulting with the president only when he mentioned their names on Tuesday evening, according to people familiar with the matter.

Pfizer was also blindsided by its inclusion in the group, receiving a heads-up that Mr. Trump might mention the company an hour before the announcement, with no information about how many other companies were involved or what the purpose of the group was.

Richard Trumka, the president of the A.F.L.-C.I.O., was also not asked whether he would join the group before his name was announced by Mr. Trump as a participant, according to Carolyn Bobb, the union's national media manager. But she said Mr. Trumka had planned to join a call with Mr. Trump on Wednesday "to see if it's a serious effort."

Some of the offers to be involved came directly from Treasury Secretary Steven Mnuchin, according to two people who were briefed on the plans, and at least one came directly from Mr. Trump, one of those people added. But others said they were given no advance warning that their name would be attached to a White House news release, which on Tuesday night described the list of people as the "Great American Economic Revival Industry Groups."

A White House official said that while the administration did not wait to hear back from all 200 people whose names were announced as part of the effort, it had sent an email notification on Tuesday afternoon to all the people involved alerting them that they had been selected.

Some of them were willing participants, including major Trump donors and even one business partner, Phil Ruffin, a billionaire casino owner who partnered with the president's company on the Trump International Hotel Las Vegas.Sheldon Adelson, a casino magnate who is among the biggest donors to Mr. Trump and Republicans, was also named to the task force.

But the calls were set up on such short notice that some chief executives were unable to join in. For instance, David M. Solomon, the Goldman Sachs chief, was leading his own quarterly earnings call at the same time as the White House call.

The chief executive of Starbucks, Kevin Johnson, had previous commitments to address employees, and another executive from the coffee chain joined the call, according to a person familiar with the matter. Meanwhile, Jamie Dimon of JPMorgan Chase & Company was also unable to join, according to a person familiar with the matter, but one of his deputies spent 15 minutes trying to patch in to the discussion, ultimately without luck.

The pattern of confusion appeared to be repeating itself with members of the House and Senate who were abruptly notified that they had been selected for a congressional task force on reopening the country.

The congressional group had yet to convene, and was only notified of its existence Wednesday afternoon. In emails sent to offices on Capitol Hill, the White House legislative affairs office did not so much invite the lawmakers to participate as inform them of their selection.

The full membership of the group was unclear Wednesday afternoon, but at least three senior lawmakers -- Senators Lamar Alexander, Republican of Tennessee, Dianne Feinstein, Democrat of California, and Mark Warner, Democrat of Virginia -- were prepared to accept. The appointment list appeared to include some committee leaders from both parties, and numbered more than a dozen.

The White House did not specify the group's exact purpose, and several lawmakers were caught off guard by the invitation,with some Democrats left wondering why they had been selected by a president who had made clear his disdain for them.

"I am emailing to inform you that the president has selected you to serve on a task force comprised of senators and members of the House of Representatives," the administration wrote in one such email, obtained by The New York Times and confirmed by multiple congressional officials who had received similar notifications.

"The purpose of the task force is to provide counsel to the president on the reopening of America in the wake of Covid-19," the email continued. "The formal name of this task force has not yet been announced."

In the first call of the day, Mr. Trump talked Wednesday morning with many of the big-name business leaders he had mentioned the night before, but encountered some resistance to his enthusiasm for reopening the country quickly, even as the executives offered some praise for his administration's response.

Mr. Trump opened the call by saying that "testing is under control" in the country. But after each executive was given a minute or two to provide his or her overview of what was needed to reopen the economy, there was a wide consensus that more testing was needed before the economy could reopen, according to two people who participated on the call. Among those who made the point that the testing was necessary to track who was infected and who might have immunity before returning employees to work sites was Jeffrey P. Bezos, the chief executive of Amazon.

Another issue of great concern to the executives on the call, one participant said, was the need to address the liability companies could face if employees got sick after returning to work, given the possibility that workers who felt that they were brought back too soon -- or were not placed in a safe environment -- could sue en masse.

Annie Karni reported from Washington, and David Gelles and Kate Kelly from New York. Nicholas Fandos and Kenneth P. Vogel contributed reporting from Washington, and Maggie Haberman from New York.

https://www.nytimes.com/2020/04/15/us/politics/trump-coronavirus-economy-panel.html
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The New York Times

April 16, 2020 Thursday, Late Edition - Final

**Fed Faces Call For Openness In Disbursing Bailout Funds**



Section: Section B; Column 0; Business/Financial Desk; Pg. 3

Length: 624 words

Byline: By Alan Rappeport

Body
The Fed has authority to make trillions of dollars in loans. Concern is growing that taxpayers will be in the dark about how the money is being disbursed.

WASHINGTON -- The lone member of the nascent Congressional Oversight Commission created as part of President Trump's $2 trillion economic stimulus law is calling on the Federal Reserve to release detailed information about which companies receive loans from its emergency lending facilities and how the money is being used.

The request comes amid growing concern that disbursements from the giant economic stabilization package will be shrouded in secrecy or used improperly. In recent weeks, the Fed and the Treasury Department have rolled out a half-dozen emergency lending facilities that will allow the Fed to inject $4 trillion into almost every corner of financial markets. But who will be getting what remains murky.

In a letter sent on Wednesday to Jerome H. Powell, the Fed chair, and Steven Mnuchin, the Treasury secretary, Bharat Ramamurti, the only person appointed to the Congressional Oversight Commission so far, demanded clarity.

"I write to respectfully request that the Federal Reserve publicly release detailed and timely information about each individual transaction," Mr. Ramamurti wrote. "The public deserves to know which companies are receiving taxpayer-backed lending through the Fed and on what terms, and to be able to monitor what those companies do after receiving taxpayer support."

Mr. Ramamurti asked the Fed to provide details about the identity of borrowers, the terms of the loans and the intended use of the proceeds. He is also seeking full deal documents, information about the equity supporting the deals, and proof that the money is not going to foreign businesses or companies controlled by White House officials or members of

Congress and their families.

The Fed, which avoids taking credit risk on its own, is using Treasury funds authorized by Congress to buy corporate and municipal bonds and to provide lending to mid-sized businesses as part of an effort to keep credit flowing as the coronavirus pandemic shutters large parts of the economy. Congress gave the Treasury Department $454 billion to back up the Fed's efforts, which need to be insured against losses.

The economic relief legislation that Mr. Trump signed last month created a three-pronged oversight structure: a special inspector general within the Treasury Department, a committee of inspectors general and the Congressional Oversight Commission, which is selected by the majority and minority leaders of the Senate as well as the House Speaker and minority leader.

Mr. Ramamurti, a former aide to Senator Elizabeth Warren, Democrat of Massachusetts, was the first person selected to what will ultimately be a five-person commission that will oversee the bailout fund being run by the Treasury Department.

There have been growing concerns that Mr. Trump will not comply with oversight efforts, particularly after his selection of a White House lawyer, Brian D. Miller, to serve as the special inspector general at Treasury and his firing of the Pentagon's inspector general, Glenn A. Fine, who had been tapped by the Council of the Inspectors General on Integrity to lead the new Pandemic Response Accountability Committee.

The economic stimulus legislation requires the Fed and Treasury to turn over an array of information after disbursing loans. However, Mr. Ramamurti is concerned that the information could be provided in aggregate, making it difficult for watchdogs or taxpayers to know how the money is being spent and which specific companies or sectors are benefiting.

The Fed and the Treasury Department did not immediately respond to requests for comment.

https://www.nytimes.com/2020/04/15/us/politics/bailout-oversight-ramamurti-coronavirus.html
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The New York Times

April 16, 2020 Thursday 05:00 EST

**Some Banks Keep Customers' Stimulus Checks if Accounts Overdrawn**



Section: BUSINESS

Length: 1344 words

Byline: Emily Flitter and Alan Rappeport

Highlight: Financial institutions can use the government deposits to make up for recipients' negative balances.

Body
Financial institutions can use the government deposits to make up for recipients' negative balances.

For some struggling Americans, the arrival of a deposit from the Treasury Department to help with basic expenses like rent and groceries during the coronavirus crisis was something to count on — until their financial institutions got in the way.

That was what happened to Benji Pedro of Columbia, S.C. Because his account at Safe Federal Credit Union was overdrawn by $2,650, he had planned to ask the Treasury Department to mail him a check. But before he could, the agency deposited $1,200 into the overdrawn account on Wednesday, and a representative of the credit union told him that it was keeping all of it, Mr. Pedro said.

Mr. Pedro, a 24-year-old recording artist who lives with his girlfriend and their child, said his account had been overdrawn because of subscriptions to two music services that he had forgotten to cancel.

Representatives of Safe Federal Credit Union had no immediate comment.

The phenomenon is swiftly becoming a political issue, with Treasury Secretary Steven Mnuchin fielding calls from senators urging him to ensure that relief money isn't garnished. Banks are legally allowed to withhold funds that go into accounts that have negative balances, and no specific provision in the CARES Act, the $2 trillion relief package that authorized the stimulus payments, prevents banks from taking customers' stimulus money to cover debts.

The practice isn't limited to small institutions. A Minneapolis woman said that she and her husband, a disabled veteran, had been anxiously awaiting help but that their bank, USAA, a financial services company that serves members of the military and their families, told them on Wednesday that it was keeping the money because their account was overdrawn. They had lost access to that account because they couldn't afford to pay off what they owed.

The woman, who did not want to be identified by name out of concern that her financial troubles could harm the careers of family members, showed The New York Times screenshots of a Twitter exchange between her husband and a USAA representative. Using USAA's verified Twitter account, the representative explained that if the family's bank account had a negative balance, "any deposits to the account will go toward the negative amount owed to the bank."

"If there are funds remaining after the negative balance is satisfied, depending on the account status, a check will either be mailed with the remaining amount or the account will allow you to access the funds," the representative added.

The woman had to quit her job after being unable to find child care when Minnesota ordered all day care centers to close because of the virus. She had been counting on $2,400 — the sum being distributed to married couples — to help pay rent and buy formula for her 10-month-old daughter. She and her young family had just moved into their own apartment after living with their extended family while they struggled to get out from under thousands of dollars of debt.

"Currently, a stimulus payment could be reduced when we execute legal garnishment or lien requirements," said Matthew Hartwig, a USAA spokesman, in an email to The Times. "A reduction can also occur in circumstances when the stimulus payment is deposited into an account with a negative balance.

"To better support our members, we are continuing to examine ways to address such occurrences during this pandemic," added Mr. Hartwig, who wouldn't comment on specific cases.

The government checks are meant to cushion the pandemic's financial blow to some of the hardest-hit Americans. Anyone who earns up to $75,000 in adjusted gross annual income and has a Social Security number will receive $1,200. Married couples who file joint tax returns will receive $2,400 if their adjusted gross income is under $150,000. The amount declines for those who make more.

In a March 2018 survey, the Pew Charitable Trusts, a nonpartisan research institute, found that more than 39 million Americans had incurred overdraft fees within the past year, with people essentially using overdrafting as credit.

Several politicians are calling for banks to stop garnishing stimulus payments. On Wednesday, Senators Elizabeth Warren of Massachusetts and Sherrod Brown of Ohio, both Democrats, implored the head of a bank trade group to tell its members to halt the practice.

"For weeks, we have pressed the Treasury Department to exercise its authority and ensure that Americans receive the full amount of their stimulus payments," the senators wrote in a letter to Rob Nichols, the chief executive of the American Bankers Association. "While Treasury has refused to follow congressional intent, that does not give banks license to steal the stimulus payments from their customers."

By contrast, the CARES Act specifically prohibits garnishing stimulus money for state or federal debts, except for court-mandated child support.

Not every bank is keeping its overdrawn customers' money. Bank of America, JPMorgan Chase, Citibank and Wells Fargo — the nation's four biggest banks — are pausing their collections on negative account balances to give customers access to the stimulus.

"We are temporarily crediting the overdrawn amount for customers, giving them full access to their stimulus payment," said Anne Pace, a spokeswoman for Chase, in an email to The Times on Wednesday. "We hope this gives them a chance to catch their breath."

On Monday, a group of 25 state attorneys general also registered their disapproval of garnishing relief checks. "During this public health and economic crisis, the states do not believe that the billions of dollars appropriated by Congress to help keep hardworking Americans afloat should be subject to garnishment," they wrote in a letter to Mr. Mnuchin.

The American Prospect this week unearthedan audio recording of a Treasury official discussing with banks how stimulus money should be handled when there are outstanding loans or other debts. The official, Ronda Kent, said that "there's nothing in the law that precludes that action" and that it was up to the discretion of the banks.

Progressive watchdog groups have seized on the issue to criticize the Trump administration's handling of the economic

Progressive watchdog groups have seized on the issue to criticize the Trump administration's handling of the economic crisis, describing it as a giveaway for banks.

"This money should be going toward food, rent and medicine — it's not the time to hand out favors to debt-collection industry donors or pad some big bank's bottom line," said Jeremy Funk, a spokesman for Allied Progress. "Secretary Mnuchin needs to ensure that these $1,200 checks go straight into Americans' pockets, where they belong."

The Treasury Department had no comment.

Another hopeful stimulus recipient described having to fight for hours with her credit union on Wednesday before it would release the full $2,400 deposit. Initially, the institution, Digital Credit Union, which is based in Marlborough, Mass., kept $1,000 to make up for the customer's overdrawn account balance.

The customer did not want to be identified because she was worried that the lender would close her accounts or penalize her for speaking publicly. She and her husband have four children. His hours at a group home for children were recently cut to three days a week, she said. She is out of work.

She said that after multiple calls, a representative had agreed to return the $1,000 to her. She said she was sharing her story because she was worried that other people would not have the stamina to fight for the money the way she had.

Edward Niser, a spokesman for Digital Credit Union, said in an email that the institution could not comment on individuals, citing privacy reasons.

"In these difficult times," he said, "we are there to support our members and we are making every possible effort to follow evolving federal and state guidance."

PHOTO: The federal act that authorized stimulus checks for Americans does not specifically prohibit banks from taking the money to cover customers' debts. (PHOTOGRAPH BY Douglas Sacha/Getty Images FOR THE NEW YORK TIMES)
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The New York Times

April 16, 2020 Thursday, Late Edition - Final

**Aid Finances Run Dry For Small Businesses As Program Falls Short**



Section: Section A; Column 0; Foreign Desk; Pg. 11

Length: 1919 words

Byline: By Jim Tankersley, Emily Cochrane and Emily Flitter

Body
Lawmakers remain at odds on how to replenish a lending program meant to help companies and workers weather the coronavirus pandemic.

WASHINGTON -- A new federal program to help small businesses weather the coronavirus pandemic is running out of money and falling short in the industries and states most battered by the crisis, risking waves of bankruptcies and millions of additional unemployed workers.

Funding for the Paycheck Protection Program, an initiative created by the $2.2 trillion stimulus law enacted last month, could be exhausted as early as Wednesday night, meaning that the Small Business Administration would have to stop approving applications. As of Wednesday evening, more than 1.4 million loans had been approved at a value of more than $315 billion, according to the Small Business Administration.

But congressional leaders and the Trump administration have failed to reach agreement on adding hundreds of billions of dollars to replenish the program, hamstrung by a dispute over whether to carry out sweeping changes to how it allocates loans to businesses across the country.

Steven Mnuchin, the Treasury secretary, and Jovita Carranza, the head of the Small Business Administration, urged Congress to approve additional funds, as the demand "underscores the need for hardworking Americans to have access to relief as soon as possible."

The desperate situation reflects the fitful nature of the government's efforts to put into effect the hulking stimulus plan, a measure that was hastily negotiated by Congress and the administration as both faced intense pressure to respond to an extraordinary public health and economic catastrophe. Economists warned at the time that the package allocated too little for small businesses and ran the risk of steering too much of that money away from companies that needed it the most.

The small-business loan program -- which enjoys broad bipartisan support -- was among the first to be unveiled, and its introduction has been plagued with problems even as businesses have inundated banks with requests for a piece of the aid.

Administration officials and congressional Republicans have pushed for a quick infusion of cash to keep the program going. But while they support the additional spending, Democrats have insisted on attaching new restrictions to ensure the money flows to minority-owned businesses and other companies that are traditionally disadvantaged in the lending market. They also want to add more money for hospitals, food-stamp recipients and state and local governments whose tax receipts have plunged.

Republicans have refused to do either, saying that policy debates and additional funding should be considered later in light of the program's dire state.

"The notion that crucial help for working people is not appealing enough to Democrats without other additions sends a strange message about their priorities," Senator Mitch McConnell, Republican of Kentucky, and Representative Kevin McCarthy, Republican of California, the minority leader, said in a joint statement. "The cost of continued Democratic obstruction will be pink slips and shuttered businesses."

But Speaker Nancy Pelosi of California warned again on Wednesday that the Republican proposal would not pass the House, saying in a statement that it failed to address "critical issues."

Senator Chuck Schumer of New York, the minority leader, spoke on Wednesday with Steven Mnuchin, the Treasury secretary, in an effort to restart talks. Mr. Mnuchin, Treasury staff and aides to Mr. Schumer and Ms. Pelosi conferred later in the day and were expected to continue discussions on Thursday.

But it was unclear if any agreement struck between Democrats and the administration would be palatable to Senate Republicans, particularly with lawmakers scheduled to remain in their respective districts and states until early May.

Without the full chamber present, any one lawmaker could block an attempt to approve the legislation -- which Democrats did a week ago when Senator Mitch McConnell, the majority leader, tried to push through the administration's $250 billion request for the program.

"We see no reason why we can't come to an agreement," Mr. Schumer said on Wednesday, warning that millions of jobs could be lost if additional funding was not allocated for hospitals and state and local governments. "We Democrats believe that we need more money for small business, but we need it to go to the people who are underbanked and underserved."

The administration warned lenders on Wednesday that it would soon be unable to accept any new loan applications or applications to be lenders once the funds ran out.

The stimulus law included $349 billion for the Paycheck Protection Program, which underwrites bank loans for small businesses that will never need to be repaid if owners use most of the money to keep paying employees for two and a half months. Economists and business lobbyists warned when the bill was being debated that the money was nowhere close to the $1 trillion or more that companies would need.

"We always knew we would have to come back and replenish it -- we thought we were going to have an outreach problem, letting people know that this program existed," said Mr. Rubio, the chairman of the Senate Committee on Small Business and Entrepreneurship.

"It's an ironic situation, because everyone's in favor of it," he said of the program. "I just want to see action."

Democrats say that while they support supplying the program with additional aid, there remain challenges in ensuring that all businesses are not only receiving the loans, but the actual funds themselves.

"It's a critically important thing to accomplish – you want to be able to allow the small businesses to jump start on the other side of this," said Representative Antonio Delgado of New York, whose upstate district is one of the most rural counties represented by a Democrat. He added, "the challenge has been having people access these funds."

Early evidence suggests that the efforts have disproportionately helped manufacturers and construction firms at the expense of the hospitality businesses -- including restaurants, bars and hotels -- that have suffered the highest rates of job expense of the hospitality businesses -- including restaurants, bars and hotels -- that have suffered the highest rates of job loss in a month in which nearly 17 million Americans have filed for unemployment. The loans are allocated on a first-come, first-served basis, an approach that has favored businesses that have existing relationships with lenders and the resources to navigate the government application process.

Data released on Tuesday by the Small Business Administration, which is administering the loan program, shows that construction companies have garnered nearly $34 billion, which is about 14 percent of the $250 billion that had been allocated through Monday. Manufacturers secured more than 12 percent of the loans, about $30 billion.

"Accommodation and food services" borrowers ranked fifth, with just under $23 billion in loans, or less than 10 percent of the total.

That distribution does not match the spread of damage from the crisis. Weekly data on unemployment claims released by some states suggest that food and other hospitality businesses have been devastated by a crisis that has closed dine-in establishments across the country.

In Washington State, accommodation and food service workers have accounted for nearly 20 percent of industry-categorized unemployment claims filed over the last three weeks. In Minnesota, cooks, wait staff and other food service workers have filed nearly a quarter of the state's unemployment claims in that time.

Thus far, the geographic flow of the funds is also not lining up with the economic damage from the virus. New York companies have secured less than half as many loans as Texas companies, for example, even though the share of New York's labor force that has filed for unemployment is twice as high as Texas's.

Adjusted for the total amount of small-business payroll spending in their states, many less populous states are faring well, including Kansas and Nebraska -- possibly because of the strength of relationships between community bankers and businesses in those states.

Bankers and borrowers alike want changes made to the program.

Restaurants and hotels have pushed for changes in how the money is allocated and in the rules for how it must be spent, including the mandatory amounts for maintaining payrolls, saying they need the flexibility to cover other costs like rent for as long as the crisis keeps them closed or their revenues low.

Robert Sawyer, the owner of the Barn Bistro, a restaurant on Martha's Vineyard in Massachusetts, said he was expecting to have to operate with a reduced level of service for months even after an initial relaxation of the restrictions local officials put in place to stop the spread of the virus. Mr. Sawyer said it did not make sense to him to keep paying his employees when the very existence of his business was uncertain.

"The notion that we should send this payroll to our laid-off employees does not in any way help a small business," he said.

Bankers have pushed to temporarily relax anti-money-laundering rules that force them to closely scrutinize borrowers, and they say the S.B.A.'s computer system needs to be upgraded. Some of the banks trying to participate in the program still cannot link up properly with the agency to submit applications.

The country's smallest banks want the next round of stimulus to have a portion earmarked specifically for them -- $50 billion out of $250 billion in additional stimulus money.

"Because the largest banks do not serve America's smaller, rural communities, it would be a costly policy mistake to allow these lenders to soak up a disproportionate share of the funding," Rebecca Romero Rainey, the chief executive of the Independent Community Bankers of America, a trade group representing the smallest banks, wrote in a letter to congressional leaders on Monday.

Whatever changes Congress makes, though, banks want lawmakers to get the next stimulus package done quickly. "Time is of the essence," Rob Nichols, the president of the American Bankers Association, a bank trade group that represents both large and small banks, said in a call with journalists on Tuesday.

Many larger companies have found aid easier to come by, thanks to the Federal Reserve. The Fed has rolled out a series of emergency lending programs that helped calm markets, including the all-important government bond market, one for short-term business debt and an ecosystem of cash-based mutual funds that are supposed to be safe havens for conservative investors.

Thanks to those programs, bankers reported this week that market conditions were returning to something nearer to normal. The heightened trading volume from mid-March that signaled panic among financial market participants has fallen. Blue-chip companies rushed to issue more debt so they could raise cash to shore up their balance sheets, and sales of that debt were successful, bankers said.

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"The amount of high-grade investment deals done in the month of March was a record," said Bank of America's chief executive, Brian Moynihan, on a call with journalists on Wednesday.

More recently, Mr. Moynihan added, even companies experiencing some instability, including those whose finances have been directly impacted by the crisis, have been able to borrow again.

David McCabe and Jeanna Smialek contributed reporting from Washington.

https://www.nytimes.com/2020/04/15/us/politics/coronavirus-small-business-program.html
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The Wall Street Journal

**Fintech Lending to Small Businesses Faces Coronavirus Obstacles**
**Silicon Valley struggles with structure of government programs and setup of SBA portal**

**By Peter Rudegeair**

**April 16, 2020 8:00 am ET**

**The lending machines of Silicon Valley are running at half-speed.**

**Financial-technology companies including PayPal Holdings Inc. PYPL -1.67% ▲ and Square Inc. SQ -1.65% ▲ were eager to participate in the government's $350 billion lending program designed to keep small businesses afloat during the coronavirus pandemic. But some aspects of the government programs render much of the industry less effective.**

**The stakes are high for small businesses desperate for cash, especially since the program is close to running out of money.**

**A new Federal Reserve facility that will finance billions of dollars of the loans excludes lenders that aren't banks. What's more, fintech lenders got a late start compared with banks. The Treasury Department and Small Business Administration didn't start letting the fintech companies into the first-come, first-served lending program until after roughly half of the funds had already been claimed.**

**And the SBA's loan portal is ill-equipped to plug into the automated lending software developed by startups and tech companies. The portal, for example, often requires lenders to insert applicants' information manually.**

**"It's kind of like they built a maglev train and had to reverse-engineer it into a handcar, because that's the track they've been given," said Brian Peters, executive director of Financial Innovation Now, an industry association whose members include Intuit Inc.,PayPal and Square.**

**Fintech companies have ramped up their lending to small businesses over the past five years, filling a void left by banks that backed away from the sector following heavy losses during the financial crisis. For many small businesses, they are the only way to get a loan. But with the pot of money reserved for payroll loans running out as soon as this week and with no agreement in Congress to add more funding, many small businesses, especially those that were turned away by banks, could be left behind.**

**"We're doing our best, but the timelines are tight and the demand is high," said Luke Voiles, vice president and business leader of Intuit's lending arm, QuickBooks Capital.**

**The $350 billion recovery effort, called the Paycheck Protection Program, allows small businesses to apply for forgivable loans that can be used to cover eight weeks of payroll and other expenses. Businesses apply to lenders, and the SBA guarantees the loans.**

**From the start, policy makers wanted to expand the pool of approved SBA lenders to reach more small businesses, and fintech companies spotted an opportunity. In mid-March, Square Chief Executive Jack Dorsey reached out to Treasury Secretary Steven Mnuchin to express interest in joining the program, according to people familiar with the matter.**

**Among the companies that received the go-ahead in recent days to start making payroll loans were Intuit, PayPal and Square, as well as the specialized online lenders Funding Circle USA Inc. and On Deck Capital Inc.But the**

first of them only got approval a week after banks started accepting loan applications on April 3.

Fintech companies bring vast customer networks to the table. In the U.S., PayPal serves more than 10 million small businesses while Intuit's QuickBooks accounting software counts about six million users.

Many small businesses have complained that big banks won't even consider applications from businesses that aren't existing customers. The ability to apply for a loan through a tech vendor they use gives them more options.

It also helps that many fintech companies already have vast amounts of information on their clients, which they say lets them make lending decisions quickly. Square and Intuit, for example, also make payroll software for businesses, so they can produce the documentation themselves for the government-backed loans without applicants having to calculate anything.

The volume of small loans to businesses on big banks' books fell more than one-fifth from mid-2015 until mid-2019, according to data from the Federal Deposit Insurance Corp. During that span, PayPal expanded its holdings of loans it made to businesses by more than 10-fold, to $2.4 billion.

To receive the government guarantee, loan applications are submitted through an SBA portal called E-Tran. The bulk of those often require loan officers to enter applicants' information manually, according to lenders.

Last fiscal year, about 52,000 loan requests for the SBA's flagship program were approved through E-Tran, according to the agency. In just the past two weeks, the SBA has approved more than one million payroll loans.

Banks resorted to assigning thousands of employees to the task of filling in fields in E-Tran by hand to handle the flood of interest in the payroll-loan program. Fintech companies, which operate with fewer people and more automation, can't easily do the same.

The SBA is developing an application-programming interface, a way for two pieces of software to exchange data without human involvement, for payroll loans that would allow lenders to upload applications in batches, according to people familiar with the matter. Certain lenders are testing that interface, but it was unknown when the SBA would start accepting actual applications through it, the people said.

How to fund the loans is another challenge for fintech lenders. Banks can choose to make the loans using their depositors' money or use the loans as collateral to borrow from the Fed. Fintech companies, because they aren't banks, can't avail themselves of either option.

Many fintech lenders rely on outside investment managers to purchase the loans they do make. But the government-set interest rate on the payroll loans—1%—is too low to appeal to many investors.

Some fintechs, including PayPal, work with a bank to make their loans, and the bank can access the Fed funding.

Fed officials have discussed opening its payroll lending facility to nonbanks but haven't released details or a timeline.

—Coulter Jones contributed to this article.

Write to Peter Rudegeair at Peter.Rudegeair@wsj.com
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The Wall Street Journal

Small-Business Aid Package Excludes Many Franchises in Coronavirus Crisis
SBA says commercial cleaners, home-repair firms and other businesses aren't eligible for the funds

By Julie Bykowicz

April 16, 2020 5:30 am ET

WASHINGTON—Franchise companies that collectively provide jobs for hundreds of thousands of workers across the country are locked out of stimulus funding linked to the coronavirus pandemic because of how the Small Business Administration is interpreting the congressional relief package's rules.

The affected businesses include commercial cleaners, home-repair companies, salons and other franchise operations that the SBA says aren't eligible for Payroll Protection Program loans in Congress's Cares Act operations that the SBA says aren't eligible for Payroll Protection Program loans in Congress's Cares Act because of the way the franchises are structured or operate.

"It's so troubling to us because I don't think Congress wanted to make this about the technical rules of lending," said Christina Russell, chief executive of Sola Salon Studios, a Denver-based salon franchise business. "We thought the intent was to help people through this situation."

Ms. Russell said her 150 regional franchisees, which each run multiple locations, are ineligible for loans under the current rules, leaving the roughly 14,000 independent hair stylists who work in Sola-leased and -supported studios in a lurch.

Sola joined with four other beauty franchises to write a letter Tuesday to Treasury Secretary Steven Mnuchin and Small Business Administrator Jovita Carranza imploring them to loosen the requirements for accessing aid money. "Without access to the relief provided in the CARES Act, these independent franchise businesses are at grave risk of failing," they wrote.

The SBA, which oversees the roughly $350 billion Paycheck Protection Program, has told franchises that to tap the emergency aid they must be listed on a directory it uses to determine loan eligibility in normal times, business owners say.

Most of the affected businesses are structured as tiered franchises, which differs from the national franchise system common in the fast-food industry. Under the tiered model, the franchiser typically sells regional rights to franchisees, which then sell local units.

Other types of franchises omitted from the directory are ones, like Sola, that the SBA says don't meet its rules regarding leased space.

The SBA has been trying to rush more businesses onto the Franchise Directory so that they can access stimulus money, according to the International Franchise Association, which estimated that hundreds of thousands of workers are affected by the SBA's reliance on the directory. Franchise owners say that process still can take weeks at the same time they are struggling to stay afloat and small-business aid has already nearly run dry. Congress hasn't yet allocated more money for the loans.

SBA officials didn't respond to requests for comment. Under the Payroll Protection Program, the loans are made by banks and other lenders. Companies that retain or rehire most of their workers can generally get the loans and the interest forgiven.

Some owners of tiered franchises said they hadn't prioritized a directory listing because—until now—they had run financially stable businesses that didn't need SBA loans.

The hotel and restaurant industry won an exemption in Congress so that its members could qualify for SBA loans, and a second exemption was granted for franchise owners in any line of business who employ more than 500 people, as long as no single outlet employs that many.

The IFA and franchise owners say the most direct way to fix what they say is shaping up to be an existential cash problem is to persuade the SBA to decide that more franchises—not just the ones listed on its directory—qualify for emergency relief.

"All members of Congress would say the intent is to get liquidity out to people, but somehow we've wandered into a thicket where people are enforcing the law in a certain way that leaves major gaps," IFA President Robert Cresanti said.

Mr. Cresanti said that despite his own talks with President Trump and phone calls and texts with Mr. Mnuchin, the SBA "has not responded other than to say, 'Message received.' "

More than two dozen Democratic and Republican members of Congress signed a letter to Ms. Carranza last week urging her to issue guidance that would make more franchises eligible for loans.

Sen. Cory Gardner (R., Colo.) said in an interview that the SBA "should immediately and expressly include all franchises in PPP" and that if it doesn't, Congress needs to make the fix in coming legislation.

Six commercial cleaning services, which estimated they employ about 100,000 janitors, many of whom are still working amid the coronavirus pandemic, sent a letter Friday to the SBA and Treasury Department, saying "based on incorrect SBA guidance" they haven't been able to get needed aid.

Jan-Pro Franchising Inc.'s janitors are among the essential employees still working across the country, but its franchises have lost as much as half of their revenue during the economic shutdown forced by Covid-19, the disease caused by the new coronavirus, said Russ Reynolds, head of Jan-Pro.

"It does seem patently unfair to us that our employees are being told to get out and do their jobs, but the stimulus program can't help you," Mr. Reynolds said.

Incline Equity Partners purchased Jan-Pro in 2016, meaning the company's corporate headquarters, in Alpharetta, Ga., is ineligible for stimulus funds because it is private-equity-owned. Mr. Reynolds said Jan-Pro is seeking aid for its 90 master and 8,000 local franchisees, not its corporate headquarters.

Brad Rush, who owns Jan-Pro's Atlanta region, said more than 400 of his franchisees' roughly 1,700 customers have suspended service, and dozens more haven't paid their bills. He said that represents about one-quarter of his territory's recurring monthly revenue.

His email blasts to the 335 franchise owners he oversees laud the janitors as heroes for working during the coronavirus crisis. But the emails also carry messages warning of economic trouble: "The economic impact of Covid 19 will be significant, and as much as I hate to say it, it is going to get worse before it gets better."

Write to Julie Bykowicz at julie.bykowicz@wsj.com
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The Financial Times
America's $350bn pot for small business loans is almost empty
Almost 95% of funds have been tapped as Congress struggles to agree a deal for more
Laura Noonan in New York and Lauren Fedor in Washington
April 16, 2020
Almost 95 per cent of the US government's $349bn small-business rescue fund has been used up, the Small Business Administration said on Wednesday night, raising fears that the programme will be exhausted before Republicans and Democrats can hammer out a deal to replenish it.

The Paycheck Protection Program, which offers small businesses, contractors and sole traders about 10 weeks of payroll expenses to keep them afloat through the crisis, had allocated more than $324bn of its funding to about 1,525,000 companies, contractors and sole traders by 9pm eastern time on Wednesday, the SBA said.

A spokeswoman for the SBA would not give an estimate of how long it would be before the funds ran out. If approvals continue at their average rate of $2.8bn an hour between 8.30am and 9pm on Wednesday, the remaining funds would be gone in the next nine hours.

Negotiations on Capitol Hill to increase the programme's funding by another $250bn are continuing, after no agreement was reached last week on additional funding for the PPP.

President Donald Trump sought to place the blame on congressional Democrats, who have sought to include funds for hospitals and local governments in any new spending bills.
"Now, it's been so good, that it's almost depleted," Mr Trump said. "We want to refill it and we can't get the Democrats to approve it."

Small businesses have taken to social media and contacted their local representatives to complain about the difficulties in accessing the scheme, which was formally launched on April 3 but delayed at several banks as they grappled with technical and compliance issues.

JPMorgan Chase said on Tuesday that it had already paid out $9.3bn to businesses who applied through the scheme, after being approached by 300,000 companies requesting $37bn. Bank of America said on Wednesday that it had received 279,000 applications under the programme, totalling $43bn, by April 8.

Businesses say the cash is critical for their survival, since it allows them to retain employees while the company is shut down or suffers big drops in revenues. The support is structured as a loan, but the funds are written off if the companies can prove they used the money for payroll or other allowable expenses.

The State Bankers Association, which represents banks of all sizes across the US, wrote to congressional leaders on Thursday afternoon urging them to "expeditiously increase" the PPP's funding.

"In just under two weeks, the PPP has provided an economic lifeline to over 1m small businesses across the country and has allowed these small businesses to remain viable — and maintain their workforces — during the Covid-19 pandemic," according to the letter, which was signed by banking associations from Alaska to Idaho and Puerto Rico

Puerto Rico.

Democrats in the Senate objected to swift passage of the additional funds. The party has countered with its own proposal, which would set restrictions on the extra $250bn for small businesses, in addition to allocating an extra $100bn for hospitals to buy personal protective equipment and expand testing capacity; $150bn more for state and local governments to fight the outbreak while dealing with a decline in revenue; and a 15 per cent increase in food stamp benefits for low-income Americans.

"Democrats know that in order for the Paycheck Protection Program to succeed, it must work for everyone," Nancy Pelosi, the Democratic speaker of the House of Representatives, said on Wednesday afternoon. She said her party had been asking the government to help "underbanked small businesses and others who are struggling to access the PPP" as well as "desperate state and local governments" and "hospitals on the front line of the epidemic".

"As has been clear since last week, [the] Republicans' bill, which fails to address these critical issues, cannot get unanimous consent in the House," she said.

A spokesperson for Chuck Schumer, the Senate's top Democrat, said Mr Schumer had been in regular contact with Treasury secretary Steven Mnuchin, and Democratic staffers from both the House and Senate would meet Treasury officials on Wednesday.

Marco Rubio, the Republican chairman of the Senate committee on small business, said it was "inexcusable" that the PPP would "grind to a halt tonight". "Millions of small businesses are in limbo because Democrats refused to put aside partisan politics and fund this bipartisan programme," the Florida senator said.

In a joint statement on Wednesday, Mr Mnuchin and SBA administrator Jovita Carranza urged said the agency had processed 14 years' worth of loans in under two weeks and urged Congress to approve additional funds for the PPP.

"The high demand we have seen underscores the need for hardworking Americans to have access to relief as soon as possible. We want every eligible small business to participate and get the resources they need," they said.

The House and Senate are both in recess and the Capitol complex has been largely closed to slow the spread of coronavirus. However, the Senate is holding a pro forma session on Thursday, and the House will hold a similar session on Friday.

Congressional leaders said on Wednesday they were "hopeful" that a deal could be reached by the end of the week.

Democratic House majority leader Steny Hoyer, a congressman from Maryland, told reporters on a call on Wednesday that while he could not "guarantee" a deal by Friday, reaching an agreement by the end of the week would be "optimal".

Additional reporting by James Politi in Washington

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The Financial Times
US airlines weigh benefits of tapping more aid
Investors and analysts question whether next $25bn of loans will come with too many strings
Claire Bushey in Chicago and James Fontanella-Khan in New York
April 16, 2020
Investors have had starkly different reactions to the terms of bailouts of America's largest airlines, complicating chief executives' decisions about whether to tap a second $25bn pot of US taxpayer money.

The share prices of several airlines widely perceived as the financially strongest among the large US carriers, dropped a day after they accepted a portion of the first $25bn in aid to support payrolls through the coronavirus pandemic. Investors bid up the price of some other carriers.

The deal gives the US Treasury the option to become shareholder in the airlines that take money, with stakes in the low single-digit percentages, and while roughly 70 per cent of the cash comes as grants that do not require repayment, the remainder is in the form of low-interest loans.

JPMorgan Chase analysts Jamie Baker and Mark Streeter wrote in a note to clients that there was "a difficult path" for airlines applying for the second half of bailout funds approved in the $2tn US stimulus package. That next tranche is fully in the form of low-interest loans, against as yet to be determined collateral and again with warrants to buy shares attached.

"We're impressed, and concerned, with the government's hardline approach," they wrote. "What was once thought to be free, formulaic and easy turned out to be drawn out, somewhat expensive and intense. Frankly, the grant applications themselves implied a far more sophisticated grasp of airline finances, profit streams and capital structures than we would have expected from a government agency."

Symbols are important, but I wish they'd said 10% or 15% of the shares rather than just 1%
Margaret Mendenhall Blair, Vanderbilt Law School economist

Shares in Southwest were down nearly 6 per cent and Delta also fell on Wednesday, while American Airlines and United — which labour under heavier debt loads — rose about 3 per cent each.

Treasury secretary Steven Mnuchin was conscious that at some point he will be sitting in front of Congress to testify about the aid package for the airlines, another person involved in the negotiations said. He wanted to be able to say that he got the best deal for taxpayers given the circumstances.

"There were different ways that you could have done this. The airlines are clearly not super happy with this deal, which is a sign that Mr Mnuchin acted responsibly," the person said.
The terms of the loans, though not disclosed in full yet, are likely to be better than anything airlines can access on the private market, said Darryl Genovesi, analyst with Vertical Research Partners.

The agreements already prevent airlines from furloughing staff or cutting employee pay until September 30, ban share repurchases and dividends until September 2021, and limit executive compensation until March 2022. That means there is no reason to avoid taking more money, Mr Genovesi said.

Some airlines have made their intentions clear. Alaska Airlines said that it will apply for $1.1bn in loans from the second pot. American plans to draw another $4.8bn, on top of $5.8bn from the first tranche, after which the US government will own warrants totalling 12 per cent of the company's shares.

Airlines and unions had wanted all of the first $25bn, which will pay the industry's 750,000 employees until September 30, to be wholly forgivable, but Morningstar analyst Brian Bernard said the terms were "pretty fair". The proportion that American Airlines is getting as a direct grant totals $4.1bn, which is 78 per cent of the company's equity value, he noted.

The warrants are a "symbolic act" that will not allow taxpayers to fully benefit from any recovery in the aviation industry, said Margaret Mendenhall Blair, an economist at Vanderbilt Law School focused on corporate law and finance.

"Symbols are important, but I wish they'd said 10 per cent or 15 per cent of the shares rather than just 1 per cent," she said. "I'm surprised the airlines resisted. One per cent is just trivial."


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The Financial Times
## Mnuchin sets out opposition to rescue plan for emerging markets
Trump administration resists issuance of liquid assets to troubled nations through IMF
James Politi in Washington
April 16, 2020
Steven Mnuchin has defended the Trump administration's opposition to a bid to provide liquidity to emerging markets that are facing capital outflows through the IMF, saying it would mostly benefit large G20 nations that did not need the support.

The issuance of new reserve assets by the IMF has emerged as a primary source of tension between the US and

**other nations as the Fund and the World Bank try to co-ordinate a global response to the crisis facing developing economies.**

**Washington has backed other measures including a debt relief package that was adopted by the G20, including China, this week, a short-term liquidity line for emerging countries that has been approved by the IMF board, and an expansion of the Fund's emergency financing capacity to directly help struggling countries.**

**But it is resisting a proposal to increase the allocation of a general "special drawing right" to countries, which has been called for by a number of EU and African leaders as key to the global pandemic economic response.**

**SDRs are an international reserve asset created by the IMF in 1969 to supplement member countries' official reserves. The existing stock of SDRs amounts to about $275bn, which was mostly issued during the 2009 financial crisis.**

**Speaking to the International Monetary and Financial Committee (IMFC) on Thursday during the virtual IMF and World Bank spring meetings, the US Treasury secretary said that additional SDRs were "not an effective tool to respond to urgent needs".**

**"Almost 70 per cent of an allocation would be provided to G20 countries, most of which do not need, and would not use additional SDRs to respond to the crisis. By contrast, all low-income countries, including those facing urgent balance of payment needs, would receive just 3 per cent of any allocation," Mr Mnuchin added.**

**A better way for the IMF to help poor countries weather the coronavirus fallout would be through two trusts, the Catastrophe Containment and Relief Trust, and the Poverty Reduction and Growth Trust, set up by the Fund to offer grants and loans to low-income economies, he argued.**

**Mr Mnuchin said the Trump administration was "currently exploring" a US contribution to those facilities and said that advanced economies could use their existing SDR stock to bolster the effort.**

**"The IMF and World Bank Group have a key role to play in this response, including supporting countries' health systems and fiscal efforts, delivering immediate balance of payments and budget support assistance, providing timely economic analysis and offering technical advice and capacity development," Mr Mnuchin said, adding that there was a need for "all members" to "deploy extraordinary fiscal and monetary actions" to limit the fallout.**

**However, Mr Mnuchin said the IMF should prioritise its "core mandate" of "macroeconomic analysis and surveillance, debt sustainability and transparency, and financial sector assessments" but issues with longer-term macroeconomic implications, such as "climate risk and financial technology" should be "limited and prioritised" during this period.**

**Earlier this week European political leaders including German chancellor Angela Merkel and French president Emmanuel Macron joined with leading African figures such as Abiy Ahmed, the prime minister of Ethiopia, and Cyril Ramaphosa, the president of South Africa, to urge the IMF to "decide immediately on the allocation of special drawing rights" to "provide additional liquidity for the procurement of basic commodities and essential medical supplies".**

**Former US Treasury secretary Lawrence Summers and former UK chancellor Gordon Brown have called for the issuance of a fresh $1tn in SDRs.**

**Matthew Martin of Development Finance International, a veteran negotiator of debt relief for poor countries, said: "Even if it were the case that most of the proceeds from SDRs would go to rich countries, if you had the amount that people have been talking about, of $1tn, the developing world would still get a lot. Ethiopia would get enough to increase its health spending by 50 per cent. So the amounts may be small but they are a lot for poor countries."**

**The IMF's board members, including the US, "could [also] decide to reallocate the SDRs so that more would go to poor countries", he added.**

**Richard Kozul-Wright, director of development strategies at Unctad, the UN trade and development agency, said: "This is our equivalent of the Great Depression ... [and] we live in much more interconnected world in which the biggest victims are in the developing world."**
**Additional reporting by Jonathan Wheatley in London**

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[U.S. opposes general allocation of Special Drawing Rights to IMF members]

WASHINGTON (Reuters) - The United States opposes creation of liquidity through issuance of the International Monetary Fund's Special Drawing Rights (SDRs) as part of the response to the coronavirus pandemic, U.S. Treasury Secretary Steven Mnuchin said on Thursday.

In a statement to the IMF's steering committee, Mnuchin said 70% of the funds created through an SDR allocation, something akin to a central bank "printing" new money, would go to G20 countries that did not need it, while only 3% would go to low-income countries.

Instead, he said, members sbould contribute to two IMF facilities that provide funds to the poorest countries, and the U.S. government was exploring such a contribution itself.

Reporting by Andrea Shalal; Editing by Chizu Nomiyama
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[As pandemic lingers, U.S. House looking 'very closely' at remote voting]

Susan Cornwell

WASHINGTON (Reuters) - The U.S. House of Representatives is looking "very closely" at how its members could vote from outside the Capitol as a coronavirus-forced recess looks poised to last into at least next month, the chamber's No. 2 Democrat said on Wednesday.

That marks a change from recent weeks when both Democratic House Speaker Nancy Pelosi and Senate majority leader Mitch McConnell, a Republican, were publicly dismissive of calls for remote voting.

The coronavirus outbreak, which has killed more than 28,000 Americans and thrown more than 16 million out of work, has increased the urgency for Congress to adapt its working style as leaders of both parties say they need to authorize more money to fight the disease's heavy human and economic toll.

House majority leader Steny Hoyer said none of the leaders of Congress want remote voting to be routine.

"But in an emergency situation ... we ought to have an alternative," he told reporters on a conference call. "I want to assure you and the American people, it's being worked on very hard."

Leaders are looking at some of the technological ways remote voting could be done, Hoyer said.

But none of the approaches could be done immediately, because congressional rules would have to be modified and there would have to be agreement between Republicans and Democrats, Hoyer said. He noted lawmakers would also have to vote to bring about the rule changes necessary for remote voting. This would require more than 500 members to return to the Capitol, if both the House and Senate took the step.

Congress bas not met in regular session since last month. Lawmakers in late March passed a $2.3 trillion relief bill on a voice vote. Congressional leaders decided this week to extend an ongoing recess until at least May 4.

Hoyer said lawmakers were still carrying out their traditional role of oversight over the administration, but acknowledged it was not as effective as committee bearings with administration testimony.

Senate Democrats on Wednesday unveiled a $30 billion plan to vastly increase nationwide testing for the coronavirus.

Senate Democratic leader Chuck Schumer said be has been talking with Treasury Secretary Steven Mnuchin on a new coronavirus response bill, whicb he hoped would include the Democratic testing proposal.

Republicans say the next bill, the fourth of the crisis, should simply add $250 billion to a recently approved $349 billion government loan program to help small businesses hurt by the pandemic.

President Donald Trump told a White House news briefing on Wednesday that $300 billion in loans to more than 1 million small businesses had been processed under the so-called Paycheck Protection Program

McConnell and House of Representatives Republican leader Kevin McCarthy said in a statement late on Wednesday that, according to the Treasury Department and the Small Business Administration (SBA), the program would "exhaust its funding in a matter of hours."

Mnuchin and SBA administrator Jovita Carranza urged Congress to approve additional funds. "By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations," Mnuchin and Carranza said in a joint statement.

Meanwhile, the Supreme Court has already rewritten its own rules to allow it to continue functioning during the pandemic.

Its nine justices next month for the first time will hear cases argued by teleconference rather than in the courtroom, to ensure that court business can proceed at a time when public health officials are urging people to maintain social distancing.

Reporting by Susan Cornwell; Additional reporting by Richard Cowan; Editing by Scott Malone, Jonathan Oatis and Leslie Adler

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## U.S. Senate Democrats seek $30 billion for national coronavirus testing

WASHINGTON (Reuters) - U.S. Senate Democrats on Wednesday unveiled a $30 billion plan to vastly increase nationwide testing for the novel coronavirus, and called the Trump administration's efforts on this score seriously insufficient.

"We have to ramp up testing so it can be done on a broader scale," Senate Democratic Leader Chuck Schumer said in a call with reporters, adding that the nationwide effort should include more rapid tests and contact tracing.

"The administration is at best scattershot and at worst just chaotic when it comes to testing," Schumer said.

Businesses across the United States have temporarily shuttered or significantly curtailed their operations since March as the coronavirus swept across the nation and governments urged workers to stay at home to help stop its spread.

Many healthcare experts believe it is essential for comprehensive testing to be put in place before the economy can start to open up again.

As the Trump administration mulls taking actions to encourage the reopening of businesses in some regions next month, the No. 2 Senate Democrat, Dick Durbin, said the United States "cannot safely end sheltering-in-place until we have testing everywhere."

Democratic Senator Debbie Stabenow compared the level of testing in the United States with South Korea's, saying the latter has conducted tests on "40 times more people per million" and has seen far fewer confirmed cases of coronavirus.

The nation's top infectious disease expert, Anthony Fauci, said in an interview on Tuesday that public health officials needed to be able to test for the virus quickly and to isolate new cases and track down new infections before social distancing and other restrictions could be eased.

Schumer, who has been engaged in renewed talks with Treasury Secretary Steven Mnuchin on a new coronavirus response bill, said he hoped the Democratic testing proposal would make it into such a measure.

Republican congressional leaders have argued that the bill — the fourth since last month — should simply add around $250 billion to a recently-approved $349 billion government loan program to help small businesses hurt by the pandemic.

House Majority Leader Steny Hoyer, a Democrat, in a separate briefing for reporters, said he did not know whether the talks were progressing enough to attempt a vote on passage by the end of this week in the House of Representatives "but that would be optimal if we could."

Reporting by Richard Cowan, Lisa Lambert and Susan Cornwell; Editing by Chizu Nomiyama and Sonya

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Treasury, SBA seek more coronavirus small business loan program funds from Congress
Paycheck Protection Program nearly out of money

By James Leggate
FOXBusiness

The U.S. Treasury and Small Business Administration are seeking additional funding from Congress for the programs providing loans to small businesses impacted by the coronavirus pandemic.

Lawmakers previously approved $350 billion for the Paycheck Protection Program, which provides small businesses with forgivable loans to fund employees' paychecks and other essentials. More than 1.5 million PPP applications have been approved as of Wednesday afternoon, totaling $324 billion distributed through more than 4,900 lending institutions, according to the SBA.

At the rate loans have been processed, the PPP would likely run out of funds Thursday. Officials have proposed adding another $250 billion for the program.

"The SBA has processed more than 14 years' worth of loans in less than 14 years' worth of loans in less than 14 days," Treasury Secretary Steven Mnuchin and SBA Administrator Jovita Carranza said in a written statement Wednesday evening. "The Paycheck Protection Program is saving millions of jobs and helping America's small businesses make it through this challenging time."

The SBA won't be able to approve any more loans once the program runs out of money.

The program has bipartisan support, but lawmakers have disagreed over some of the rules.

"The high demand we have seen underscores the need for hardworking Americans to have access to relief as soon as possible," Carranza and Mnuchin said. "We want every eligible small business to participate and get the resources they need."

Mnuchin and Carranza said they're also seeking more funds for the SBA's Economic Injury Disaster Loan Program, which provides grants of up o $10,000 for small businesses experiencing a disaster-related loss of revenue.
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The Hill

Business loan funds almost exhausted as Schumer, Mnuchin wrestle over deal

By Alexander Bolton - 04/15/20 10:07 PM EDT

The Small Business Administration (SBA) warned Wednesday night that it soon will no longer be able to extend loans to small businesses as negotiations between Treasury Secretary Steven Mnuchin and Senate Democratic Leader Charles Schumer (N.Y.) failed to produce a deal.

The SBA announced that as of 9 p.m. Wednesday, there had been more than 1.5 million small-business loan applications approved totaling more than $324 billion with more than 4,900 lending institutions participating in the program.

Congress appropriated $349 billion for the program last month, which leaves only $25 billion to apply to additional loans, an amount that is expected to be used up sometime Thursday.

The talks between Mnuchin and Schumer will continue into Thursday when the Senate is scheduled to meet in the afternoon for a pro forma session.

Senators could at that time pass an agreement to provide an extra $250 billion for the popular Paycheck Protection Program (PPP) and $250 billion for hospitals and state and local governments, which Democrats are demanding — but it would require all 100 of them to agree.

Mnuchin and SBA administrator Jovita Carranza issued a statement Wednesday evening warning that funding for the program that provides forgivable loans to employers who keep workers on payroll is about to run out, and that no additional loans will be extended until Congress acts.

"By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations," Mnuchin and Carranza said in a joint statement issued shortly before 9 p.m.

"We urge Congress to appropriate additional funds for the Paycheck Protection Program — a critical and overwhelmingly bipartisan program — at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks," they added.

Senate Majority Leader Mitch McConnell (R-Ky.) and House Minority Leader Kevin McCarthy (R-Calif.) also issued a statement before 9 p.m. Wednesday warning the funding for the small-business lending program would run out "in a matter of hours."

Once the agency has backed $349 billion in loans "it will have to stop accepting applications for job-saving loans," the GOP leaders warned.

"Democrats have spent days blocking emergency funding for Americans' paychecks and now the bipartisan program has run dry," they said.

A senior Democratic aide said Schumer and House Speaker Nancy Pelosi's (D-Calif.) staff spoke with Mnuchin and Treasury's staff Wednesday and have agreed to continue talks Thursday.

That gives negotiators only a few hours to reach a deal before a ceremonial pro forma session scheduled for 3 p.m. If nothing is agreed to by then, talks will likely extend into next week, and small businesses will be turned away from submitting applications over the next few days.

However, even if Mnuchin and Schumer agree to a deal, it could be tough to get all 53 Republican senators to agree to give unanimous consent for a $500 billion package. If a single senator objected, the package could be blocked until the full Senate convenes again, which is not scheduled to happen before May 4.

McConnell last week attempted to pass by unanimous consent on the Senate floor a clean $251 billion appropriation to extend SBA's lending capacity but Democrats objected. They said that at least $60 billion in small-business lending needed to be set aside for women-, minority- and veteran-owned businesses in underserved urban, rural and tribal areas.

They also called for the SBA funding to be paired with $100 billion for hospitals and $150 billion for state governments.

"It has been stunning to watch our Democratic colleagues treat emergency funding for Americans' paychecks like a Republican priority which they need to be goaded into supporting," McConnell and McCarthy wrote in their statement. "Funding a bipartisan program should not be a partisan issue. The notion that crucial help for working people is not appealing enough to Democrats without other additions sends a strange message about their priorities."

The Republican leaders showed no sign of being ready to accept Schumer's and Pelosi's demands for additional funding for hospitals and state governments.

"The cost of continued Democratic obstruction will be pink slips and shuttered businesses," they said. "We hope Democrats see reason soon and finally heed Republicans' repeated calls for a funding bill that can quickly earn unanimous consent from all 100 senators and become law."

Pelosi in an interview with CNN's Jake Tapper on Wednesday blamed Republicans for being unreasonable.

She said that many small-business owners, especially those without strong pre-existing relationships with banks, are having trouble getting money.

"Why would they want to cut that whole layer of people, mostly women, minority-owned businesses, Native American, rural America, veterans, all participating in those initiatives? And so we're just saying we can't allow the billions, hundreds of billions of dollars, being spent to fight the horror of the coronavirus and the impact on our economy, to further harden the disparity, the lack of access to credit for so many in the small business community," she said.

The American Bankers Association (ABA) issued a statement Wednesday evening urging Congress "to appropriate additional federal funds as soon as possible given the potential economic damage to small businesses and their millions of employees."

“We again call on lawmakers to approve additional funding expeditiously so American banks can continue to provide this important financial lifeline to small businesses and help put the nation on the path to recovery,” said ABA president Rob Nichols.

Alex Gangitano contributed.

Updated: 10:41 p.m.
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Roll Call

Virus aid talks bleed into Thursday amid small-business funds lapse
Congressional leaders and the White House won't reach a deal quickly enough to keep small-business funds flowing, though negotiators cited progress.

By Jennifer Shutt and Jim Saksa

Posted April 15, 2020 at 11:18am, Updated at 9:55pm

The forgivable loan program created just weeks ago to help small businesses through the COVID-19 pandemic is set to run out of money before Democrats and the Trump administration reach agreement on a new relief package.

Aides to Speaker Nancy Pelosi, D-Calif., and Senate Minority Leader Charles E. Schumer, D-N.Y., spoke with Treasury Secretary Steven Mnuchin and Treasury staff earlier Wednesday, but a senior Democratic aide said just after 9 p.m. that talks would continue tomorrow.

Top Republicans lambasted Democratic leaders for not simply agreeing to boost the program's funding from $349 billion to $600 billion, rather than hold out for additional aid to states and hospitals.

Senate Majority Leader Mitch McConnell of Kentucky and House Minority Leader Kevin McCarthy of California said late Wednesday they'd received word that the so-called Paycheck Protection Program "will exhaust its funding in a matter of hours" and have to stop processing loans.

"The notion that crucial help for working people is not appealing enough to Democrats without other additions sends a strange message about their priorities," the GOP leaders said in a joint statement. “The cost of continued Democratic obstruction will be pink slips and shuttered businesses."

The tough talk from Republican leaders came as top Democrats appeared to be making progress behind the scenes in their negotiations with Mnuchin, however.

Senate Small Business and Entrepreneurship Chairman Marco Rubio, R-Fla., told CQ Roll Call earlier Wednesday he thinks enough Republicans would go along with additional funds for states and localities suffering from steep budget shortfalls and hospitals reeling from a surge in COVID-19 patients.

“I think there's strong support for the idea of helping local communities,” Rubio said. “Every senator, including Republicans, have cities and hospitals, rural hospitals, in their state.”

New Small Business Administration data released Wednesday evening showed how quickly the new small-business fund, which started accepting applications April 3, was burning through cash. As of 9 p.m., just $25 billion out of the initial $349 billion allocation signed into law last month was left.

Rubio said the main stumbling block in talks on the broader relief package was how to ensure fairness for all states in the distribution of direct aid, as well as additional money for hospitals.

"I think senators are going to want to see how much their cities and hospitals can expect to get, what's the formula that will determine that distribution and so forth. I think that's one of the impediments," Rubio said. "But I don't think there's any disagreement: We have to do something on that issue as well."

Aid for states, hospitals

Democrats are seeking another $150 billion in state and local assistance as well as $100 billion in direct payments to hospitals, same as in the earlier $2.3 trillion aid package that included the initial batch of PPP funds. But the

allocation of those dollars, while just getting underway, has already encountered criticism from parts of the country that feel shortchanged.

Even the Democrats' new proposal floated last week has run into static with county governments, for instance, who say the money is tilted toward cities despite counties playing a prime role in the pandemic response.

Schumer spoke with Mnuchin by phone earlier Wednesday, a Schumer spokesman said. But it wasn't clear if lingering disagreements would be wrapped up in time for the Senate to take up a bipartisan agreement during its pro forma session scheduled for Thursday afternoon.

Rubio said given the immediate needs of the small-business program, it would be better to act first to provide additional funds for those programs while Mnuchin and Democrats figure out an acceptable distribution of aid to states and hospitals.

"If they can work that out before tomorrow, that'd be great," he said. "But I hope if they can't we'll at least move forward with some funding to keep PPP moving in the interim because it's really starting to pick up steam now."

Democrats agree on the need for small-business funds. But the dispute has centered around how to allocate the money as well as provide additional relief for state and local governments, hospitals and low-income households.

"I can't guarantee we can get an agreement that we will pass on Friday, but that would be optimal if we could," House Majority Leader Steny H. Hoyer, D-Md., said on a call with reporters Wednesday.

The bipartisan talks Wednesday were the first real sign of progress since the White House sent Congress a request for an additional $251 billion in funding for the PPP last week.

The PPP is in such hot demand because it allows eligible firms to skip repayment on eight weeks' worth of their loans, which are equal to up to 250 percent of monthly payroll expenses.

Companies are only able to spend up to one-fourth of the money on other fixed costs like rent and utilities, however, so Democrats want to boost allowable loans to 300 percent of payroll to enable companies to meet their nonpayroll expenses.

The average loan has been for around $239,000, according to the SBA.

Democrats want to put an additional $65 billion into a related disaster loan program for up to $2 million in "economic injury" expenses, of which up to $10,000 in cash advances don't need to be repaid. That program has also proven immensely popular, to the point where SBA last week started rationing the maximum loan size down to a fraction of the total.

Dueling proposals

McConnell tried to pass a two-page bill simply boosting the existing PPP allocation to $600 billion by unanimous consent last week, but Democrats objected. That was after Republicans objected to Democrats' proposal to reallocate the small-business funds and add the other funds they are seeking.

Schumer and Pelosi have called for changes to the structure of the small business loan program, to ensure that at least half of the new funding, or $125 billion, would go to small businesses without traditional relationships with big banks. This would help women- and minority-owned businesses as well as people in rural areas and farmers access the funding, they said.

"We see no reason why we can't come to an agreement," Schumer told reporters Wednesday after his call with Mnuchin earlier in the day.

"We Democrats believe that we need more money for small business. But we need it to go to the people who are underbanked and underserved," he added. "Second, we think there's just as much need for our hospitals and health care workers. And for our police, our fire, our people in the local governance. Both of these, hospitals and state and local governments ... are in as big a crisis as small business and they need help immediately or we're going to have millions, millions really of people more out of work."

Until now, GOP lawmakers have resisted entering negotiations with Democrats, saying the PPP is the only program from the $2.3 trillion package about to run out of funding. Republicans have said that discussions over additional funding could wait until Congress begins work on the next COVID-19 aid package.

And even with apparent signs of progress in bipartisan talks, top Republicans sense they have the political upper hand by painting Democrats as standing in the way of aid to small businesses.

"Even though the small business relief fund will run dry today, liberal Democrats Nancy Pelosi and Chuck Schumer are still rejecting Senator McConnell's legislation to immediately add $250 billion in aid to the small business loan program," read a McConnell campaign email blast earlier Wednesday.

Democrats have some leverage of their own given the 60-vote hurdle in the Senate and their party's control of the House. They also know if they let the small-business aid pass first, they might miss an opportunity to attach their own priorities.

"As has been clear since last week, Republicans' bill which fails to address these critical issues cannot get unanimous consent in the House," Pelosi said in a statement Wednesday afternoon.

Even if bipartisan agreement is reached, the soonest a bill could clear Congress is Friday, following the Senate's Thursday session and a House meeting on Friday morning.

The absence of both chambers from Washington, however, means that any one lawmaker could slow down the process if they object to passing the bill through unanimous consent.

Lindsey McPherson, Chris Cioffi and Niels Lesniewski contributed to this report.
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**The Hill**

Republicans go on attack as loans for small businesses start to run out

By Alexander Bolton - 04/15/20 11:22 PM EDT

Republicans are stepping up their attacks on Democrats for holding up $250 billion in new funding for a popular small-business lending program that has only $25 billion left in its account and is projected to run out of money on Thursday, possibly leaving many employers in a tough spot.

Senate Majority Leader Mitch McConnell (R-Ky.) and House Minority Leader Kevin McCarthy (R-Calif.) blasted Democrats for demanding concessions in order to refund the program, arguing that it was a bipartisan component of the $2.2 trillion CARES Act and shouldn't be held hostage for other Democratic priorities.

The GOP leaders warned that the Small Business Administration (SBA) will have to stop accepting applications for the Paycheck Protection Program (PPP), which provides forgivable loans to employers who keep workers on payroll, once the money runs out.

"Democrats have spent days blocking emergency funding for Americans' paychecks and now the bipartisan program has run dry. This did not have to happen," McConnell and McCarthy said in a joint statement. "It has been stunning to watch our Democratic colleagues treat emergency funding for Americans' paychecks like a Republican priority which they need to be goaded into supporting.

"Funding a bipartisan program should not be a partisan issue," they continued. "The notion that crucial help for working people is not appealing enough to Democrats without other additions sends a strange message about their priorities."

McConnell last week requested unanimous consent on the Senate floor to pass a clean $250 billion funding increase for the small-business program but Democrats objected.

Speaker Nancy Pelosi (D-Calif.) and Senate Democratic Leader Charles Schumer (D-N.Y.) say a portion of the Paycheck Protection Program money should be reserved for businesses in underserved communities that don't have strong pre-existing relationships with banks, especially women- and minority-owned businesses.

They want to pair the $250 billion for the SBA with $100 billion in new funding for hospitals and $150 billion for state and local governments. They are also pushing for a 15 percent funding increase for the Supplemental Nutrition Assistance Program (SNAP) to help low-income families.

House Republican Whip Steve Scalise (La.) joined in on the criticism, calling on Pelosi and Schumer "to stop holding small businesses and workers across America hostage to their endless spending demands."

"The solution is simple: a clean, standalone funding bill for the PPP. No games, no gimmicks. Democrats must rise to the moment and join Republicans to deliver the critical emergency relief that our small business owners and workers need and deserve," he said.

President Trump on Wednesday highlighted Democratic opposition to a clean funding increase for the PPP as an example of partisanship thriving in Washington despite the coronavirus crisis.

"It's been so good that it's almost depleted and we want to replenish it and we can't get the Democrats to approve it," he told reporters in the Rose Garden. "And that's a program that they and everybody else admit ... [is] great."

Republicans could try to use the impasse as ammo against Democratic candidates in the fall campaigns.

National Republican Senatorial Committee communications director Jesse Hunt on Wednesday said: "Senate Democrats played a game of chicken with essential small business relief and now small business owners and their employees will suffer because of their inaction."

Vulnerable candidates in both parties are eager to see a deal.

"I completely agree that we got to get more funding for small businesses ... especially if that money goes out to the employees of those small businesses," Sen. Doug Jones (D-Ala.) told reporters Tuesday.

"I think everybody wants to see that and we understand that that money is going to be running out," he continued. "From my standpoint, I've always believed that we're going to need to put more money. The big question is: how do you do it and where do you go?"

Jones said "it's also important that we get more money especially in two other areas: one is health care."

"We have to get more money to state and local [governments], particularly our cities and counties, who are also under stay-at-home orders," he said. "They have been still providing police, fire, sanitation, all those essential services."

Treasury Secretary Steven Mnuchin and SBA Administrator Jovita Carranza announced Wednesday evening that the Paycheck Protection Program would soon no longer be able to accept loan applications.

"By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations," they said in a joint statement. "We urge Congress to appropriate additional funds for the Paycheck Protection Program — a critical and overwhelmingly bipartisan program — at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks."

The SBA reported that as of 9 p.m. Wednesday, there had been over 1.5 million applications approved totaling $324 billion, leaving only $25 billion left in its account.

Congress appropriated $349 billion for the program last month.

Mnuchin and Schumer spoke earlier Wednesday in an attempt to reach a deal that would fund the small-business program and also meet two key Democratic priorities: $100 billion for hospitals and $150 billion for state and local governments.

Democrats also want to set aside a portion of small-business loans for women-, minority- and veteran-owned businesses in underserved urban, rural and tribal areas.

A senior Democratic aide said Schumer's and Pelosi's staff spoke with Mnuchin and Treasury Department staff on Wednesday, and they agreed to continue talks Thursday.
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MarketWatch

Mnuchin says he opposes IMF special issuance of SDRs

Published: April 16, 2020 at 9:27 a.m. ET

By Greg Robb

Treasury Secretary Steven Mnuchin on Thursday said he opposes a call to have the International Monetary Fund make a special allocation Special Drawing Rights (SDR). Former British prime minister Gordon Brown and many economists have urged the IMF to allocate the SDRs that was last done in 2009 during the financial crisis. Although the SDRs are not currency, they can be used by emerging and developing countries to bolster their reserves. In an address at the IMF Spring Meetings, Mnuchin argued the SDR allocation "is not an effective tool." He noted almost 70% of the allocation would be provided to relatively well-off G-20 countries and low income countries would receive just 3%. Reuters reported the White House opposes the allocation because China and Iran would receive billions of dollars with no strings attached.
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Forbes

Tracking Your Stimulus Check? Here's How To Decode The Confusing "Payment Status Not Available" Error Message

Shahar Ziv Contributor

Personal Finance

I teach students and grads how to ace their personal finances.

Finally! This was the week millions Americans were expecting to receive their $1,200 stimulus payments from the federal government. The funds, part of the $2.2 trillion-dollar Coronavirus Aid, Relief, and Economic Security (CARES) Act, are meant to provide a much needed cash infusion for individuals struggling due to the economic downturn. "We expect over 80 million hard-working Americans will get the direct deposit by this Wednesday," said U.S. Treasury Secretary Steven Mnuchin at a Monday press briefing.

Many individual did receive payment via direct deposit from The Treasury Department, if it had their bank-account information from their 2018 or 2019 tax returns on file; however, others have been left to wonder, "where's my money?" Finding the answer is proving to be difficult and confusing.

Where Can You Check Your Payment Status?

To allow Americans to track the status of their stimulus payments, the IRS and Treasury Department launched a new tool, Get My Payment. The tool provides individuals "with the status of your payment, including the date your payment is scheduled to be deposited into your bank account or mailed."

After providing basic personal information, the IRS tool is supposed to let Americans know when they will receive their stimulus payment. In a press release, the IRS noted, "more than 6.2 million taxpayers have successfully received their payment status." However, others attempting to track their payment are instead left trying to decipher a confusing error message: "Payment Status Not Available."

The tool says that "according to the information we have on file, we cannot determine your eligibility for a payment at this time," and directs users to a "Frequently Asked Questions" (FAQ) page. Unfortunately, the FAQ page has a laundry list of potential reasons for why individuals are seeing the error message and no additional guidance other than to check back for updates.

What Are The Reasons You May Be Getting An Error Message?

According to the IRS FAQ page, "you may receive this message for one of the following reasons:

•If you are not eligible for a payment (see IRS.gov on who is eligible and who is not eligible)
•If you are required to file a tax return and have not filed in tax year 2018 or 2019.
•If you recently filed your return or provided information through Non-Filers: Enter Your Payment Info on IRS.gov. Your payment status will be updated when processing is completed.
•If you are a SSA or RRB Form 1099 recipient, SSI or VA benefit recipient – the IRS is working with your agency to issue your payment; your information is not available in this app yet."

Even more puzzling is a wrinkle that was uncovered, which is that you get the same error message if you enter in fake information including social security number, date of birth, or address. In short, receiving a 'Payment Status Not Available' message "appears to be generic catch-all error for the system, instead of a useful or actionable error message."

The lack of clarity has frustrated many individuals and added to uncertainty in a time of crisis. As one user on Reddit summed up, "everyone is getting the same thing, and now I'm locked out for 24 hours because I tried too much. This is infuriating. Imagine families living paycheck to paycheck trying to get this stimulus to live and the website is broken so they keep getting that error message."

Is There Anything You Can Do?

Sadly, the answer for now is simply to wait and check again the following day because the IRS only updates Get My Payment data once per day. The IRS has stated that "more information will be shared on IRS.gov shortly on some common questions taxpayers are asking," so stay tuned.

Shahar Ziv
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The Washington Post
White House says new small business loan program is out of money, leaving many firms grasping for lifelines
Lawmakers can't agree on how to update the $350 billion Paycheck Protection Program, which Republicans say ran out of money in just two weeks

By Erica Werner, Aaron Gregg and Renae Merle
April 16, 2020 at 11:07 a.m. EDT
A new lending program for small businesses maxed out Thursday morning and stopped accepting claims, but a bitterly divided Congress looked unlikely to address that growing problem as the nation plunged into unemployment levels not seen since the Great Depression.

The Small Business Administration said on its website that the agency "is unable to accept new applications...based on available appropriations funding."

Republicans and Democrats say more action is needed to build on the massive $2 trillion economic rescue law passed just three weeks ago, but they can't agree on what to do. The economy continues to weaken but lawmakers are scattered all over the country advancing conflicting proposals and bickering.

The impasse has become so heated that President Trump lashed out at House Speaker Nancy Pelosi (D-Calif.) on Thursday morning, just one day after he threatened to adjourn Congress because he complained nothing was getting done.

The $350 billion Paycheck Protection Program was a central piece of the coronavirus rescue law. Overwhelmed by demand from the moment it launched April 3, the program has now essentially run dry as small businesses around the nation beg for relief. The program is aimed at helping businesses with under 500 workers and keeping people employed by extending loans that are forgivable if businesses keep workers on payroll.

The SBA reported Thursday morning that more than 1,637,000 loan applications valued at "over $339 billion" had been approved. It isn't expected to disclose who the recipients of the taxpayer funds will be, as the $2 trillion bailout law did not compel the agency to make this information public.

Sign up for our Coronavirus Updates newsletter to track the outbreak. All stories linked in the newsletter are free to access.

The government has not released data showing how much of tbat cash has been actually disbursed and given to the small businesses, however. Anecdotal reports from lenders and small business owners suggest only a small portion of it has been released so far, with many banks overwhelmed with applications. And it's also unclear how many firms have secured new loans, though it appears to be just a fraction of the 30 million small businesses in the United States.

Last week, Treasury Secretary Steven Mnuchin asked Congress to agree to $250 billion more for the program, but a GOP attempt to approve that increase failed in the Senate as Democrats demanded more money for hospitals, cities and states, and food stamp recipients.

There has been scant progress since. Talks finally started Wednesday with aides to Mnuchin, House Speaker Nancy Pelosi (D-Calif.) and Senate Minority Leader Charles E. Schumer (D-N.Y.), but they seemed unlikely to yield results in time for action at a Senate "pro forma" session scheduled for Thursday afternoon. Any deal would have to advance by voice vote or "unanimous consent" that any individual lawmaker could block.

The need is only deepening on all sides, as new figures out Thursday showed unemployment claims once again surged over the past week, with 5.2 million people filing for unemployment insurance. More than 22 million

Americans have now filed for unemployment aid since President Trump declared a national emergency four weeks ago.

Sen. Marco Rubio (R-Fla.), principle author of the Paycheck Protection Program, lashed out at Democrats in an appearance Thursday morning on Fox Business, accusing them of standing in the way of increasing its funding.

"in just 12 days this program has approved over $300 billion in aid and now it's frozen, it stops, and it's ridiculous," Rubio said. "It's being held hostage for things unrelated to it."

Trump attacked Pelosi viciously over Twitter, apparently responding to a scathing letter she released earlier this week accusing him of weakness and lies.

Crazy "Nancy Pelosi, you are a weak person. You are a poor leader. You are the reason America hates career politicians, like yourself." @seanhannity She is totally incompetent & controlled by the Radical Left, a weak and pathetic puppet. Come back to Washington and do your job!

— Donald J. Trump (@realDonaldTrump) April 16, 2020

Democrats have blamed Republicans for the impasse, accusing them of refusing to negotiate over their demands for targeted assistance, such as more relief for state budgets that have been hammered by a drop in revenue. Governors of both parties have been begging Congress to approve $500 billion more in stabilization funds to help them weather the economic catastrophe.

On Wednesday, the Democratic governors of Michigan, Wisconsin and Pennsylvania wrote to Trump calling on him to work with Congress and telling him, "Without this leadership, the damage to our state economies will be exacerbated by the cuts we know we will be forced to make."

The Paycheck Protection Program is a major component of the Trump administration's efforts to blunt the economic effects of the coronavirus, which has been especially devastating for small businesses.

It is meant to offer loans for small businesses totaling up to $10 million at very low rates. Borrowers get an interest rate of just one percent and can have the loan entirely repaid if they keep paying their employees.

Under PPP private banks handle the work of accepting applications, evaluating borrowers' needs, setting the precise terms of the loan, and transferring the cash. The SBA and Treasury Department are responsible for approving lenders and establishing the rules.

The program got off to a rocky start with big U.S. banks, including Citigroup, taking several days to launch and many only accepting applications to their existing customers. But within days, bank officials began to warn that the $349 billion would not last long.

Earlier this week, JPMorgan Chase said that it has funded $9.3 billion of the loans so far and was still processing 300,000 applications seeking $36 billion. Bank of America says it has received applications seeking more than $40 billion in loans.

The Federal Reserve eased restrictions it had put on Wells Fargo's growth after the San Francisco-based bank said it had received applications worth more than $10 billion in loans in just a few days.

The banking industry is calling on Congress to increase the program's funding. "Additional funding for all lenders is needed now to ensure there are no breaks in service to small businesses seeking assistance as a result of the coronavirus outbreak," said Richard Hunt, president of the Consumer Bankers Association. In the next round of funding, 25 percent of the $250 billion should be set aside for small community banks to make these loans, according to the Independent Community Bankers Association.

The PPP program is reaching its funding limit while a separate program, called Economic Injury Disaster Loans, is also running short on funds. The funding shortfall has already caused that program to slash the size of loans it gives to small businesses, SBA officials say.

In a statement Wednesday evening, Mnuchin and SBA Administrator Jovita Carranza warned that a lapse in appropriations threatens to further disrupt the loan programs.

"By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations," Mnuchin and Carranza wrote. "We urge Congress to appropriate additional funds for the Paycheck Protection Program—a critical and overwhelmingly bipartisan program—at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks."

In the statement Mnuchin and Carranza defended the two loan programs amid criticism from members of

Congress and industry groups. They said they SBA has processed more than 14 years' worth of loans in less that two weeks, and said the program is already "saving millions of jobs and helping America's small businesses make it through this challenging time."

Erica Werner has worked at The Washington Post since 2017, covering Congress with a focus on economic policy. Previously, she worked at the Associated Press for more than 17 years.Follow

Aaron Gregg covers the defense industry and government contractors for the Washington Post's business section.Follow

Renae Merle covers white-collar crime and Wall Street for The Washington Post. She has also worked for the Wall Street Journal and the Associated Press.Follow
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The Financial Times
US small business rescue fund runs out of cash
Congress has not yet reached a deal to replenish $350bn pot
Courtney Weaver and James Politi in Washington and Laura Noonan in New York
April 16, 2020
A $350bn US rescue fund for small businesses ran out of cash on Thursday morning after the US Treasury and congressional leaders failed to reach a deal to inject new resources into it.

The Small Business Administration said in a note on its website: "The SBA is currently unable to accept new applications for the Paycheck Protection Program based on available appropriations funding. Similarly, we are unable to enrol new PPP lenders at this time."

The programme was set up as part of a $2tn stimulus package last month and allows the government to guarantee bank loans to small businesses so they can maintain their workforce during the coronavirus pandemic.

The SBA will forgive the loan if it is spent on staff or other essential costs, making it highly attractive to businesses struggling to stay afloat during coronavirus-related shutdowns.

Republicans have asked to appropriate an additional $250bn to extend the programme. While Democrats have agreed to that number, they have countered by asking for any new legislation to contain funding for other programmes, too.

They say a supplemental bill should include an extra $100bn in funding for hospitals to buy personal protective equipment and expand coronavirus testing capacity, $150bn more for state and local governments to fight the outbreak and a 15 per cent increase in food stamp benefits.

On Thursday, Republican lawmakers and aides expressed alarm about PPP funding running out.
"In just 12 days, this programme has approved over $300bn of aid. Now it's frozen. It stops. And it's ridiculous," Marco Rubio, the Republican chairman of the Senate committee on small business and entrepreneurship, told Fox Business.

"700,000 applications today are in limbo ... This has to end. This is no time for this kind of horse-trading."

A Democratic aide said that House Speaker Nancy Pelosi and Chuck Schumer, the Senate's top Democrat, had spoken with Treasury secretary Steven Mnuchin on Wednesday and were expected to speak again on Thursday.

The National Federation of Independent Business, the country's main small business advocacy group, condemned lawmakers and the Trump administration for failing to come to an agreement.

"America's small businesses are on the brink, trying desperately to keep their doors open and support their employees," said the organisation's president, Brad Close. "They have been let down by lawmakers and the bureaucracy with the smallest businesses most disadvantaged in attempting to participate in the Paycheck Protection Program."

Mr Close added: "We've been hearing from our members, every day, worried the $349 billion lending programme would run dry before help gets to them. Today, their worries became a reality."

Separate from the negotiations, banks had been looking for additional protection from risk in extending those

PPP loans.

On Thursday, the Federal Reserve announced that the new facility it had set up to buy the loans from banks was now up and running.

"The Federal Reserve's facility will support the effectiveness of the PPP by extending credit to financial institutions that make PPP loans, using such loans as collateral," the Fed said.

"Supplying financial institutions witb additional liquidity will help increase their capacity to make PPP loans," it said, adding that the facility would be run by the Minneapolis Fed.

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Treasury
American Banker

April 16, 2020 Thursday

CFPB, FHFA to share data on mortgage servicing



Section: Vol. 185; No. 73

Length: 362 words

Byline: Kate Berry

Body
The Consumer Financial Protection Bureau and Federal Housing Finance Agency announced a plan to share mortgage servicing data as borrowers seek loan workout options during the coronavirus emergency.

The Borrower Protection Program initiative announced Wednesday enables the CFPB to share complaint information about servicers and analytical tools with the FHFA using a secure electronic interface. The FHFA will make loss mitigation data, related to loan forbearance and modifications, available to the CFPB.

CFPB Director Kathy Kraninger and FHFA Director Mark Calabria said the information-sharing program would help both agencies protect borrowers during the pandemic crisis. Yet the joint press release offered little detail on how the information shared between the two agencies would be used to protect borrowers.

"Through the partnership being announced today, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward," Kraninger said in the jointrelease. "Help for consumers is always here at the CFPB through our complaints process. In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."

Calabria said "protecting and helping homeowners during this national crisis is my top priority."

"No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

Both agencies have been criticized for their response to the pandemic.

Kraningerhas been faultedfor failing to provide more guidance to mortgage servicers, not restricting debt collectors from contacting consumers during the crisis and for allowing voluntary reporting of pandemic-related hardships to the credit bureaus.

Meanwhile, Calabria has beenblamedfor the lack of a government-backed liquidity plan to aid nonbank servicers services.

https://www.americanbanker.com/news/cfpb-fhfa-to-share-data-on-mortgage-servicing
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American Banker

April 16, 2020 Thursday

Dear Congress: Don't let initial PPP be final word on small-business aid



Section: Vol. 185; No. 73

Length: 824 words

Byline: Jo Ann Barefoot

David Ehrich

Body
The coronavirus pandemic has shut down small businesses across the country, spreading faster than the economic relief that these businesses are now struggling to access.

Many small businesses arelocked out ofthe $350 billion in stimulus loans that Congress recently authorized simply because the business owner banks with the "wrong" financial institution - a bank that does not make Small Business Administration loans or an SBA lender that opted not to participate in the new Paycheck Protection Program.

At the current rate of uptake, much of the $350 billion in funds has beenclaimed by the large banks. The current first-come, first-served solution lowered the incentive for smaller banks to participate because they could not build out a front-end application process before the funds were depleted by larger banks.

This strategy has effectively stranded millions of small businesses without access to the very program that was designed to save them simply because they are customers of a credit union, or a regional or community bank. Meanwhile, fintech lenders, which disproportionately serve smaller businesses, got a late start into the program.

Even for small businesses that have successfully applied for a PPP loan, there are still significant gaps in their ability to obtain SBA guarantees and receive the funding. To date, the SBA is reporting the number of applications received, but not the amount of dollars distributed.

In the program's first week, the largest challenge was small businesses' difficulty gaining access to lenders' online applications. The next key bottleneck was lenders' ability to upload applications to the SBA's E-Tran system, which was not built to scale to this volume. More challenges will emerge about how the SBA reviews applications, provides loan guarantees on the loan numbers and disburses the funds - steps that are largely a manual process.

While the horse is nearly out of the barn for the first $350 billion, it is not too late to make changes to the next relief package being contemplated by Congress. To expand PPP access to all small businesses and guarantee a fair distribution of funds (beyond the footprint of the major banks) regulators and lawmakers should consider the following changes in the next relief package:

First, lawmakers should move forward with proposals toallocate fundsspecifically to smaller lenders and vulnerable businesses. These lenders serve a high proportion of small enterprises and minority- or women-owned businesses in underserved geographies.

More specifically targeted allocations would incent smaller banks and community development financial institutions to participate.

Secondly, while the new lawpermits fintech lenders to applyfor the PPP, only large ones have been approved for it so far. To expand access to more small businesses, every effort should be made to accelerate applications from fintechs. Many of these nonbanks specialize in loans to very small companies that banks rarely serve.

Thirdly, there should be a greater effort to facilitate bank partnerships with fintechs. The urgent distribution of PPP funds has been hampered by the technology limitations of smaller banks. Fintechs with agile tech

PPP funds has been hampered by the technology limitations of smaller banks. Fintechs with agile tech development can help solve this.

Based on results from a three-day hackathon recently hosted by AIR (the Alliance for Innovative Regulation), fintechs showed they can already provide: a universal platform for onboarding community banks; automated payroll analysis for eligibility; know-your-customer authentication; document management and verification; and anti-money-laundering and fraud support. Separately, fintech lenders that are too small to apply for the PPP could act as "agents" for communty development institutions and smaller banks to ensure the full distribution of fund allocations.

Lastly, the SBA's E-Tran loan processing system, despite enhancements last week, is still a bottleneck in getting urgently needed funds to small businesses.

Two possible remedies should be considered. First, the SBA could partner with fintechs that have ready-made inexpensive solutions, using emergency authority for sole-source contracting if needed. Second, the SBA could establish a bulk application process for major SBA lenders which are experienced with the program.

The SBA would preallocate these banks with a funding allotment and a set of associated loan guarantee numbers. The lenders would then submit the loans in batches timed to SBA capacity, to relieve pressure on the approval process.

Getting critical financial support to America's small businesses has taken more time and been more complicated than anyone has hoped. The process is moving forward, but as one problem is solved, it exposes the next bottleneck.

While the path to get the program to work for some small businesses is blazing forward, there is an opportunity here to implement new policies that can radically expand access and fairness for small businesses across the country.

https://www.americanbanker.com/opinion/dear-congress-dont-let-the-initial-ppp-be-the-final-word-on-aid-to-small-businesses
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CNBC
Airlines cheer government coronavirus aid but paint bleak demand picture
Published Wed, Apr 15 202012:05 PM EDTUpdated Wed, Apr 15 202010:00 PM EDT
Leslie Josephs
@lesliejosephs

Key Points
-American and United are among airlines receiving a portion of $25 billion in payroll grants.
-American Airlines CEO Doug Parker says the airline has no plans to defer aircraft orders, which include Boeing's 737 Max.
-United warned employees that it is planning for a smaller airline and workforce.

The record drop in air travel demand because of the coronavirus pandemic appears to be as bad as it's going to get, American Airlines CEO Doug Parker said Wednesday.

"It certainly feels like we're at the bottom," Parker told CNBC in an interview. "Our revenues are down 90% on a year-over-year basis and they've been that way now for a few weeks. The real question is how long you stay at the bottom and when do we begin to recover. I don't think I know that better than anybody else."

American and other large U.S. airlines, including Delta, Southwest and JetBlue on Tuesday announced agreements with the Treasury Department on the terms for their share of $25 billion in government grants and low-interest loans.

But despite the aid, airline executives have painted a bleak picture for their businesses, warning that travel demand has all but evaporated, sapping cash from the airlines as they continue to pay fixed costs with the fewest passengers in decades taking to the skies.

American said the Treasury Department approved $5.8 billion in assistance — a $4.1 billion grant and a $1.7 billion low-interest loan. The Fort Worth, Texas-based carrier said it plans to apply for another government loan of around $4.75 billion.

United Airlines on Wednesday said it expects to receive $5 billion in government coronavirus relief — $3.5 billion as grants and $1.5 billion as a low-interest loan — to help it through a sharp drop in demand because of billion as grants and $1.5 billion as a low-interest loan — to help it through a sharp drop in demand because of the disease.

CEO Oscar Munoz and President Scott Kirby, who takes the reins next month, told staff that the aid is not enough to cover its full payroll expense, but that the carrier will not furlough or cut the pay rates of U.S. employees through Sept. 30, a condition of the aid.

"But the challenging economic outlook means we have some tough decisions ahead as we plan for our airline, and our overall workforce, to be smaller than it is today, starting as early as October 1," Munoz and Kirby said.

The Chicago-based airline is planning even deeper cuts to its network in the coming months. In the first two weeks of April the airline flew 200,000 people, a 97% drop compared with the same period in 2019. "And we expect to fly fewer people during the entire month of May than we did on a single day in May 2019," the executives wrote.

The executives predicted travel demand won't come back quickly, weakness that will likely last the rest of the year and into 2021 because of the economic toll and lingering health concerns.

American Airlines' Parker said it isn't yet clear when travelers will return en masse, but that some encouraging signs are emerging such as an uptick in bookings for more than three months away and some reservations for corporate events in the fourth quarter.

"There are indications that the world is ready to start traveling again but they're very preliminary and it's certainly not happening today," he said. "Whenever people are prepared to start traveling again our team's going to be in place and ready to take care of them."

Parker added that the airline is not planning to defer new aircraft orders, such as the Boeing 737 Max, which is still grounded after two fatal crashes, but American will retire older aircraft such as Boeing 757s and 767s earlier than planned.

"The new airplanes that are scheduled to come, we want," he said. "We don't have any intention of working with the manufacturers to defer or cancel those orders."
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McClatchy DC
Trump's name will be on some stimulus checks. Here's why that hasn't happened before
BY BROOKE WOLFORD
APRIL 15, 2020 10:22 PM, UPDATED 11 HOURS 26 MINUTES AGO

President Donald Trump is halting funding of the World Health Organization while a review is conducted to assess WHO's handling of the coronavirus outbreak. BY WHITE HOUSE
President Donald Trump ordered the Treasury Department to add his signature to coronavirus stimulus checks, which has raised questions about whether the checks will be delayed and whether the move is legal.

Trump started pushing for the unprecedented move in late March, The Wall Street Journal reported. He reportedly suggested adding his name to the checks to Treasury Secretary Steven Mnuchin privately, according to The Washington Post.

Usually, the president does not have the authority to sign legal disbursements from the Treasury. It's standard for civil servants to sign checks from the federal government, according to Citizens for Responsibility Ethics in Washington (CREW), a nonprofit government ethics and accountability watchdog organization, according to CREW's website.

That standard was set by Treasury Directive 16-23, which holds that "the Chief Distributing Officer, Bureau of the Fiscal Service, is delegated authority to sign, in that official's name, checks drawn against all accounts of the Secretary of the Treasury," the U.S. Department of the Treasury's website says.

The Chief Distributing Officer can also delegate the authority to officers and employees of other executive agencies, but the officer does not have the authority to give that power to the president, according to CREW.

The caveat here is that Trump's signature will appear in the memo line, below the title "Economic Impact Payment," The Washington Post reported.

Newly printed checks will bear Trump's signature, but about 80 million people are getting their payment directly deposited into their bank accounts, according to the Post. A primary concern about the new directive is whether it will "delay federal funds getting to those that desperately need them," CREW says.

It will "delay federal funds getting to those that desperately need them," CREW says.

The Internal Revenue Service is now scrambling to change its internal programming to add the signature to the checks, which may lead to a delay, the Post reported.

"Any last-minute request like this will create a downstream snarl that will result in a delay," Chad Hooper, a quality-control manager who serves as a national president of the IRS's Professional Managers Association, told the Post.

The Treasury Department has denied that checks will be delayed because of the addition of Trump's signature, according to the Associated Press. The department says the plan is still to issue checks next week, AP reported.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned – there is absolutely no delay whatsoever," a Treasury spokeswoman said in a written statement obtained by AP. "In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates," she said.

RELATED STORIES FROM MCCLATCHY DC

CNBC
Schumer, Pelosi staff to continue talks with Treasury on Thursday about interim emergency coronavirus relief bill
PUBLISHED WED, APR 15 202011:02 PM EDT
Lauren Hirsch
@LAURENSHIRSCH
KEY POINTS
-Staffers for Senate Minority Leader Chuck Schumer and House Speaker Nancy Pelosi will continue talks with Treasury Department into Thursday about additional coronavirus relief legislation, a senior Democratic aide told CNBC.
-The meeting follows a similar meeting Wednesday.
-The talks come as the $349 billion fund for small businesses, called the Paycheck Protection Program, is quickly being wiped out.

Staffers for Senate Minority Leader Chuck Schumer and House Speaker Nancy Pelosi will continue talks with the Treasury Department on Thursday about additional coronavirus relief legislation, a senior Democratic aide told CNBC.

The meeting follows a similar one Wednesday afternoon, as the leaders seek to hammer out a deal over emergency relief funds for the country, just a few weeks after Congress passed a historic $2.2 trillion spending package.

The talks come as a key component of that package — the $349 billion fund for small businesses called the Paycheck Protection Program — is quickly being wiped out: More than 1.3 million loans totaling more than $296 billion had been approved by Wednesday afternoon, according to the Small Business Administration. By Wednesday evening, $315 billion had been approved, a person familiar with the situation told CNBC.

Democrats have pushed for changes to the program and more funds to support local governments battling the pandemic. Republicans have accused the Democrats of holding up necessary money for small businesses that are hemorrhaging cash as commerce has come to a halt.

Senate Democrats last week blocked an attempt by Senate Majority Leader Mitch McConnell, R-Ky., to rush another $250 billion in funding for the program through his chamber by a unanimous vote. Republicans then rejected the Democratic proposal outlined by Pelosi and Schumer allocating another $250 billion to small businesses, hospitals, states and food assistance programs.

"It has been stunning to watch our Democratic colleagues treat emergency funding for Americans' paychecks like a Republican priority which they need to be goaded into supporting," McConnell railed Wednesday.

"The cost of continued Democratic obstruction will be pink slips and shuttered businesses."

Meanwhile, Pelosi told CNN's Jake Tapper on Wednesday the party is still pushing for changes to the program. One plan the Democrats "still want to negotiate" calls for $60 billion for community financial institutions, like credit unions or community banks, to help get money into those hands, she said.

"We all want it to work. We all want to facilitate that," she said, "But we cannot do it by ossifying the lack of access to credit for smaller businesses in our country.

On Wednesday, governors from Wisconsin, Michigan and Pennsylvania, three notable swing states, sent a letter to President Donald Trump warning of budget shortfalls.

"In Michigan, initial estimates suggest state revenues could be reduced by $3 billion alone this year– $7 billion over the next 18 months," wrote Michigan Gov. Gretchen Whitmer.
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U.S. warns North Korean hacking threatens international finance

Bloomberg

Apr 16, 2020

The U.S. government warned that North Korea's digital activities, including cybertheft and extortion, threatens the "integrity and stability of the international finance system."

Amid heavy sanctions, North Korea "has increasingly relied on illicit activities — including cybercrime — to generate revenue for its weapons of mass destruction and ballistic missile programs," according to an advisory issued Wednesday.

While the U.S. has previously warned against North Korea's hacking activities, the alert comes as adversaries seek to leverage the pandemic to fuel their malicious cyberactivities. The advisory was issued jointly by the State Department, the Treasury Department, the Federal Bureau of Investigation and the Department of Homeland Security.

Among the North Korean cybercrimes outlined by the U.S. were financial theft and money laundering as well as the illicit mining of cryptocurrency. The warning said that North Korea's "cyber actors have also been paid to hack websites and extort targets for third-party clients," a reference that surprised John Hultquist, senior director of intelligence analysis at the cybersecurity firm FireEye Inc.

"Though we knew that these operators were involved in freelancing and other commercial activity such as software development, we had no evidence that they were carrying out intrusions and attacks on behalf of anyone other than the North Korean regime," Hultquist said in a statement. "It's not uncommon for states to tap commercial or criminal talent which then carries on parallel criminal activity, but it is rare for us to find evidence of state actors carrying out criminal side operations with the government's knowledge."

In recent years, the U.S. has sought to call out North Korean hacking activity, including by sanctioning and charging its hackers. Wednesday's alert — which urged financial organizations to enhance cybersecurity practices and called for information sharing among governments and the private sector — provided "more evidence that North Korea is heavily invested in their cyber capability and taking every opportunity to leverage and monetize it," according to Hultquist.
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NBC News

Delays to coronavirus stimulus cash cause angst, confusion: 'This is all just insane'
Americans are on edge as some get their payments while others wait — and struggle to use the new IRS system to speed up the process.

April 16, 2020, 7:54 AM EDT / Updated April 16, 2020, 8:34 AM EDT

By Sahil Kapur

WASHINGTON — Americans began to receive their coronavirus relief payments in their bank accounts this week, but not everyone was relieved. As of midweek many were angry or perplexed as the Treasury Department scrambled to push billions of dollars out the door to tens of millions of people.

Some confused their stimulus cash with tax refunds because both were coded identically on bank statements as "TAX REF" from the Treasury. Those expecting a bigger refund or a bigger coronavirus payment and mistook one for the other feared they had been stiffed.

Others were upset when they saw their payment was less than $1,200, wrongly interpreting that number as a flat payout rather than the maximum amount a person can get based on their income. Others said the extra $500 for their children never arrived.

Still others complained that the new IRS portal released Wednesday to upload bank information or check the status of a payment was failing. By midafternoon, "Payment Status Not Available" was a trending topic on Twitter with countless viewers venting about their inability to find out where their money is, some with screenshots of the IRS website delivering an error message.

"After long wait times to log in, the system fails to locate the information and after several attempts to retry, it locks you out for 24 hours," Alfred Nordgren, 59, of Philadelphia, said in an email. "Obviously they didn't test it sufficiently prior to the 'rushed' launch!"

Some were frustrated when they heard from friends who got their payments quickly while they continued to wait. For Alejandro Alarcon of Miami, who said he's unemployed and facing growing debt, it was vexing to learn that others who were working in the U.S. on visas got their money before he did.

It didn't help when he, too, was unable to track down his payment status from the IRS portal.

"This is all just insane," said Alarcon. "I cannot imagine people with literally no savings who are desperate and can't find another way to get this page to work."

The chaos is a product in large part of the extraordinary task given to the IRS, which has faced budget cuts of about 20 percent in real dollars since 2010, at a time when tens of millions of Americans are desperate for speedy relief during an economic calamity. The payments are a lifeline for cash-strapped families who are struggling to pay rent or mortgage or put food on the table as joblessness shatters records with some 17 million claims in just three weeks.

U.S. citizens and residents with a valid Social Security number are eligible for payments of $1,200 per person if they earn less than $75,000 (or $150,000 for married couples). Those who have submitted bank information to the IRS are poised to get their money faster than others like Alarcon, who have not sent the IRS information for direct deposit in recent filings.

The IRS responded to the pushback, saying that by midday Wednesday the website had provided payment status to 6.2 million taxpayers and received the banking information of nearly 1.1 million.

"IRS is actively monitoring site volume; if site volume gets too high, users are sent to an online 'waiting room' for a brief wait until space becomes available, much like private sector online sites," the agency said in a statement.

Treasury said it expects more than 80 million Americans to get their payments in their bank account this week.

Marc Savage of Middletown, California, may have to wait a little longer. He hasn't sent the IRS his bank information in recent returns because the TurboTax system doesn't include that option when a person isn't getting a refund.

And the IRS website wouldn't allow him to input it on Wednesday. Savage said he tried multiple times to access the new IRS website to upload his bank account number but he was locked out and was unable to reach the agency for answers.

"Total dysfunctional mess," be complained in an email.

The Treasury Department confirmed this week that President Donald Trump's name would appear in the memo line of the paper checks. The decision broke with precedent and drew fire from critics who accused the president of cynically exploiting the payments, which were unanimously approved by Congress, to boost his re-election prospects in November.

In some cases, the Trump administration shifted policy to simplify the process for Social Security beneficiaries and Supplemental Security Income recipients, bowing to pressure from seniors' advocates by announcing that eligible people in those categories can get the money without filing a tax return.

One policy demand the administration has not acceded to came from a group of Democratic senators, who urged Treasury to probibit banks from seizing the payments for debt collection. Sen. Ron Wyden, D-Ore., criticized Treasury after the American Prospect first reported that regulators aren't stopping banks from steering the stimulus cash to pay an individual's outstanding obligations.

"We strongly urged the Trump administration to put the interests of workers ahead of the interests of predatory debt collectors," Wyden said in a statement to NBC News. "It's unconscionable to allow predatory debt collectors to pocket these payments in the middle of an unprecedented economic crisis."

The initiation of payouts also came as an unwelcome surprise to those who learned they'd be excluded from the automatic payments, including Americans who owe back child support, six-figure earners who just lost their jobs, and those who had a child born in 2020 and will miss out on the extra $500.

In some cases, the problem with using tax returns dating to 2018 to determine automatic payments was evident. Scott Gustin of Nexstar Media, a network of television stations, reported on Twitter that his deceased grandmother had received a stimulus deposit.

Sahil Kapur is a national political reporter for NBC News
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Politico
Small business loan funds nearly depleted with Congress deadlocked
In a message obtained by POLITICO, the agency began to warn banks that lenders would no longer be able to load loan requests into the SBA's systems.

By ZACHARY WARMBRODT

04/16/2020 05:11 AM EDT

The small business rescue set up by Congress to avert massive layoffs is set to exhaust its $350 billion funding capacity, top lawmakers say, as Congress remained in a stalemate over how to allocate more money for the popular loan program.

In a joint statement Wednesday evening, Senate Majority Leader Mitch McConnell of Kentucky and House Minority Leader Kevin McCarthy of California said that funding for the so-called Paycheck Protection Program will be depleted "in a matter of hours." That would force the program to stop accepting applications for the government-backed loans, which can be forgiven if businesses agree to maintain their payrolls.

As of 9 p.m., the SBA reported that 1.5 million applications had been approved for more than $324 billion. In a message obtained by POLITICO, the agency began to warn banks Wednesday that lenders would no longer be able to load loan requests into the SBA's systems and that the agency would not accept applications for new lenders to participate in the program.

The program neared its limit after Republicans and Democrats failed to reach a deal on a $250 billion funding increase requested by the Trump administration. Senate Republicans have insisted on passing a bill focused on funding more loans. Democrats want to make changes to the program and approve more money for local governments and hospitals. Some on Capitol Hill believe the brinkmanship could continue until next week.

"We urge Congress to appropriate additional funds for the Paycheck Protection Program—a critical and overwhelmingly bipartisan program—at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks," Treasury Secretary Steven Mnuchin and SBA Administrator Jovita Carranza said in a joint statement Wednesday evening.

The impasse over funding is the latest setback for the aid effort, which was just beginning to disburse money to struggling small businesses after a rocky April 3 launch.

The banking industry this week had just started to report that it was disbursing tens of billions to small businesses after receiving well over 1 million applications.
"Running out of money will be problematic for Main Street," Tioga State Bank President and CEO Robert Fisher said earlier Wednesday. "Many small businesses will be left holding their applications. We are trying to help as many businesses as possible, but we know the window is closing."

At the kickoff of the program, lenders at first lacked guidance from the Trump administration on how to process applications and then ran into severe technical obstacles with an unstable SBA system used to approve the loans. It took until last week for banks to get guidelines on the documentation needed to disburse funds to borrowers. Self-employed individuals were able to apply for the loans in a second wave starting Friday, but banks didn't have instructions on how to process their loans until this week.

"With the funding drying up, many if not the majority of sole proprietorships and independent contractors will not have the same access and opportunities as the first wave of those eligible to apply," Bank of the West Corporate President Cynthia Blankenship said.

Corporate President Cynthia Blankenship said.

Some banks planned to continue taking applications as Congress figured out a way to restart the program. Bank lobbyists urged the SBA and Treasury Department to release guidance on how lenders should keep processing loans in the interim.

To banks on the front lines of the program, it was becoming clear that even another $250 billion would not be enough to meet the huge appetite for the loans, with hundreds of thousands of applications still pending.

"We think at the end of the day we're going to need upwards of $1 trillion in order to satisfy the demand of America's small businesses," Consumer Bankers Association President and CEO Richard Hunt said Wednesday.
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The New York Times
Some Banks Keep Customers' Stimulus Checks if Accounts Are Overdrawn
Financial institutions can use the government deposits to make up for recipients' negative balances.

By Emily Flitter and Alan Rappeport
April 16, 2020
Updated 5:39 a.m. ET

For some struggling Americans, the arrival of a deposit from the Treasury Department to help with basic expenses like rent and groceries during the coronavirus crisis was something to count on — until their financial institutions got in the way.

That was what happened to Benji Pedro of Columbia, S.C. Because his account at Safe Federal Credit Union was overdrawn by $2,650, he had planned to ask the Treasury Department to mail him a check. But before he could, the agency deposited $1,200 into the overdrawn account on Wednesday, and a representative of the credit union told him that it was keeping all of it, Mr. Pedro said.

Mr. Pedro, a 24-year-old recording artist who lives with his girlfriend and their child, said his account had been overdrawn because of subscriptions to two music services that he had forgotten to cancel.

Representatives of Safe Federal Credit Union had no immediate comment.

The phenomenon is swiftly becoming a political issue, with Treasury Secretary Steven Mnuchin fielding calls from senators urging him to ensure that relief money isn't garnished. Banks are legally allowed to withhold funds that go into accounts that have negative balances, and no specific provision in the CARES Act, the $2 trillion relief package that authorized the stimulus payments, prevents banks from taking customers' stimulus money to cover debts.

The practice isn't limited to small institutions. A Minneapolis woman said that she and her husband, a disabled veteran, had been anxiously awaiting help but that their bank, USAA, a financial services company that serves members of the military and their families, told them on Wednesday that it was keeping the money because their account was overdrawn. They had lost access to that account because they couldn't afford to pay off what they owed.

The woman, who did not want to be identified by name out of concern that her financial troubles could harm the careers of family members, showed The New York Times screenshots of a Twitter exchange between her husband and a USAA representative. Using USAA's verified Twitter account, the representative explained that if the family's bank account had a negative balance, "any deposits to the account will go toward the negative amount owed to the bank."

"If there are funds remaining after the negative balance is satisfied, depending on the account status, a check will either be mailed with the remaining amount or the account will allow you to access the funds," the representative added.

The woman had to quit her job after being unable to find child care when Minnesota ordered all day care centers to close because of the virus. She had been counting on $2,400 — the sum being distributed to married couples — to help pay rent and buy formula for her 10-month-old daughter. She and her young family had just moved into their own apartment after living with their extended family while they struggled to get out from under thousands of dollars of debt.

"Currently, a stimulus payment could be reduced when we execute legal garnishment or lien requirements," said Matthew Hartwig, a USAA spokesman, in an email to The Times. "A reduction can also occur in circumstances when the stimulus payment is deposited into an account with a negative balance.

"To better support our members, we are continuing to examine ways to address such occurrences during this pandemic," added Mr. Hartwig, who wouldn't comment on specific cases.

The government checks are meant to cushion the pandemic's financial blow to some of the hardest-hit Americans. Anyone who earns up to $75,000 in adjusted gross annual income and has a Social Security number will receive $1,200. Married couples who file joint tax returns will receive $2,400 if their adjusted gross income is under $150,000. The amount declines for those who make more.

In a March 2018 survey, the Pew Charitable Trusts, a nonpartisan research institute, found that more than 39 million Americans had incurred overdraft fees within the past year, with people essentially using overdrafting as credit.

Several politicians are calling for banks to stop garnishing stimulus payments. On Wednesday, Senators Elizabeth Warren of Massachusetts and Sherrod Brown of Ohio, both Democrats, implored the head of a bank trade group to tell its members to halt the practice.

"For weeks, we have pressed the Treasury Department to exercise its authority and ensure that Americans receive the full amount of their stimulus payments," the senators wrote in a letter to Rob Nichols, the chief executive of the American Bankers Association. "While Treasury has refused to follow congressional intent, that does not give banks license to steal the stimulus payments from their customers."

By contrast, the CARES Act specifically prohibits garnishing stimulus money for state or federal debts, except for court-mandated child support.

Not every bank is keeping its overdrawn customers' money. Bank of America, JPMorgan Chase, Citibank and Wells Fargo — the nation's four biggest banks — are pausing their collections on negative account balances to give customers access to the stimulus.

"We are temporarily crediting the overdrawn amount for customers, giving them full access to their stimulus payment," said Anne Pace, a spokeswoman for Chase, in an email to The Times on Wednesday. "We hope this gives them a chance to catch their breath."

On Monday, a group of 25 state attorneys general also registered their disapproval of garnishing relief checks. "During this public health and economic crisis, the states do not believe that the billions of dollars appropriated by Congress to help keep hardworking Americans afloat should be subject to garnishment," they wrote in a letter to Mr. Mnuchin.

The American Prospect this week unearthed an audio recording of a Treasury official discussing with banks how stimulus money should be handled when there are outstanding loans or other debts. The official, Ronda Kent, said that "there's nothing in the law that precludes that action" and that it was up to the discretion of the banks.

Progressive watchdog groups have seized on the issue to criticize the Trump administration's handling of the economic crisis, describing it as a giveaway for banks.

"This money should be going toward food, rent and medicine — it's not the time to hand out favors to debt-collection industry donors or pad some big bank's bottom line," said Jeremy Funk, a spokesman for Allied Progress. "Secretary Mnuchin needs to ensure that these $1,200 checks go straight into Americans' pockets, where they belong."

The Treasury Department had no comment.

Another hopeful stimulus recipient described having to fight for hours with her credit union on Wednesday before it would release the full $2,400 deposit. Initially, the institution, Digital Credit Union, which is based in Marlborough, Mass., kept $1,000 to make up for the customer's overdrawn account balance.

The customer did not want to be identified because she was worried that the lender would close her accounts or penalize her for speaking publicly. She and her husband have four children. His hours at a group home for children were recently cut to three days a week, she said. She is out of work.

She said that after multiple calls, a representative had agreed to return the $1,000 to her. She said she was sharing her story because she was worried that other people would not have the stamina to fight for the money the way she had.

Edward Niser, a spokesman for Digital Credit Union, said in an email that the institution could not comment on individuals, citing privacy reasons.

"In these difficult times," he said, "we are there to support our members and we are making every possible effort to follow evolving federal and state guidance."

Emily Flitter covers banking and Wall Street. Before joining The Times in 2017, she spent eight years at Reuters, writing about politics, financial crimes and the environment. @FlitterOnFraud

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The New York Times
I'm Overseeing the Coronavirus Relief Bill. The Strings Aren't Attached.
The Oversight Commission is the only body that can investigate these enormous spending decisions now, without interference from President Trump.

By Bharat Ramamurti
Mr. Ramamurti is a member of the Congressional Oversight Commission for the CARES Act.

April 16, 2020

Congress recently gave the Treasury Department and the Federal Reserve broad authority to lend out trillions of dollars to businesses, states and municipalities struggling because of coronavirus distancing orders. The key question is whether that money ends up helping working people or flows instead to the managers, executives and investors who have already taken so much of the income gains in the past decade.

The Congressional Oversight Commission, which I was appointed to by the Senate minority leader, Chuck Schumer, last week, is the only body that can investigate the decisions made by the Treasury and the Fed without interference from President Trump, who has already tampered with the two other oversight bodies the CARES Act created. The public's best hope is for Congress to quickly appoint the other four commissioners and let us get to work on the behalf of taxpayers, tracking the more than $2 trillion in lending that is already in the pipeline

Because the Fed can put 10 times or more of its own money behind the $500 billion from the CARES Act, there is likely to be many trillions more in publicly directed lending to come.

Congress placed certain conditions on some of the funds: Some of the money is set aside for companies critical to national security; certain loans to companies must come with restrictions on shareholder payouts and executive compensation; foreign companies as well as companies controlled by the top executive branch officials and members of Congress (and their families) can't receive loans. But beyond those basic rules, the Treasury and the Fed decide who gets money, how much they get and on what terms.

The Fed's announcement on Thursday of roughly $2.3 trillion in lending raises several concerns. The lending program for big businesses, for example, comes with no requirement that beneficiaries keep workers on payroll and no restrictions on stock buybacks, dividends or executive pay. At a time when millions of people are filing for unemployment each week, why would the Treasury and the Fed use public money to support companies that could turn around and slash payroll while paying giant executive bonuses and directing billions to shareholders?

The Fed's lending program for midsize businesses comes with more strings attached to ensure fairness, but they are still short of what Congress recommended in the CARES Act. The program does not include recommended limitations on outsourcing jobs or respecting collective bargaining, and inexplicably, the Fed softens the requirement for keeping workers on payroll.

The Fed also announced that it would use public money to purchase noninvestment grade debt, also known as junk bonds. That decision does help insulate financial firms from losses they might otherwise have faced for risky lending to deeply indebted companies. But it's not clear how the government covering for these firms — which often profited handsomely from these risks — is in the broader public interest. The Fed and the Treasury have not explained.

In better news, the lending program for state and local governments is a welcome step. But it also includes worrisome design choices. While every state is eligible for loans, only counties with more than two million residents and cities with more than one million residents can obtain them. Those cutoffs exclude certain cities and counties with strong credit ratings and great need — including the 35 cities in America with the highest percentage of black residents, such as Atlanta, Detroit and Baltimore.

The Fed and the Treasury also capped total lending through the program at $500 billion, which is far too little to address the severe financial situation facing our state and local governments. And the lending program requires government borrowers to repay loans more quickly than far riskier companies.

This Oversight Commission — which was modeled after the oversight panel for the bank bailout in 2008 led by then-professor Elizabeth Warren — can deliver the needed scrutiny, obtaining documents from agencies, holding public hearings and delivering monthly reports. The commission should use all of the tools available to get answers from the Treasury and the Fed, track how beneficiaries are spending public money and assess whether the public is benefiting from the half-trillion dollars it has put at the Treasury's and the Fed's disposal.

The other four seats on the Oversight Commission can and should be filled as soon as possible. The commission has the explicit mission of reporting on how these lending programs affect "the financial well-being of the people of the United States." We must deliver our first public report by early May. Trillions of dollars will be flying out the door in the weeks ahead. Our watching eyes can help ensure that the money broadly benefits American families. There isn't time to waste.

Bharat Ramamurti is a member of the Congressional Oversight Commission and served as an economic adviser to Senator Elizabeth Warren of Massachusetts.

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The Washington Post

U.S. now has 22 million unemployed, wiping out a decade of job gains
Last week, 5.2 million people filed unemployment claims, bringing the total to 22 million in the four weeks since President Trump declared a national emergency.

By Heather Long

April 16 at 9:13 AM
More than 22 million Americans have filed for unemployment aid since President Trump declared a national emergency four weeks ago, a staggering loss of jobs that has wiped out a decade of employment gains and pushed families to line up at food banks as they await government help.

Last week, 5.2 million people filed unemployment insurance claims in the week ending April 11, the Labor Department reported Thursday, making it among one of the bigger spikes, although smaller than the 6.6 million people who applied the week before and the record 6.9 million people who applied the week that ended on March 28.

The United States has not seen this level of job loss since the Great Depression, and the government is struggling to respond fast enough to the deadly coronavirus health crisis and the economic crisis triggered by shutting down so many businesses.

The eye-popping job losses in the past month have erased virtually all of the 22.8 million jobs gained from February 2010 to February 2020 during the rebound from the Great Recession.

A growing number of economists warn that recovering from the "Great Lockdown" is going to take a long time, and millions of Americans are likely to remain out of a job through the end of the year. Even after parts of the economy reopen, unless there is widespread testing or a vaccine, people are going to remain fearful of venturing out again to restaurants or offices, many experts say.

[A quarter of Michigan workers have filed for unemployment aid]

In addition to health concerns, Americans typically slash their spending when they see widespread job losses and pay cuts among their friends and family members, another issue likely to prevent a rapid recovery.

[Sign up for our Coronavirus Updates newsletter to track the outbreak. All stories linked in the newsletter are free to access.]

The U.S. unemployment rate is already over 20 percent, according to two professors who are tracking the data in real time. It is expected remain close to 10 percent through the end of the year, meaning 1 in 10 people would still be out of work at the holidays, the National Association for Business Economics says.

[Here's what reopening the economy is likely to look like: More masks, fewer workers, high unease]

"We are going to go through a couple of quarters, at least, where things will be bad," said Patrick Harker, president of the Federal Reserve Bank of Philadelphia. "I could see a [jobless] number hovering around or slightly below 20 percent, even."

Every state and nearly every industry has experienced job losses because of the nationwide lockdown. Several key swing states for the upcoming presidential election are among those hit hardest as layoffs in manufacturing and hospitality mount. In Michigan, a quarter of workers have applied for unemployment in the past month.

Pennsylvania and Nevada and Ohio have close to 20 percent of workers out of a job and Ohio is near 15 percent. The worst state of all is Hawaii since the tourism industry has been devastated.

"Households are spooked by the idea that they might lose their jobs again or have their hours cut again. They see so many different ways their lives can get disrupted," said economist Ernie Tedeschi of Evercore ISI, a research firm. "They are not going to be confident that things are back to normal until well after the virus has passed."

[The $1,200 stimulus checks are arriving. People are mostly spending them on food]

Tedeschi, a former Treasury Department official, said the psychological scars of so many job losses are likely to be long-lasting. He pointed to how millennials have been reluctant to buy homes, years after the Great Recession, because they are still spooked by seeing so many family and friends experience foreclosure or personal bankruptcy.

Government aid has been slow to arrive as state unemployment offices struggle to process the deluge of cases, and about half of the federal government's "stimulus checks" have yet to go out because the Internal Revenue Service lacks people's latest bank account information.

The 22 million jobless figure is likely an understatement since most gig workers and temporary employees have not been able to apply for aid yet.

"Once one adds in those not captured by the data, we are almost certainly facing a 20 percent unemployment rate now," said Joseph Brusuelas, chief economist at audit firm RSM. "At this point in the pandemic, roughly one in every seven individuals in the workforce is unemployed."

Only 19 states are accepting applications from gig workers and others who normally don't qualify for traditional aid but are supposed to get the $600 a week pandemic unemployment that Congress approved in March, according to Employ America which is tracking the state unemployment office problems closely.

Amanda Fleming lives in Virginia, which is not accepting unemployment applications yet from self-employed workers.

Fleming and her husband run a tree cutting business. They have not been able to even apply for unemployment. Their Small Business Administration loan has not come through, and they were one of millions of Americans who found out this week that their stimulus check is delayed.

"Just any help soon would be nice. My son's prescriptions are coming up soon for renewal," said Fleming, who lives in Clintwood, Va. "I know it's not anybody's fault, but it's just a mess."

The Fleming family told their landlord they would pay the other half of the rent this week after their stimulus check came through, but now they don't know when the money will arrive. Fleming borrowed money from family to buy groceries this week. She spoke to The Washington Post on her way home from the grocery store.

Their tree cutting business doesn't have direct employees, but several people in the area work with them as independent contractors. Some have called Fleming asking for money because they are also in need and have yet to receive the government's financial help.

"We don't know how long this is going to last," Fleming said. "Our contract workers are looking at us right now, too. What should we do? I've even had some of them ask for money because they are in the same situation."

Andrew Van Dam contributed to this report.

Heather Long Heather Long is an economics correspondent. Before joining The Washington Post, she was a senior economics reporter at CNN and a columnist and deputy editor at the Patriot-News in Harrisburg, Pa. She also worked at an investment firm in London. Follow

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MarketWatch

The IRS is sending $1,200 stimulus checks to dead people

Published: April 16, 2020 at 8:21 a.m. ET

By Andrew Keshner

More than 80 million Americans are expected to get their stimulus money this week, according to the Treasury Department

Many Americans are eagerly anticipating stimulus checks of up to $1,200 starting this week, but in a few cases the recipients won't be celebrating — because they're dead.

The IRS began distributing $290 billion in direct cash payments within the past week as part of a $2 trillion CARES Act stimulus bill, and anecdotes are already surfacing about the IRS issuing money to the deceased.

Rep. Thomas Massie, a Republican from Kentucky, said Wednesday a friend texted him to say his father, dead since 2018, had just received his $1,200 in stimulus money.

"Ok this is insane, but just the tip of the iceberg. This is a direct text to me from a friend. I called to confirm this actually just happened," Massie wrote on Twitter TWTR, -2.18%.The legislator became the target of bipartisan scorn late last month when he unsuccessfully asked for a roll-call vote on the stimulus bill.

In Florida, tax preparer Adam Markowitz has also seen examples among his clientele of the IRS sending stimulus money to dead people this week. (He declined to go into more specifics to protect his clients' privacy.) What's more, it appears the survivors can keep the money, he told MarketWatch.

'There is nothing that the IRS has that is preventing someone who is deceased from receiving this money.' — Adam Markowitz, vice president of Howard L Markowitz PA, CPA .

"There is nothing that the IRS has that is preventing someone who is deceased from receiving this money," said Markowitz, an enrolled agent and vice president of Howard L Markowitz PA, CPA, based in Leesburg, Fla.

It's important to remember some of the stimulus check guidelines to understand how such a twist of events can occur.

When the IRS determines eligibility and check amounts, it's looking at the adjusted gross income on a household's 2019 tax return. (Those are the returns being filed in the current tax season that ends July 15.)

If the IRS doesn't yet have the 2019 return, it looks at the adjusted gross income on the 2018 tax return to determine the size of a household's stimulus check.

Single filers with adjusted gross incomes below $75,000 will receive a $1,200 payment and married couples making under $150,000 will receive a $2,400 check. The government will also pay $500 per qualifying child under age 17.

"The IRS claims it is going to take the data from your most recent tax return that is available," Markowitz said. "If a taxpayer filed jointly with a deceased spouse in 2018 and has not filed a 2019 tax return yet, the IRS likely has no safeguard in place to ensure that it won't make that payment to someone who is no longer with us."

Massie noted his friend filed the father's taxes for 2018. His office did not immediately respond to a request for comment beyond his tweets.

The stimulus bill's top goal was to provide quick cash to consumers and businesses, not complete precision, according to Nicole Kaeding, an economist and vice president of policy promotion at the National Taxpayers Union Foundation, a right-leaning tax think tank.

One key part of the stimulus bill is 'that if the IRS sends you too much money, you do not need to pay it back.' — Nicole Kaeding, an economist and vice president of policy promotion at the National Taxpayers Union Foundation .

"An important provision of the [Coronavirus Aid, Relief, and Economic Security] act, as it relates to these

checks, is that if the IRS sends you too much money, you do not need to pay it back," Kaeding said. "It is considered a clerical or math error on behalf of the IRS. And that's important because they were trying to issue these checks quickly."

The IRS knows "some people will receive money even when they didn't qualify, but expedited processing was their No. 1 concern."

The IRS and the Treasury Department did not immediately respond to requests for comment.

The real open question was "the opposite situation, where someone didn't get enough," Kaeding noted. That might happen, for example, if a woman had a child after she filed a 2018 tax return but hasn't yet filed a 2019 return, and potentially missed out on $500 for the newborn.

"The IRS would not include the child in their check, however the child would qualify," she said. Tax experts are waiting for Treasury Department guidance on what will happen in that type of scenario, Kaeding said.
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The Wall Street Journal

Economics vs. Epidemiology: Quantifying the Trade-Off
Their estimates show the benefits of social distancing exceed the costs, but they will need to delve deeper

By Greg Ip

Updated April 15, 2020 9:57 pm ET

The rising economic toll of pandemic-induced shutdowns is fueling suspicions that government leaders are listening too much to epidemiologists and not enough to economists.

That is understandable. Yet if economists were in charge, the policy response probably wouldn't be much different. While epidemiologists and economists study different problems, their approaches are similar, with a heavy reliance on statistics and an awareness of trade-offs.

Epidemiologists know that extensive social distancing is costly, in terms of forgone wages, damage to physical and mental health, and harm to children's learning when schools are closed. Economists, similarly, know that even without lockdowns, a pandemic inflicts costs in terms of absenteeism, reduced consumption, lost lives, impaired health and uncertainty.

Devising a policy response requires input from both disciplines—epidemiologists to estimate the benefits of social distancing in lives saved, and economists to calculate the costs in forgone jobs and income. So far, their work suggests the benefits exceed the costs, though that conclusion is surrounded by uncertainty. As governors explore when and how to reopen their economies, economists and epidemiologists need to help them devise interventions that both maximize lives saved and minimize the economic cost.

Basic pandemic models start with estimates of how much of a population is susceptible, how many and how quickly other people are infected by each infected person, and what proportion of the infected will recover. Those models can then be enriched with more granular data about geographic and demographic subpopulations.

Alessandro Vespignani, director of the Network Science Institute at Northeastern University, heads a team that has modeled the spread of Covid-19 and numerous previous pandemics. Its model divides the U.S. into segments of 10 square miles, integrates airline traffic and commuting patterns, and then adds restrictions such as school closures as they are implemented.

The benefit of mitigation measures can be derived by comparing current projections of the number of deaths to a baseline that assumes no mitigation measures are adopted. A team at Imperial College in London in mid-March put that baseline at 2.2 million deaths in the U.S., and Mr. Vespignani's team got similar results. Such a scenario would probably never happen in real life: People would social distance, whether or not governments ordered it. But it is a useful benchmark nonetheless.

The Northeastern team estimates the actual number of U.S. deaths as of April 15 at 34,000 (higher than the number so far reported) compared with 159,000 in the unmitigated scenario—implying that mitigation has saved more than 100,000 lives so far. By month's end, the model projects 53,000 deaths, compared with 584,000 without mitigation, implying that half a million lives will be saved. There are wide uncertainty bands around all those figures.

What's the value of those lives saved? Every life is priceless, of course, but people nonetheless implicitly put a price on it—think of life insurance. Federal regulators put the statistical value of a life at around $10 million. Multiply that by Northeastern's estimates, and the benefits of mitigation measures so far come to $1 trillion. That grows to $5 trillion by month's end. If you assume 2 million deaths are avoided, the value grows to $20 trillion—about a year's worth of gross domestic product.

These are rough measures, and the ways of calculating the benefits can vary. In a March paper, Michael Greenstone and Vishan Nigam of the University of Chicago assign a lower value to older people and a higher one for the young. On that basis, they conclude that three months of social distancing could save 1.7 million lives worth $8 trillion.

So much for the benefit. What about the cost? Economists surveyed by The Wall Street Journal forecast annual GDP growth of 0.9% through 2022. That is down from a forecast of 1.9% in January, before social-distancing measures were adopted. I estimate that amounts to a loss of $3 trillion in today's dollars. So in this accounting sense, the trade-off is worth it. Note that governments can't recoup that loss simply by lifting restrictions because many people would stay at home out of fear of infection.

Now, the caveats. My estimate of forgone GDP excludes the years after 2022, as well as nonmonetary costs such as less socializing and long-term harm to mental health or learning. And economists may be underestimating how persistent the pandemic's hit to employment and incomes will be. The most pessimistic forecast in the latest survey of economists yields a three-year loss of $7.5 trillion—more than twice as much as the median scenario.

The death estimates are also uncertain. If fatality rates have been overestimated, then baseline estimates of 2 million deaths may be too high. Mr. Vespignani said it isn't likely to change much as epidemiologists are reasonably confident about the plausible range of fatality rates. But he said epidemiologists know a lot less about Covid-19 than the flu or Ebola. For example, they don't know the proportion of asymptomatic infections, which affects estimates of how far and how fast infections are transmitted.

But the biggest gap in our knowledge involves the costs and benefits of individual mitigation measures. Epidemiological models can estimate the aggregate benefit in terms of lives saved, but are much less precise about the benefit of any individual measure.

Filling this gap is crucial now so that governors can evaluate the most effective, least costly ways to reopen the economy, such as wearing masks, isolating vulnerable groups, testing aggressively, tracking and tracing, or a combination.

Mr. Vespignani's group is now making such estimates for the Boston area, using detailed household data to determine the feasibility and effect of contact tracing and isolation. He hopes this will identify strategies that are less disruptive than total lockdowns.

"The decisions that will be made in the next few weeks must include economists and epidemiologists and public-health people, to find the trade-off between those two viewpoints," he said.

Write to Greg Ip at greg.ip@wsj.com
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The Wall Street Journal

U.S. Jobless Claims Top 20 Million Since Start of Shutdowns
Another 5.2 million Americans filed for unemployment benefits in latest week

By Eric Morath and Sarah Chaney

Updated April 16, 2020 8:49 am ET

WASHINGTON—Another 5.2 million Americans filed for unemployment benefits last week, bringing the total seeking aid in a month of coronavirus-related shutdowns to 22 million and showing a broad shock for the U.S. labor market.

Total claims filed in the week ended April 11 were down from the 6.6 million filed the prior week, the Labor Department said Thursday. For the March 28 week, 6.9 million claims were filed, and 3.3 million the week before. Prior to the pandemic, the largest number of Americans to ask for unemployment benefits in a four-week stretch was 2.7 million, in the fall of 1982.

Thursday's report also showed 12 million Americans received unemployment payments in the week ended April 4, a record high. That is up from 7.4 million the prior week, which exceeded the highest level set in the 2007-2009 recession.

"It might take until mid-May or longer before we see claims declining" to much lower levels, University of Michigan labor economist Daniil Manaenkov said ahead of the latest data. "It could take until we see the economy partially reopen."

More Americans are receiving enhanced jobless benefits of $600 a week on top of usual state payments, and additional workers are eligible to receive unemployment insurance under the federal stimulus package signed into law in March. The expansion of benefits could make it more attractive for workers to apply, keeping claims at very high levels.

Laid-off workers in 29 states should be receiving the extra $600 in weekly benefits, Labor Secretary Eugene Scalia said Wednesday. Other states will take longer to deliver the larger payments because they are relying on decades-old computer equipment. States will owe catch-up payments to workers backdating to the first week of April.

State officials expect another surge in claims as they begin to process applications for gig-economy workers and self-employed people who are newly eligible.

Rhode Island may provide an early glimpse of the effect of the stimulus package on claims. The state received about 37,000 applications for unemployment benefits from April 7 through last Saturday, 22,000 of which were from workers applying for expanded assistance under the emergency federal relief.

As claims increase, many Americans say they are unable to navigate overwhelmed systems.

Sonya Stalnaker, of Winter Garden, Fla., lost her job as a painter at a resort on March 16 and said she has been trying to apply for unemployment benefits without success. After filling out an online application, Ms. Stalnaker received a message directing her to call to verify her identity. Despite multiple attempts, she hasn't been able to reach a state Labor Department representative.

Ms. Stalnaker, 48 years old, said she depleted her savings while waiting to get through the system. She is seeking relief on her cellphone bills and hoping to keep her utilities running.

"I'm just trying to keep my head above water and not drown," she said, adding that she has turned to her church for financial support. "It's just pinching pennies right now."

How long weekly jobless claims remain in the multimillions will give some insight into the degree to which job loss is spilling beyond initial, hard-hit industries, such as restaurants, the hospitality industry and mall retailers, to other sectors of the economy.

Mandated closures and social-distancing guidelines were implemented in a matter of weeks across most of the country. Unlike a cyclical recession in which job loss increases over months, most economists expect coronavirus-related job loss to be concentrated early in the crisis, meaning the number of people seeking benefits could taper off sooner rather than later.

Ian Shepherdson, economist at Pantheon Macroeconomics, expects claims to start declining in the coming weeks. He points to data showing a steep decline in Google searches seeking instructions on applying for benefits.

Other economists see claims in the multimillions persisting for weeks more because additional workers are eligible for benefits and others are still waiting for help.

Persistently high claims would indicate layoffs spreading across industries and the economy will need a prolonged period, perhaps years, to regain lost jobs.

However, the high level doesn't necessarily mean the unemployment rate will jump to the midteens or that payrolls will fall by that amount in the April jobs report, due May 8.

Some of those seeking benefits in recent weeks may have been jobless before the pandemic and only now seeking aid. Others filing claims might not be counted as unemployed under a statistical definition that requires a survey respondent to be actively seeking work. Laid-off workers may instead be counted as out of the labor force, perhaps because they aren't looking for work because of fear of illness or family-care responsibilities. They may also be incorrectly categorized as employed but not at work, when instead they have been temporarily laid off.

David Smith, a graphic designer in Wilmington, Del., is among those who expect to return to work but are facing hardship in the interim. He has tried unsuccessfully to apply for unemployment benefits online over the past two weeks.

"It's all online and there's nobody there to answer the phone, and I just got automated emails back," the 42-year-old said. Mr. Smith also has yet to receive a federal stimulus check.

The uncertainty caused him to be more careful with spending. "I have to say no a little more," he said, for instance if his children ask him to buy a new videogame. "I'm getting a little concerned because unemployment's not working. It's also out of my hands. We have to do what's safe."

—Harriet Torry contributed to this article.

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The New York Times

'Nowhere to Hide' as Unemployment Permeates the Economy
Jobless claims exceed 20 million in four weeks, inflicting a toll on the labor force not seen since the Great Depression.

By Nelson D. Schwartz
April 16, 2020
Updated 10:20 a.m. ET

Even as political leaders wrangle over how and when to restart the American economy, the coronavirus pandemic's devastation became more evident Thursday with more than 5.2 million workers added to the tally of the unemployed.

In the last four weeks, the number of unemployment claims has reached 22 million — roughly the net number of jobs created in a nine-and-a-half-year stretch that began after the last recession and ended with the pandemic's arrival.

The latest figure from the Labor Department, reflecting last week's initial claims, underscores how the downdraft has spread to every corner of the economy: hotels and restaurants, mass retailers, manufacturers and white-collar strongholds like law firms.

"There's nowhere to hide," said Diane Swonk, chief economist at Grant Thornton in Chicago. "This is the deepest, fastest, most broad-based recession we've ever seen."

Some of the new jobless claims represent freshly laid-off workers; others are from people who had been trying for a week or more to file. "We're still playing catch-up on multiple fronts," Ms. Swonk said.

Each day seems to bring unwelcome milestones. On Wednesday, the Commerce Department reported the steepest monthly drop in retail sales since record-keeping began nearly 30 years ago, and the Federal Reserve said industrial production had recorded its biggest decline since 1946.

The mounting unemployment numbers seem certain to fuel the debate over how long to impose stay-at-home orders and restrictions on business activity. President Trump has said some measures should be relaxed soon because of the impact on workers. "There has to be a balance," he said at a press briefing Wednesday evening. "We have to get back to work."

Many governors and health experts are more cautious. If business conditions return to normal too quickly, they fear, a second wave of coronavirus infections could spread.

In the meantime, job losses are sure to mount, though perhaps at a slower pace.

"The silver lining with this bad number is that it looks like the wave of job destruction has peaked," said Torsten Slok, chief economist at Deutsche Bank Securities. "Getting a date for reopening and getting more certainty about reopening is critical."

Mr. Slok expects the unemployment rate to hit 17 percent this month, up from 4.4 percent in March and higher than any mark since the Great Depression. "These are truly stunning statistics that tell you the severity of the situation," be said."Let's not forget we talked about 200,000 in jobless claims in January and February and now we are in the millions. That illustrates how bad a number this is."

When restrictions are lifted, the recovery is expected to be gradual. "My worry is that it will be a slow rollout, as it should be, which means a slow recovery," said Beth Ann Bovino, chief U.S. economist at S&P Global. "Turning on the U.S. economy isn't like turning on a light bulb. It's just too big."

If businesses begin to reopen in May, "we wouldn't be surprised to see one-third of the jobs lost come back by July," she said. "But it will take years for unemployment to return to pre-crisis levels."

Like the coronavirus outbreak itself, the situation for workers varied by state. Georgia, which did not issue a shelter-in-place order until April 3, showed the biggest increase in those filing unemployment claims, with a jump of 256,000.

Other states that were late to close, like Arizona and Alabama, also showed sizable increases. Michigan, whose state employment agency has struggled to deal with a flood of claims, had a jump of 84,219.

The government's stimulus efforts have blunted the downturn's effects, but many state employment agencies remain overwhelmed. Not only have they been inundated by unemployment claims, but they have also had to retool systems to handle new benefits mandated by the stimulus legislation.

Getting money quickly to people who need it is essential to limiting the economic damage and heading off a prolonged downturn, economists say. Relying on state unemployment offices, however — which had been set up and staffed to deal with record-low jobless rates — has resulted in mammoth delays.

In New York, the state's call center handles 50,000 calls and 350,000 web visits in a typical week. In a peak week during the pandemic, it received 8.2 million calls and six million web visits.

The emergency relief enacted by Congress expanded benefits and eligibility to plug holes in an unemployment program that differs from state to state. The act extended jobless benefits to freelancers, part-timers, recent hires and other workers usually ineligible, added a $600 weekly supplement and offered an extra 13 weeks of benefits. But all of that assistance is not yet available in many states because of delays in adapting to the guidelines.

In Washington State, the volume of jobless claims last week was seven times the record pace set in the last recession, said Nick Demerice, public affairs director for the state's Employment Security Department. A 2017 software upgrade helped avoid the backlogs that have plagued other states, he said.

Nevertheless, the state is more than doubling the number of workers it has in its call centers. "This all happened at once," he said. "Unlike a typical economic downturn that happens incrementally, this is like a tsunami. We had staffing levels that were appropriate for the low unemployment we had. We are expanding our capability as fast as we can."

In Rhode Island, technology remains the sticking point, said Scott R. Jensen, director of the state's Department of Labor and Training. Its system is capable of handling a few thousand people daily who call or log in online. On Sunday, the department expects 90,000 people to try to access the system.

The state's 50 call-center employees are working from home, and officials negotiated an outsourcing agreement with union representatives to bring in 20 more from a private company. Administrators also hope to persuade 20 former employees to return to work.

New York State upgraded its system last week and plans to hire 1,200 more people to handle the flood of applicants. It is also calling back workers who could file only partial claims in the past few weeks.

Fern Weinbaum, who lives on the Upper East Side of Manhattan, received such a call on Saturday after repeated frustration in getting through. "I called over 100 times a day without success," said Ms. Weinbaum, 68, who was laid off from her position as a legal secretary at a small law firm late last month.

Without a paycheck or unemployment benefits, she dipped into savings to cover the rent in April. "I need that money to survive," she said. But she still isn't sure if her claim went through.

The benefits are also vital for Elyce Cooper, 68, who worked as an administrator at the Pavilion Grille, a catering hall and restaurant in Boca Raton, Fla. Ms. Cooper said she spent more than two weeks applying and experienced repeated crashes of the state website. If she missed filling in a line, she was forced to start from scratch. Then, despite the government-mandated shutdown, she was asked for proof that she was job-hunting.

According to the calculations on the website, Ms. Cooper said she should be eligible for the state's maximum payment of $275 a week — about half of what she normally earns. She was eventually able to file for the first week she was out of work, but has not been able to get online for the certification needed for the second and third weeks, and she has yet to receive a check.

Ms. Cooper said she expected to be rehired when the pandemic cases. The promise of $1,200 in federal emergency assistance and a $600 supplemental unemployment benefit should enable her to cover her bills, she said.

For Eric Winstanley, 38, a co-owner of Custom Covers and Canvas in Niagara Falls, N.Y., this is normally the busiest time of the year. His firm makes patio awnings and fabric covers for boats but shut down last month.

He kept his 35 workers on the payroll through March before having to lay them off.

The jobs pay well for blue-collar work: $20 to $23 an hour. And the furloughed workers include several family members, cousins and nephews of Mr. Winstanley who have worked for the business for years.

"It was extremely difficult," he said. "Everybody immediately expressed how they had bills to pay and families to feed, and that was one of the hardest parts of making this decision."

With three unpaid volunteers, Mr. Winstanley has kept the workshop occupied churning out masks and face shields for local hospitals and essential businesses in recent weeks. "If that succeeds, we might recall a couple of workers," he said. "Everyone is eager to come back to work."

Patricia Cohen and Tiffany Hsu contributed reporting.

Nelson D. Schwartz has covered economics since 2012. Previously, he wrote about Wall Street and banking, and also served as European economic correspondent in Paris. He joined The Times in 2007 as a feature writer for the Sunday Business section. @NelsonSchwartz
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The Washington Post
'Almost everybody I know is out of work': How the coronavirus has unleashed economic havoc in Michigan

By Tony Romm
April 16, 2020 at 9:31 a.m. EDT
Charles Johnson was only supposed to be stuck home for about a week. His manufacturing plant, which makes aluminum parts for Ford pickup trucks, shut its doors in March, like many others in Michigan, to arrest the spread of the novel coronavirus.

A week lapsed into a month, after Gov. Gretchen Whitmer (D) closed most businesses statewide. Out of a job for the foreseeable future, and running out of cash, the 46-year-old Johnson joined the ranks of more than 1 million Michigan workers seeking help in a state that's faced immense economic hardship amid a deadly pandemic.

"Almost everybody I know is out of work, or working only a couple of hours a week," Johnson said. He described his own bank account as "pretty low," although he's managing to scrape by.

Roughly a quarter of Michigan's eligible workforce is now trying to obtain unemployment aid, according to state officials, a staggering example of the economic carnage wrought by the coronavirus in a state that's no stranger to financial struggle.

More than a decade ago, the Great Recession ravaged manufacturing and imperiled cities here from Saginaw to Detroit, leaving people homeless, jobless, hungry, and in some cases, struggling to get aid. Recovery came slowly, and unequally, as many state programs were slashed and some factory jobs never returned at all.

Now, state and local leaders find themselves grappling with a more dire threat: a global health emergency in which Michigan has emerged as a major national hot spot. In response, government officials here are bracing for yet another economic crisis, this time perhaps on the magnitude of the Great Depression.

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"Even before the covid-19 crisis, we already had too many families in Michigan that were struggling every day," said Gilda Z. Jacobs, the executive director of the Michigan League for Public Policy. "Now we're finding it's even worse."

U.S. now has 22 million unemployed as economy sinks toward Depression-like scenario

The economic costs to Michigan workers are likely to be great, as are the political stakes entering the 2020 election. Four years ago, President Trump narrowly won the state — flipping a dozen counties from blue to red

— by wooing local voters who felt they were struggling financially.

Since then, though, companies including General Motors and U.S. Steel have proceeded with plans to close local plants. Trump's trade policies, and the tariffs he's imposed, have further compounded workers' woes, experts say. The recent layoffs are adding new economic pain, threatening to drive voters — facing the prospect of being out of a job indefinitely — to use the ballot box to exact revenge on those they see as responsible for their financial misfortune.

"The president has a big problem," said Dennis Darnoi, a Republican strategist and founder of Densar Consulting in Michigan. "The more it can be laid at his feet, that we knew it was coming, that he dawdled — he's going to lose votes in this state, and he doesn't numerically have the freedom to do that."

Republicans decry Michigan governor's latest stay-home order

The political tensions have become evident in recent days, amid the escalating feud between Trump and Whitmer, who has emerged as a potential vice presidential pick for the Democratic Party's presumptive presidential nominee, Joe Biden. Days after Trump attacked Whitmer outright, protesters wearing "Make America Great Again" hats stormed the capitol in Lansing, chanting "Lock her up!" as they demanded Whitmer to reopen the state.

The governor, who has received positive marks in recent approval polls, did not respond to a request for comment. On Wednesday, she said the protests threatened to "endanger people's lives." Tim Murtaugh, a spokesman for Trump's campaign, said the president "is leading the nation in this war against the coronavirus, and people in every state can see that."

Nationwide, the economic fallout from the coronavirus pandemic is coming into sharp, painful focus, nearly three months after U.S. health authorities reported the first known infection. More than 22 million Americans are out of a job and seeking unemployment benefits, according to federal data released Thursday, a spike that threatens to become magnitudes greater than even the last economic recession.

Michigan saw one of the largest spikes in initial claims for unemployment aid, with more than 219,000 seeking benefits for the first time during the week ending April 11, the new data show. But experts said the state's turmoil is likely to worsen before it improves, given the nature of an economy inexorably tied to an auto industry that's been depleted as consumers drive and purchase cars less often.

The peak unemployment rate during the coronavirus crisis is likely to be double what it was at the height of the 2007-2009 downturn, according to economists at the University of Michigan. They predicted job losses will continue in May before perhaps tapering off in June, provided the state is ready to reopen.

"Overall, we thought the economy was in pretty good shape," said Gabriel Ehrlich, a top economic forecaster at the university. He pointed to improvements in local industry and fixes to the state's finances that even left it with a healthy cash reserve, meaning Michigan was "doing respectively well compared to other states."

"But nobody could have anticipated the scale of the downturn we're seeing now," he added.

Cities and states brace for economic 'reckoning,' eyeing major cuts and fearing federal coronavirus aid isn't enough

In St. Clair Shores, about a half-hour from midtown Detroit, Renee Ansell and her family were grappling with the abrupt changes firsthand. Her husband, a local chef, hasn't been able to work because no one's dining out while covid-19 ravages the city, one of the worst hit in the entire country. Ansell said she filed for unemployment on her partner's behalf in late March, only to be stymied by a series of technical glitches and delays that have prevented them from receiving their first check.

Absent that aid, Ansell said she was worried about caring for her husband and three kids, and paying the family's bills and groceries. "People are going to be broke," she said. "Blue-collar people around here don't have a huge savings account."

The high degree of joblessness has had a cascading effect. With businesses shuttered, and people out of a paycheck, shopping has slowed dramatically. That has heavily depressed income and sales taxes, local leaders say, threatening budgets. And far fewer tourists are traveling to Michigan, staying in local hotels and visiting Grand Rapids, where typically the local breweries are hot spots that generate economic activity for the region, said Mark Washington, the city's manager.

"That has basically brought the local economy to a halt," he said earlier this month.

More than 2,100 U.S. cities brace for budget shortfalls due to coronavirus, survey finds, with many planning cuts and layoffs

In Lansing, the state's capital, the steep declines in revenue left state budget officials bracing for the worst: a revenue shortfall as high as $7 billion over the next 18 months.

"We have never seen a public health crisis of this magnitude, or an economic crisis of this magnitude, in such a short period of time," said Chris Kolb, the state's budget director.

State leaders may have no choice but to slash programs, many of which were already funded at reduced levels from the last economic downturn. Michigan may have to cut back on the revenue it shares with cities like Detroit and Flint, even as those cash-strapped local governments similarly struggle with the economic fallout caused by the coronavirus.

Detroit faced the largest municipal bankruptcy in U.S. history not even 10 years ago. Now, the city is at risk of falling $348 million short by the end of the next fiscal year, according to Mayor Mike Duggan, who announced an austerity plan at a somber news conference on Tuesday.

The blueprint would slash some city workers' hours and tap funds meant to clean up dilapidated, abandoned houses and urban blight to stave off a budget catastrophe. Anything short of a balanced budget would see the state reassume control of Detroit's finances, a loss of autonomy Duggan pledged to avoid.

"We were doing extremely well," Duggan said, before turning somber. "We probably got hit harder than any city in the country." A spokesman declined further comment for the story.

Underfunded, understaffed and under siege: Unemployment offices nationwide are struggling to do their jobs

How significantly these cuts affect the state — and government services, from education to public health — may depend on whether federal lawmakers in Washington augment existing aid to help local leaders close their major budget gaps.

Last month, Congress approved $150 billion in coronavirus-related aid to hard-hit cities and states as part of a $2 trillion aid package. But the Treasury Department has said the money cannot go toward helping local leaders avoid painful cuts and layoffs, sparking concerns among governors and city leaders nationwide. Some states said they'd need at least $500 billion to weather the coming budget storm.

"We need to put more money for state and local governments," said U.S. Rep. Debbie Dingell (D-Mich.). In doing so, she said she's also urging lawmakers to consider additional elements in their next coronavirus aid package that might help Michigan, including aid to the auto industry, given the sharp downturn in sales.

In the meantime, Michigan residents say they're scrambling.

Abby Finn, nutrition programs manager at Senior Services of Southwest Michigan, said she's witnessed the economic downturn firsthand. The number of housebound senior citizens requesting meal delivery from Meals on Wheels in her city, Kalamazoo, has jumped to about 170 in the past month, more than triple what it used to be.

What struck her, however, is the volunteer base in recent weeks, which now includes a lot of teachers, professors, students and others children aren't working or have had their full-time jobs scaled back — a sign, she said, of the economic havoc across the state.

"A lot of people are not working right now," she said. "They are under the understanding it is temporary, but they don't know."

Tony Romm is a technology policy reporter at The Washington Post. He has spent nearly ten years covering the ways that tech companies like Apple, Facebook and Google navigate the corridors of government – and the regulations that sometimes result.Follow
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The Washington Post
We're in an economic gutter. Can we crawl out?

By Robert J. Samuelson
Columnist

Columnist
April 16, 2020 at 10:00 a.m. EDT

Where is the demand to come from? That is the crucial economic question these days. If we can't answer it (and for now, we can't), then the outlook is bleak. It implies a weak recovery or — worse — a Depression-like stagnation with massive joblessness. Economists project the recovery to begin sometime in the summer. But who will do the spending needed to pull the economy from the gutter?

Consumers aren't a good bet. High unemployment has spread fear and anxiety among the newly jobless (22 million over the last month) and among those whose neighbors, parents, children and coworkers have been fired. They're likely to be stressed emotionally and restrained in their spending.

Full coverage of the coronavirus pandemic

What about business? The country could use an investment boom. But this too seems a long shot. For starters, all those scarred workers are also cautious customers. They don't represent the strong demand that would cause firms to undertake major expansions.

There's another problem. Cuts in spending by firms in what now seem risky sectors — think shale oil or airlines — have contributed to the economy's overall weakness. We don't need more capital goods; maybe we need less. Unsurprisingly, Boeing has just announced the cancellation of orders for 150 of its troubled 737 MAX aircraft.

Twice a year, the International Monetary Fund (IMF) publishes major studies of the global economy. The latest makes for somber reading. The table below shows how the IMF's forecasts have dramatically changed since 2019. The first column provides the actual rates of economic growth (gross domestic product, or GDP) in some major countries in 2019. The second and third columns give the IMF's current projections for 2020 and 2021.

The table has two striking features. The first is that the present downturn is clearly global. The economies of most major countries are contracting. Even the projected GDP increases in China and India in 2020 are puny compared with their past growth rates.
Sign up for our Coronavirus Updates newsletter to track the outbreak. All stories linked in the newsletter are free to access.

"It is very likely that this year the global economy will experience its worst recession since the Great Depression, surpassing that seen during the global financial crisis a decade ago," writes Gita Gopinath, the IMF's chief economist.

The second message from the table is that, despite the severity of the downturn, the projected recovery for 2021 is fairly optimistic. Could this be? You can construct an optimistic case. "Mitigation" works and the number of new cases of coronavirus drops. People feel safer. Extra health spending related to the pandemic offsets some loss in consumer buying. The stock market (at this writing) has recovered some of its previous losses, bolstering confidence.

Finally, there's all that money, starting with the $2.2 trillion Cares Act. It pledges $1,200 for most poor and middle-income Americans; loans to small businesses that can be converted into grants; and more loans and grants for larger firms. In addition, the Federal Reserve says it will inject $2.3 trillion into financial markets to prevent a collapse of credit.

Surely all this money must answer the initial question: Whose spending will revive the economy? The answer: the government's.

Maybe not.

The Opinions section is looking for stories of how the coronavirus has affected people of all walks of life. Write to us.

What's overlooked is that much of the money pledged by the Fed and Congress does not stimulate the economy so much as it prevents further weakening. Simplified, here's what happens.

When investors get frightened, they may sell high-risk securities (say, poorly rated corporate bonds) and buy low-risk securities (say, Treasury bills, notes and bonds). If too much of this occurs, the credit available to the private sector may shrink, hurting economic growth and hiring. By buying the low-rated securities, the Fed aims to dampen this cycle. It substitutes the government's credit for the private credit that has been withdrawn.

To summarize: A good deal of the so-called stimulus doesn't really stimulate. Instead, it stabilizes — or aims to stabilize — financial markets. What we don't seem to know is how much "stimulus" is of this type, as opposed to genuine stimulus that expands the economy. But it's probably considerable, raising the same question: Whose spending will lift the recovery?

**spending will hit the recovery.**

**What is unsettling about this crisis is that it doesn't fit our preconceived notions of how the world works. What**

**we don't understand and can't control makes us feel vulnerable. The expectation that after the present recession we should have a standard recovery is based on our past experience. It's not inevitable. The most obvious alternative would be a prolonged period of high unemployment that bears a striking resemblance to the Great Depression.**

**Robert J. Samuelson writes a twice-weekly column on economics.**

**The Financial Times**
**US banks detail dramatic fall in credit card spending**
**Citigroup says customers reduced purchases by about 30 per cent in last week of March**
**Robert Armstrong in New York**
**April 16, 2020**
**As the coronavirus shutdown drags on, banks are bracing for rising credit card losses as unemployed and underemployed consumers lose the ability to pay back revolving debt taken on during better times.**
**First-quarter earnings reports from big US banks suggest that reckoning is probably months away. But the results do capture the dramatic changes in customer behaviour that occurred as the US was shut down in March — including a dramatic reduction in consumer spending.**

**Perhaps the starkest report of consumers pulling back came from Citigroup, whose US customers charged $450bn on the bank's credit cards last year. Card spending fell "about 30 per cent" in the last week of March, according to Mark Mason, chief financial officer, with categories like dining and discretionary retail down by much more.**

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**The question is when this is over, do those loans start paying again and it's fine — or is there going to be a big wall of charge-offs**
**Jeffrey Harte, bank analyst at Piper Sandler**

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**While overall card spending and loan balances were roughly flat in the first quarter, relative to the year before, Mr Mason said loan volumes would likely continue to fall, hitting revenue.**

**"We would expect there to be continued pressure on purchase sale volumes through most of the second quarter," he said.**

**Credit quality in Citi's card book did weaken, but the changes were marginal. Card loans more than 30 days overdue and loan write-offs only rose a fraction of a per cent as a proportion of total loans.**

**The same general pattern played out at JPMorgan Chase and Bank of America, the only two banks with larger card lending franchises than Citigroup. Jennifer Piepszak, JPMorgan's chief financial officer, said that given trends in April, she expected card loans "to trend down from here". Paul Donofrio, BofA's chief financial officer, said the first quarter was simply "too early to see any significant effects of Covid on net charge-offs".**

**What the banks saw at the end of last month is borne out in the national data. Total revolving consumer loans at US banks fell by about 1.5 per cent in each of the past two weeks, dropping to $833bn, according to the Federal Reserve. Those were the biggest weekly declines since 2010.**

**"When people know things are blowing up, they don't go out and buy refrigerators — they are not out to beat the system," said Brian Riley, card analyst at the Mercator Advisory Group. "Discretionary spending goes way down."**

**As the lockdown continues, Mr Riley said he expected card issuers would take a double hit: transaction volumes falling and delinquencies rising. In six months, he said, that would translate to a wave of loan charge-offs.**

**Mr Riley added ominously that the charge-off rate on credit card loans tends to peak at the same level as the unemployment rate, measured in percentage points. With estimates of unemployment reaching as high as 30 per cent, that could push charge-offs to unprecedented levels.**

**The situation may be difficult to monitor, however, because most of the big banks have offered payment deferrals to customers affected by the virus, and those missed payments will not be included in delinquency numbers.**

**Mr Donofrio of BofA said that while he expected higher losses on consumer loans, "We believe deferrals, coupled with government stimulus ... should aid in minimising future losses."**

with government stimulus . . . should aid in minimising future losses.

Investors were not reassured. Shares in Citigroup, JPMorgan, and BofA all fell nearly 5 per cent or more on Wednesday.

Jeffrey Harte, bank analyst at Piper Sandler, put this down to bank management teams saying that, after multibillion-dollar increases this quarter in reserves for loan losses, there may be more to come.

Payment deferrals only add to the uncertainty. "The question is when this is over, do those loans start paying again and it's fine — or is there going to be a big wall of charge-offs?"

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The Financial Times
Neel Kashkari: Big US banks should raise $200bn in capital now
Biggest lenders must prepare for the worst to survive deep economic downturn, writes Fed official
NEEL KASHKARI
Neel Kashkari
April 16, 2020
The writer, president and chief executive of the Federal Reserve Bank of Minneapolis, oversaw the Troubled Asset Relief Program in 2008-09

Large banks are eager to be part of the solution to the coronavirus crisis. The most patriotic thing they could do today would be to stop paying dividends and raise equity capital, to ensure that they can endure a deep economic downturn. Unlike the rest of us, banks have the ability to essentially vaccinate themselves against this crisis. They should do so now.

When financial strains emerged in 2007, US officials urged large bank chief executives to raise equity to make sure they had the wherewithal to survive a crisis. The most common answer was: "We're fine. We don't need it. Our balance sheet is rock solid." They only realised that they had serious problems after the deep losses were obvious to everyone, especially financial markets. At that point it was much more difficult, if not impossible, for them to issue equity because their stock prices had already collapsed. And that was when governments in the US and elsewhere had no choice but to step in with bailouts.

Here is how a prolonged Covid-19 crisis could put banks at risk again. We have already heard stories about how US small businesses, having laid off their staffs, tell their landlords they will not pay rent until the crisis passes. The landlords then tell their bankers they will not make the mortgage payment.
Multiply that example by thousands. The economic costs of the crisis eventually roll up into the banking sector.

Banks have to pay the interest on their own liabilities, such as deposits. Doing otherwise would trigger a default. So they must pay their creditors while absorbing the losses out of their equity. While banks have more equity today than they had going into the 2008 financial crisis, the lockdowns are imposing economic hardship far more quickly this time.

We simply do not know how large the losses from this crisis will be, because the depth and duration of the downturn depends on how the virus progresses and how our healthcare systems respond. Experts say a vaccine will not be ready for 18 months. Will new therapies emerge sooner that allow us to relax the economic shutdown while still protecting people? Nobody knows.

It is not hard to see scenarios where we have to impose some economic controls for months on end. In 2009, according to the Centers for Disease Control and Prevention, 61m Americans, or roughly 20 per cent of the population, contracted swine flu. Fortunately the mortality rate was low. There is still tremendous uncertainty around the Covid-19 death rate.

Even if government officials relax official controls, should the virus continue to spread rapidly Americans will socially distance on their own. Most people are not going to expose their families to serious health risks if they can avoid it.

An extended economic downturn could easily sap banks' current equity capital. Stress test modelling by the Minneapolis Fed indicates that under severe Covid-19 scenarios, large banks, those with assets greater than $100bn each, could together lose hundreds of billions of dollars of equity capital.

Banks will argue that this crisis is not their fault, any more than it is the fault of airlines or hotel operators. So

Banks will argue that this crisis is not their fault, any more than it is the fault of airlines or hotel operators. So why should they not get a bailout too? There is an important difference: we can see this risk coming and banks have time to prepare for it. Airlines and hotel companies did not have advance warning.

Everyone else is doing extraordinary things. People are staying home and sacrificing their livelihoods to slow the virus. First responders are working night and day to care for the sick, while potentially exposing themselves. Congress just passed a $2tn rescue package. The Federal Reserve has launched numerous emergency lending programmes. Banks must do their part by discontinuing dividends and raising capital now.

In 2008, US taxpayers injected about $200bn of capital to strengthen banks. Raising that amount from private investors today, as a strong, preventive measure, would ensure that large banks can support the economy over a broad range of virus scenarios.

If the crisis turns out less serious than we fear, banks can return the capital through buybacks and dividends once the crisis passes. We will then celebrate their action to support the public during a national emergency. As bankers are fond of telling their clients: no one has ever regretted raising capital.


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The Financial Times
American jobless claims mount to 22m since shutdowns
Total of first-time applicants for unemployment benefits rises by 5.2m in fourth week of lockdowns
Mamta Badkar in New York and Brendan Greeley in Washington
April 16, 2020
More than 5.2m Americans filed new claims for unemployment insurance last week, pushing the total in one month to more than 22m, in the latest sign of the staggering job losses from the coronavirus shutdowns.

The jobless figures follow a series of data this week that documented the magnitude of the blow from the public health crisis to all parts of the economy, with historical declines in industrial production and retail sales, and local business owners telling the Federal Reserve that economic activity had contracted "sharply and abruptly across all regions in the United States."

The initial jobless claims total of 5.25m in the week ended April 11 was lower than the 6.62m recorded the previous week, the labour department said on Thursday. That compared with economists' expectations for 5.5m.

"We tentatively estimate payrolls will fall by around 15 million with the unemployment rate hitting 14 per cent," said James Knightley, economist at ING. "This would mean all the jobs gained since 2009 have been lost in the best part of a month."

California once again reported the largest number of jobless claims at 660,966, based on preliminary state-level estimates that have not been seasonally adjusted, though that was lower than the previous week. New York, which remains the epicentre for the outbreak in the US, reported 395,949 claims.
8.2% Members of American workforce successfully filing for unemployment insurance

According to comments in the report from state labour agencies, the claims continued to come mainly from workers let go from closed restaurants, bars, hotels and shops.

The job losses are broadening out across industries, however; seven states reported a high number of claims among administrative workers, and some of the harder-hit states lost jobs in construction as well.

"The bleeding is ongoing but it's less severe," said Gregory Daco, chief US economist at Oxford Economics. The claims number will probably continue to fall from its highs of early April, he said. "That would be a reassuring sign that essentially not everybody's losing their jobs."

The initial claims data likely continue to understate the depth of job losses as there have been widespread reports about overwhelmed state-run website crashes and delays in filing claims for unemployment insurance benefits.

The number of people who have successfully filed claims and been approved for unemployment insurance, however, climbed to 8.2 per cent of the entire workforce by April fourth. That was up from 5.1 per cent the previous week. It was also the highest rate since the department began keeping records in 1967.

Unadjusted for seasonal shifts in unemployment, the total number of people whose claims have been processed stood at 12.5m in the first week of April.

stood at 12.5m in the first week of April.

Not every worker whose claim has been processed is getting paid yet, however. "Historically, 90 per cent of those workers [would be] getting paid," said Andrew Stettner of the Century Foundation, a non-profit organisation. He estimated that 75 per cent were now receiving payments.

"Although the system is overwhelmed," he added, "It is working and delivering assistance as needed."

Two separate reports on Thursday further illustrated the depth of the blow to the US economy from the coronavirus lockdowns. The rate of new home construction in the US plunged 22.3 per cent in March, the most since 1984. At the same time, the Philadelphia Fed manufacturing index, a gauge of factory activity in the US mid-Atlantic region, fell to minus 56.6 in April — the lowest reading since July 1980 — from minus 12.7 in March.

Donald Trump is expected to announce guidelines to reopen the economy later on Thursday, after claiming the US has passed the peak of new coronavirus cases.

However, on Wednesday it was announced that a record 2,492 people died over a 24-hour period — the first time new fatalities topped 2,000 for two consecutive days. The US death toll has now surpassed 28,000, while confirmed cases have exceeded 632,000.

The data were a reminder that a clear slowdown in the rate of spread of the infection was only the first stage of a long process that would eventually see the economy restored to health, said Ian Shepherdson, economist at Pantheon Macroeconomics. He also noted the need for further fiscal stimulus now that the Paycheck Protection Program had run out of money.

"There will be scar tissue for the economy, and it will take some time for Americans to return to travel, to shopping, and to their former habits," said Jim Baird at Plante Moran Financial Advisors.

Employment conditions will heal, but that healing process is going to take years, not months, just as is always the case coming out of a recession."

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Other News
The Washington Post
Oil-rich Venezuela is running out of gas, and Maduro is running out of options

By Ana Vanessa Herrero and Anthony Faiola
April 16, 2020 at 7:00 a.m. EDT
CARACAS, Venezuela — With friends and family stuck indoors and buses rarely running, Onasis Muñoz missed several lifesaving dialysis sessions for his failing kidneys. When his blood pressure started to dangerously spike, he had one option left: a 20-minute hike to the nearest clinic.

Venezuela's strict national coronavirus lockdown wasn't his main problem. Rather, this broken country, which boasts the world's largest proven oil reserves, is running out of gas.

"There were no medicines [before], and now no gasoline," said Muñoz, 28, who lives in Venezuela's coastal Carabobo state, two hours from the capital. When drugs were scarce last year, he said, he went eight months without medication. Now he can source his medicines, but the gasoline shortage has made his dialysis sessions, at a hospital 17 miles from his home, nearly impossible to reach.

"What hope do I have?" he asked.

In Venezuela's oil capital, life is a struggle. So is death.

Stung by one of the globe's worst economic crises long before anyone had heard of covid-19, the socialist nation is used to deprivation. Venezuelans have struggled for years against shortages of everything from food to toilet paper to drinkable water.

Shortages of gasoline — nearly free and considered a national entitlement in this OPEC nation — began in some parts of the country years ago, as local refineries started to fail, and smugglers funneled truckloads of cheap Venezuelan fuel to black markets in Colombia and Brazil. But analysts are calling the severity of the current gas shortage unprecedented — so bad that vegetables are rotting on farms, doctors can't get to work and even the people of Caracas, a bubble ordinarily spared the worst of Venezuela's misery, are waiting in gas lines miles long.

The energy crisis is the latest bad news for authoritarian President Nicolás Maduro, who is now facing the most perilous moment of his embattled tenure.

Venezuela's pivotal oil sector, long in decline, has entered a free fall as prices drop amid the pandemic-induced global economic slowdown and output plummets to the lowest level since the 1940s. Venezuela's inability to sell its crude — partly due to U.S. sanctions, but also shrinking global demand — has led the government to idle some of its oil fields.

The coronavirus, meanwhile, is presenting Venezuela's already crippled health-care system with a critical test, one that local doctors say it is uniquely unprepared to pass. Sensing his vulnerability, Maduro's adversaries in the Trump administration are ratcheting up efforts to oust him. The Justice Department indicted Maduro and his senior officials last month on narcoterrorism charges, and the Pentagon has dispatched warships to the Caribbean to shut down the cocaine corridor that Washington says helps keep Maduro afloat.

U.S. proposes transitional government for Venezuela, without Maduro or Guaidó

Maduro's domestic political nemesis — Juan Guaidó, the National Assembly president recognized by the United States and more than 50 other nations as Venezuela's rightful leader — has faded into the background during the outbreak, unable to hold mass rallies and dealing with a growing revolt within his own coalition. But Guaidó's weakness does not mean Maduro is strong.

"The gas shortages are turning into one of the biggest challenges he's faced since he took power," said Geoff Ramsey, Venezuela director for the Washington Office on Latin America. "Gas shortages are not new in Venezuela, but the extent of this one is. Health workers can't even go to work. It has a ripple effect across Venezuelan society."

The myriad reasons behind the gas shortages underscore the breadth of Maduro's woes.

Venezuela sits on massive oil reserves, but a lack of spare parts and a brain drain of technicians have crippled its gasoline refineries. Venezuela for years sent shipments of its particularly sludgy crude to Citgo, a U.S. subsidiary of PDVSA, the Venezuelan state oil giant, which processed the oil and shipped back gasoline. But that arrangement ended after Washington broke ties with Maduro last year, wrested control of Citgo from PDVSA and slapped an oil embargo on the country.

The Russian state-controlled oil giant Rosneft stepped in, striking lucrative deals with Venezuela to ship and sell its oil on global markets. But then the Trump administration sanctioned Rosneft's trading arm in February for aiding Maduro, and the company sold its Venezuelan investments to a more secretive entity owned by the Russian state.

In the U.S. embargo on Venezuelan oil, Russia is a clear winner

Russia appears to have halted gas shipments, at least for the time being.

"They aren't getting gas from the Russians," said Russ Dallen, a managing partner at Caracas Capital Markets, a financial and consulting firm that tracks Venezuelan oil.

The government has received recent shipments of diesel under ongoing deals with European firms that have holdings in the country, allowing Maduro to mobilize some trucks for food distribution, particularly in the capital. The country has sought new deals for gasoline through a handful of Mexican companies that are now shipping its oil to Asia, according to industry insiders, with limited success.

The government managed last week to restore limited operations at one of its refineries, those insiders say. But the plant for now is capable of producing only low-quality fuel that must be mixed into a commercial product. Its actual output, at least for the next several weeks, they say, will probably be little to none as repairs continue.

Desperate for a lifeline, the government turned last month to a loyalist billionaire — Wilmer Ruperti — for help. The Venezuelan oil magnate helped Hugo Chávez, Maduro's late mentor, manage a gas shortage in 2002 by hiring a fleet of Russian tankers to ferry fuel to Venezuela in the midst of a general strike.

An invoice obtained by The Washington Post shows that Ruperti's Swiss-based Maroil Trading AG billed the Maduro government $12 million for up to 250,000 barrels of gasoline.

"But it hasn't arrived yet — they're trying to find the ships to bring it," said one of the Venezuelan oil insiders, who spoke on the condition of anonymity out of fear of government retribution. "Even when it does, if it does, it won't last long."

Russian oil giant Rosneft pulls out of Venezuela amid U.S. squeeze on Maduro

Ruperti, whose gasoline deal with Maduro's government was first reported by the Associated Press, could not be reached for comment. Venezuelan government officials did not respond to a request for comment.

In mid-March, massive lines for gas, long a fact of life in some provincial capitals and rural areas, began to hit more insulated Caracas. A government-issued list of pandemic-related "priority" customers included doctors, but even they are whiling away precious hours in line.

"On Monday, I got to the gas station at 4:10 a.m.," said Luis Báez, a surgeon at the city's Ávila Clinic. "I was 49th in the special line for the medical personnel. I had to wait nine hours and 45 minutes to fill my tank.

"I felt impotent sitting there, waiting."

Gas station workers say authorities are now rationing supplies to 5 gallons for small cars and 10 for trucks, vans and ambulances. Eulodio Diaz, 61, works at a pump in southern Caracas.

"As we run out of gasoline, we decrease the amount we can offer per customer," he said. "What we receive lasts only for a few hours because of the high demand. Many times they are aggressive with us. This not my fault; I'm only following orders."

For the people of Caracas, the lines are the latest sign of the crumbling state. Francisco Durán, a 35-year-old food distributor, was one of 100 customers waiting recently at a gas station in northern Caracas. He parked his white Honda Accord before dawn. Seven hours later, he was still hours away from the pump.

"I have a quarter-tank left and I desperately need gas," he said. "I can't skip work. Not under these circumstances."

U.S. indicts Venezuela's Maduro on narcoterrorism charges, offers $15 million reward for his capture

Though the gas shortages are causing delays in Caracas, they do not yet seem to have impacted the availability of essential goods in the stores. That's less true farther from the capital.

Locals in Táchira state, near the Colombian border, have weathered days-long gas lines for years. Robert Maldonado, a farmer and agricultural activist, said farmers in the region managed to haul only 10 percent of their produce to a large weekend wholesale market due to the shortages. He said most of the rest — about 4,500 tons — is now at risk of rotting on the farms.

"We are losing our produce because . . . we don't have gas to get it to market."

Faiola reported from Miami. Mariana Zuñiga in Caracas contributed to this report.

Anthony Faiola is The Washington Post's South America/Caribbean bureau chief. Since joining the paper in 1994, he has served as bureau chief in Berlin, London, Tokyo, Buenos Aires and New York. He has also covered global economics from Washington. Follow

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# Flagging: New York Post: Tax preparer glitches reportedly delay millions of coronavirus stimulus checks

**From:** (b)(6) [redacted]@treasury.gov>
**To:** _DL_Public Affairs <publicaffairsdl@do.treas.gov>
**Date:** Thu, 16 Apr 2020 14:18:36 -0400

New York Post: **Tax preparer glitches reportedly delay millions of coronavirus stimulus checks (Bob Fredericks, 4.16.20)**

Millions of Americans — especially those who use income tax preparers such as H&R Block and TurboTax — are still waiting for their promised stimulus checks, according to a report Thursday.

While many did find their $1,200 check deposited into their accounts by the IRS on Wednesday, millions of others were greeted with the words "Payment Status Not Available" when they logged on to find out where their money was, The Washington Post reported.

Others got the wrong amount, including many couples who didn't get the $500 check for their dependent children.

Treasury Secretary Steven Mnuchin told the IRS to get the checks out as quickly as possible to aid struggling families and boost the coronavirus-ravaged economy.

Several million people who filed their taxes with H&R Block, TurboTax and other services, as well as private preparers, couldn't get their payments because the IRS did not have their banking direct deposit information, the paper reported, citing the Treasury, companies and other experts.

The IRS launched a "Get My Payment" tool on its website Wednesday so people could check on the status of their payments.

But many taxpayers who used it who used it got the message saying "Payment Status Not Available."

A Treasury spokeswoman that the IRS processed almost 80 million payments in three weeks, but that's only a little over half of the 150 million payments expected to go out under the administration's and Congress' Economic Impact Payment program.

Customers who use H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to the paper that they didn't get their checks on Wednesday.

Up to 21 million filers could be affected, consumer law expert Vijay Raghavan said, because the IRS does not have these people's direct deposit information on file or had the tax prep fees taken out of their refunds.

Matt Sielen of Chino, Calif., who lost his job, said he was stricken to learn that he would not get the payment on his H&R Block Emerald Card, where he gets his usual refund.

"I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

Another man said the IRS system couldn't find the status of his payment — and then locked him out for a full day.

"After long wait times to log in, the system fails to locate the information and after several attempts to retry, it locks you out for 24 hours," Alfred Nordgren, 59, of Philadelphia, said in an email to NBC News. "Obviously they didn't test it sufficiently prior to the 'rushed' launch!"

Some other Americans say they haven't gotten their coronavirus stimulus checks because the feds sent the money to the wrong bank accounts.

Several taxpayers tried to check the status of their payments on the IRS website only to discover the agency put the money in accounts they didn't recognize or no longer use.

"My stimulus got sent to the wrong account and it won't let me update it despite you guys saying we could. I guess I'll just get evicted," one Twitter user griped to the IRS on Wednesday.

"You sent my check to the wrong account number!" Lydia Cooper tweeted Thursday morning. "I've had my account for years. Bank says there's nothing they can do."

The problem appeared when people logged into the IRS' "Get My Payment" app, which encountered glitches Wednesday as millions of Americans waited for their share of the $2.2 trillion stimulus bill Congress passed last month.

The app told some taxpayers their money had been deposited and displayed the last four digits of the account number where it was sent. But some users said the account number was outdated or just plain wrong.

Others who don't have bank accounts or direct deposit might also see their paper checks later than expected after the Treasury Department ordered the IRS to add President Trump's name to them, reportedly causing delays, which Treasury has denied.

# Afternoon News Roundup April 16, 2020

From: (b)(6) [redacted]@treasury.gov>
To: _DL_FYI <_dl_fyi@do.treas.gov>
Date: Thu, 16 Apr 2020 15:47:29 -0400

**Afternoon News Roundup**
**April 16, 2020**

**Secretary Steven Mnuchin**

- The Financial Times: **Mnuchin defends US opposition to emerging markets liquidity plan**
- USA TODAY: **Stimulus program for small businesses runs out of money as Congress remains at odds over more funds**
- MSNBC: **Paycheck Protection Program officially runs out of money**
- Yahoo Money: **Coronavirus stimulus checks by mail 'are on time' after President Trump name scramble, Treasury says**
- Ahram Online: **GERD: Khartoum moves closer to Cairo**

**Treasury**

- Bloomberg: **HUD's Carson Says He Wants Money for Hard-Hit Mortgage Servicers**
- The Economic Times: **IMF strikes the right policy notes**
- Forbes: **IMF Becomes Latest Battleground For U.S. And Iran, As Their Naval Forces Spar In The Gulf**
- Ahram Online: **Water rivalry on the Nile**
- Ahram Online: **Does Ethiopia want to resolve the Grand Renaissance Dam crisis?**
- Mada Masr: **Egypt courts Sudan as time runs out in Ethiopia dam dispute**
- Chicago Tribune: **United Airlines will get $5 billion to avoid layoffs until the fall. It might only be a reprieve.**

**Secretary Steven Mnuchin**
The Financial Times
**Mnuchin defends US opposition to emerging markets liquidity plan**
**Trump administration resists issuance of reserve assets to troubled nations through IMF**
**James Politi in Washington**
**April 16, 2020**

**Steven Mnuchin has defended the Trump administration's opposition to a bid to provide IMF liquidity to emerging markets that are facing capital outflows, saying it would mostly benefit wealthier nations that do not need the support.**

**The plan to issue new reserve assets by the IMF has emerged as a primary source of tension between the US and other nations as the fund and the World Bank try to co-ordinate a global response to the crisis facing developing economies.**

**Washington has backed other measures including a debt relief package that was adopted this week by the G20, including China; a short-term liquidity line for emerging countries that has been approved by the IMF board; and an expansion of the fund's emergency financing capacity to directly help struggling countries.**

**But the White House is resisting a proposal to increase the allocation of a general "special drawing right" to countries, which has been backed by a number of EU and African leaders as key to the global pandemic economic response.**

**SDRs are an international reserve asset created by the IMF in 1969 to supplement member countries' official reserves. The existing stock of SDRs amounts to about $275bn, which was increased most recently during the 2009 financial crisis.**

**Speaking to the International Monetary and Financial Committee (IMFC) on Thursday during the virtual IMF and World Bank spring meetings, the US Treasury secretary said that additional SDRs were "not an effective tool to respond to urgent needs".**

**"Almost 70 per cent of an allocation would be provided to G20 countries, most of which do not need, and would not use additional SDRs to respond to the crisis. By contrast, all low-income countries, including those facing urgent balance of payment needs, would receive just 3 per cent of any allocation," Mr Mnuchin said.**

A better way for the IMF to help poor countries weather the coronavirus fallout would be through two trusts, the Catastrophe Containment and Relief Trust (CCRT), and the Poverty Reduction and Growth Trust (PRGT), set up by the fund to offer grants and loans to low-income economies, he argued.

Mr Mnuchin said the Trump administration was "currently exploring" a US contribution to those facilities and said that advanced economies could use their existing SDR stock to bolster the effort.

In a press conference on Thursday morning, Kristalina Georgieva, the IMF managing director, confirmed there was no "full consensus" on the allocation of new SDRs but said the use of the existing stock was being "carefully reviewed".

"Some advanced economies have them but don't really need them, whereas some developing economies could make use of them," Ms Georgieva said.

Speaking to reporters, the IMF chief offered an upbeat assessment of the conversations between the world's top economic officials in recent days, saying she was encouraged by the "strength of unity" in tackling the crisis.

"The tone of the meeting was sober and one of commitment to work together to do what it would take to succeed for our people," Ms Georgieva said. "What we do know is that we have strong financial capacity to act now and that speed of action is of essence in a crisis that has moved so rapidly."

Ms Georgieva expects the IMF to have by the end of the month doled out emergency financing to 50 of 102 countries that have requested help. The fund has raised more than $600m in funds for the CCRT from members including the UK, Japan, China, Netherlands and Germany, and had garnered pledges worth $11.7bn, out of $17bn requested, for concessional financing to poor countries through the PRGT. The latter facility had received contributions from Japan, the UK, France, Australia and Canada, she said.

Given US president Donald Trump's scepticism towards multilateral institutions, the Trump administration's stance during the negotiations on how to lead the global economic response has been closely watched.

Mr Mnuchin said the IMF and World Bank "must continue to play a key role in assisting members through this crisis with advice, capacity development and financing". But he also told the fund it should prioritise its "core mandate" of "macroeconomic analysis and surveillance, debt sustainability and transparency, and financial sector assessments", while issues with longer-term macroeconomic implications, such as "climate risk and financial technology" should be "limited and prioritised" during this period.

Earlier this week European political leaders including German chancellor Angela Merkel and French president Emmanuel Macron joined with leading African figures such as Abiy Ahmed, the prime minister of Ethiopia, and Cyril Ramaphosa, the president of South Africa, to urge the IMF to "decide immediately on the allocation of special drawing rights" to "provide additional liquidity for the procurement of basic commodities and essential medical supplies".

Former US Treasury secretary Lawrence Summers and former UK chancellor Gordon Brown have called for the issuance of a fresh $1tn in SDRs.

But Tidjane Thiam, former chief executive of Credit Suisse and an African Union special envoy on the debt issue, said a reallocation of existing SDRs would be enough for most African countries in terms of scale.

"A reallocation can go fast and speed is of the essence," he said.

A person involved in the debt relief negotiations said one option for African countries would be to use part of the SDR reallocation to pay interest on their international bonds, which would allow them to protect their fiscal positions without defaulting. In total, African countries are due to pay about $5bn in coupons and principal on commercial debt by the end of the year, the person said.

Matthew Martin of Development Finance International, a veteran negotiator of debt relief for poor countries, said: "Even if it were the case that most of the proceeds from SDRs would go to rich countries, if you had the amount that people have been talking about, of $1tn, the developing world would still get a lot. Ethiopia would get enough to increase its health spending by 50 per cent. So the amounts may be small but they are a lot for poor countries."

Richard Kozul-Wright, director of development strategies at Unctad, the UN trade and development agency, said: "This is our equivalent of the Great Depression... [and] we live in much more interconnected world in which the biggest victims are in the developing world."

Additional reporting by David Pilling and Jonathan Wheatley in London

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## Stimulus program for small businesses runs out of money as Congress remains at odds over more funds

Christal Hayes, USA TODAY

Published 10:44 a.m. ET April 16, 2020 | Updated 2:06 p.m. ET April 16, 2020
WASHINGTON – A stimulus program set up to prevent small businesses from shuttering and their employees from going on unemployment officially ran dry Thursday morning, less than two weeks after launching.

The fate of the Paycheck Protection Program, which was launched April 3 with $349 billion for loans to small businesses, remains unclear as congressional leaders and the Trump administration remain at an impasse on a deal to inject billions more into the program.

The Treasury Department says by law, it will not be able to issue new loan approvals for small businesses due to the lapse, putting a pause on the program that has already approved more than 1.6 million applications for employers. The Small Business Administration on Thursday said it had halted accepting new applications for loans and enrolling new lenders because of the lapse in funds.

As the program's popularity became apparent earlier this month, the administration and Treasury Secretary Steven Mnuchin asked Congress for an additional $250 billion in emergency funds to bolster the program and prevent it from running dry. Though both parties are supportive of passing additional money for the program, Democrats and Republicans have so far been unable to find a compromise.

"Democrats are blocking additional funding for the popular Paycheck Protection Program," President Donald Trump wrote on Twitter after the program halted. "They are killing American small businesses. Stop playing politics Dems! Support Refilling PPP NOW – it is out of funds!"

Late Wednesday, Mnuchin and SBA Administrator Jovita Carranza issued a statement noting the historic demand for loans and pleading for Congress to pass additional funds for the program.

Democrats are blocking additional funding for the popular Paycheck Protection Program. They are killing American small businesses. Stop playing politics Dems! Support Refilling PPP NOW – it is out of funds!
— Donald J. Trump (@realDonaldTrump) April 16, 2020

More: As the Trump administration praises coronavirus relief program, lenders and small businesses criticize delays

More: PPP loan plan a mess so far for small businesses riding out coronavirus crisis

"The SBA has processed more than 14 years' worth of loans in less than 14 days. The Paycheck Protection Program is saving millions of jobs and helping America's small businesses make it through this challenging time," they said. "We urge Congress to appropriate additional funds for the Paycheck Protection Program—a critical and overwhelmingly bipartisan program."

Democrats have demanded that in approving more money for the program, Congress should also pass more funds for hospitals and state and local governments. They also want to bolster food stamp benefits and mandate some of the funds go to businesses owned by women and minorities.

Republicans, on the other hand, have pushed for this money to be approved without any additions or mandates, arguing it's the only program at risk of evaporating thus far.

More: Stimulus program for small business nearly depleted as Congress still negotiating a deal

Senate Republicans last week attempted to pass a measure to provide the additional $250 billion for the program, but Democrats objected and instead offered a competing bill, which Republicans rejected.

As the funds ran dry, congressional Republicans attacked Democrats for the lapse and argued liberals were playing political games and holding hostage billions that is desperately needed for businesses and workers.

"The Paycheck Protection Program just ran dry because Pelosi and Schumer are holding funds hostage to their unrelated far-left agenda," House Republican Whip Steve Scalise wrote on Twitter. "Dems are putting people's livelihoods on the line to play partisan games. Despicable."

The top Republicans in the House and Senate — Minority Leader Kevin McCarthy and Majority Leader Mitch McConnell — also blamed liberals.

"Funding a bipartisan program should not be a partisan issue," they said in a joint statement hours before the program officially ran dry. "The cost of continued Democratic obstruction will be pink slips and shuttered businesses."

Thanks to Democrats, this is now the message small business owners will see when they try to apply for help through the Paycheck Protection Program. https://t.co/3ViZ7bfM87pic.twitter.com/EMjoTrAiI5
— Kevin McCarthy (@GOPLeader) April 16, 2020

Senate Minority Leader Chuck Schumer, D-N.Y., has been negotiating with Mnuchin in hopes of coming to a deal. Both staff for him and House Speaker Nancy Pelosi spoke with Mnuchin and staff at the Treasury Department on Wednesday. No deal was made but the group agreed to continue talks Thursday.

Pelosi pushed back on criticisms, arguing that Democrats were fighting for these funds to reach those most in need.

"It's not that we don't share the value of small businesses. We do. We have been their champions," Pelosi said on a conference call with reporters Thursday, calling businesses the "lifeblood of America's economy."

She seemed to have concerns that if funds for hospitals and local governments were not approved, that Republicans may not do so later down the road when they are needed. She also insisted on data and evidence that the program was working, not just for larger businesses that have established relationships with banks, but for smaller businesses in rural areas or owned by minorities.

Pelosi said talks would continue Thursday with Mnuchin.

"Hopefully, they will come back with something that strikes a balance," she said.

Before the funds make their way to businesses, a bill will have to pass both the House and Senate, and get President Trump's signature.

That could pose another hurdle for Congress as both chambers have signaled they would likely attempt to pass the funds through unanimous consent, a procedure that would allow just one lawmaker to halt the measure from passing.

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MSNBC

Paycheck Protection Program officially runs out of money
The small-business-aid program is out of funds, which should spur policymakers to work out a solution. It should be easy, but it's not.

April 16, 2020, 12:35 PM EDT

By Steve Benen

One of the most important elements of the $2.2 trillion CARES Act is an initiative called the Paycheck Protection Program. The PPP, as it's now known, makes loans available to small businesses, which become grants if business owners keep their employees on the payroll. In effect, it's a lifeline in which the federal government will indirectly pay these workers' salaries for a while.

There was, however, one key flaw that emerged almost immediately after the economic aid package passed: Congress had allocated $349 billion for the PPP, and that wouldn't be nearly enough. Indeed, the question wasn't whether the program would run out of money, but when.

This morning, that question was answered. CNBC reported that the Small Business Administration announced that the Paycheck Protection Program has officially run out of money.

"

The SBA website reads that it is "unable to accept new applications for the Paycheck Protection Program based on available appropriations funding. Similarly, we are unable to enroll new PPP lenders at this time." ... Signs that the program was reaching critical capacity first came on Wednesday, when the SBA said the aid may be nearing a ceiling for loan commitments, with more than 1.3 million loans given approval at a value of more than $296 billion. By Wednesday evening, $315 billion had been approved, a person familiar with the situation told CNBC.

Treasury Secretary Steven Mnuchin formally requested last week that Congress infuse the PPP with an additional $250 billion, and in theory, that shouldn't be much of a problem: the program is very popular and enjoys support from both parties.

But in practice, it's proving to be a surprisingly heavily lift. Democratic leaders are eager to approve the funding request, but they want to include in the bill additional funding for struggling states and municipalities, financially strapped hospitals, and families relying on food stamps. Republicans leaders, meanwhile, want a bill that focuses exclusively on the PPP, pushing off other priorities for a future package.

Democrats have expressed a willingness to negotiate, but for the last two weeks, GOP leaders have said they will not sit down for talks. It's why there's been no progress -- and why the Paycheck Protection Program has run through its $349 billion budget.

By all accounts, this morning's announcement from the Small Business Administration should serve as a clarifying moment for lawmakers, giving the relevant players new motivation to figure something out. In case that weren't enough, learning that 22 million Americans have lost their jobs over the last four weeks should add an additional layer of incentives to reach an agreement.

There are multiple reports that Mnuchin and his team spoke with Democratic leaders last night, and those discussions are scheduled to continue again today. And while that may raise hopes of a deal, Politico reports that Senate Republicans may not cooperate, even if the Trump administration is satisfied with the solution.

Sen. John Kennedy (R-La.) said yesterday that even if Mnuchin and Democrats work something out, "it's still got to pass the Senate.... Just because they agreed to it, it's not a done deal."

Watch this space.
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Coronavirus stimulus checks by mail 'are on time' after President Trump name scramble, Treasury says

Denitsa Tsekova
Reporter
Yahoo Money
April 16, 2020

After the Treasury Department ordered President Donald Trump's name be included on the printed checks, experts warned that the first batch of the checks could be delayed reaching American families. Democrats accused the president of putting himself above families in need of relief amid the coronavirus pandemic.

Treasury has now confirmed that the checks will be on time. The first batch of printed checks is expected to arrive in Americans' mailboxes by April 24.

The design for the paper checks "are on time and actually ahead of schedule" for delivery to the Bureau of Fiscal Services, which will print and disperse the checks, a Treasury spokeswoman told Yahoo Money.

Reprogramming historically has led to delays'
About 175 million Americans are eligible for the stimulus payments, according to the White House. Mnuchin stated on Wednesday that "more than 80 million Americans have already received their Economic Impact Payments by direct deposit." Americans can now track the status of their stimulus payments.

The president's printed name will appear on the left side of the paper check, the first time a president's name will be printed on an IRS disbursement.

The checks were expected to be delayed because, "reprogramming historically has led to delays," Chad Hooper, national president of the IRS-founded Professional Managers Association (PMA), told Yahoo Money on Wednesday.

Two members of the PMA with direct knowledge of the situation told Hooper that this would lead to a delay.

Mark Everson, a former IRS Commissioner and now the vice chairman of alliantgroup, noted that that the complication was "compounded by the fact that they're not fully staffed [because] they're not in the office doing a lot of this work. They're stretched in the technology area and they're under a tight timeline."

Despite the time crunch, according to the Treasury, the IRS information technology team successfully added the president's signature to the design and sent them to the Bureau of Fiscal Service as originally schheduled.

Who gets a stimulus check?
As part of a $2 trillion coronavirus relief package, many Americans will get government checks up to $1,200 — plus $500 per child — to help them ride out a job loss, reduced work hours, and other money challenges as the country tries to stem the pandemic.

"Our updated estimate is that 93.6% of [tax] filers will have a rebate," Garrett Watson, senior policy analyst at The Tax Foundation, said. "And this works out to approximately 140 million households."

Your eligibility is based on your most recent tax return and your adjusted gross income. If you already filed your 2019 taxes, your eligibility will be based on that. If not, the IRS will use your 2018 taxes to determine if you qualify.

Read more: Coronavirus stimulus check: How to get one if you don't file your taxes

The benefit is available not only to those who have filed taxes, but also to those who receive Social Security benefits as long as they've received their SSA-1099 or RB-1099 forms.

Single adults with income up to $75,000 will get a $1,200 payment. Married couples with income up to $150,000 will get $2,400. Single parents who file as head of household with income up to $112,500 will get the full $1,200 check.

And, Americans who qualify for the stimulus payment and have children will get an additional $500 per child under 17.

Reduced checks will be available for single adults who earn between $75,001 and $99,000 and married couples who earn between $150,001 and $198,000. The check will be reduced by $5 for every $100 over $75,000 for single adults and $150,000 for married couples.

Who doesn't get a check?
Single adults who make more than $99,000 and married couples who earn more than $198,000 won't receive stimulus checks.

Those without a Social Security number and nonresident aliens — those who aren't a U.S. citizen or U.S. national and don't have a green card or have not passed the substantial presence test — aren't eligible.

You're also ineligible if your parents claim you as a dependent on their taxes.

How will the government send you the stimulus check?
The IRS will use the direct deposit information you provided from the taxes you've filed either for 2019 or for 2018.

If you have no direct deposit information on file or if the account provided is now closed, the IRS will mail you a check, instead.

When will the stimulus check arrive? It depends.
Treasury Secretary Steven Mnuchin said at a White House briefing on April 2, that those Americans who have signed up for direct deposit will receive their payment within two weeks.

"Social Security, you'll get it very quickly after that," Mnuchin said. "If we don't have your information, you'll have a simple web portal, you'll upload it. If we don't have that, we'll send you checks in the mail."

The payments will be deposited directly into your bank account if you received your last tax refund or expect to receive this year's refund that way.

Otherwise, checks will be mailed, which could take longer to get to Americans. Adding to the complications, about 6% of U.S. adults — or about 12 million Americans — do not have a checking, savings, or other bank account, according to a 2018 Federal Reserve report.

The New York Times, citing IRS guidelines that detail how Americans who aren't usually required to file tax returns will need to do so to receive payments, noted the guidance "will almost certainly mean longer waits for those who must file new returns to be eligible to receive a stimulus payment."

Americans with the lowest income will get mailed checks first, according to reporting by the Washington Post. Here's the timetable for the first checks, per IRS documents seen by the Post:

Taxpayers with income up to $10,000: April 24

Taxpayers with income up to $20,000: May 1

Taxpayers with income up to $40,000: May 15

The rest of the checks will be issued by gradually increasing income increments each week. Households earning $198,000 who file jointly will get their reduced checks on Sept. 4. The last group of checks will be sent on Sept. 11 to those who didn't have tax information on file and had to apply for checks, according to the Washington Post.

How can those who don't file taxes get a payment?
Americans who don't usually file taxes can register to get their stimulus aid checks on IRS website or use Turbotax's free tool to file a minimum tax return.

TurboTax's tool helps determine if you're eligible for the stimulus payment. If eligible, you need to answer a few questions and choose whether to get the payment though direct deposit or check.

"There are as many as 10 million Americans who are not required to file a tax return," TurboTax said in a statement. "Because the IRS will use the federal tax return to determine and send individual stimulus payments, these individuals are at risk of not receiving their stimulus payment."

Social Security recipients and those required to file tax returns don't need to provide additional information, but still must meet the eligibility criteria to get a payment.

Can you track the payment?
Yes. Those who are still waiting can track it online. Americans are also able to provide the Internal Revenue Service with their direct deposit information if it's not on file with the agency.

"If you do not receive them by Wednesday, you'll be able to put in your direct deposit information, and within several days, we will automatically deposit the money into your account," Treasury Secretary Steven Mnuchin said on Monday. "We want to do as much of this electronically as we can."

The new tool allows Americans to follow the scheduled payment date for either a direct deposit or mailed check. It's an online app that works on desktops, phones, or tablets and doesn't need to be downloaded from an app store, The Treasury said.

To track your payment, you must provide basic information including:

Social Security number

Date of birth

Mailing address

The tool also lets people provide their bank account details to get their payment by direct deposit instead of waiting for a mailed check, which go out April 24.

If you filed a tax return in 2018 or 2019 but didn't provide direct deposit information, you'll be able to identify yourself, input that banking information, and receive the payment in several days in your account, according to Mnuchin.

To add direct deposit information, you will need to provide:

Adjusted gross income from your most recent tax return submitted, either 2019 or 2018

The refund or amount owed from your latest filed tax return

Bank account type, account, and routing numbers

Do you have to pay back the stimulus check?
No. The stimulus payment is actually a refundable credit against your 2020 tax liability, according to Kyle Pomerleau of the American Enterprise, and is paid out as an advanced refund. That means you don't have to wait to file your 2020 taxes to get the money.

It also doesn't reduce any refund you would otherwise receive, Watson said.

In fact, if you don't qualify for the stimulus check now based on your 2018 or 2019 tax returns, you may be able to qualify to take the tax credit next year when you file your 2020 taxes if your income meets the thresholds.

Jessica Smith and Ben Werschkul contributed reporting.

Denitsa is a writer for Yahoo Finance and Cashay, a new personal finance website. Follow her on Twitter @denitsa_tsekova.

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Ahram Online

GERD: Khartoum moves closer to Cairo
Al-Ahram Weekly follows the cautious attempts to bring tripartite negotiations on the Grand Ethiopian Renaissance Dam back on track

Doaa El-Bey , Thursday 16 Apr 2020

Egypt and Sudan seem to agree that the negotiation process in Washington has made progress, and that they need to continue negotiating after the restrictions imposed because of coronavirus are lifted.

In a joint press statement issued last week, Egypt and Sudan underlined their commitment to the outlined agreement on the filling and operation of the Grand Ethiopian Renaissance Dam (GERD) reached in talks held in Washington.

"Sudan's commitment to the outcome of the Washington meetings is a positive step. But it is too early to determine whether it will give a push forward to the negotiations," said a diplomat speaking on condition of anonymity.

"The statement was hailed in the media as a sign of agreement between Egypt and Sudan over the dam issue," added the diplomat.

The last tripartite meeting, held in Washington at the end of February, was supposed to see the signing of a final deal on GERD. Ethiopia did not turn up, claiming it needed more time to review the deal.

Both the Egyptian and Sudanese delegations attended the meeting, but while Cairo initialed the deal, Khartoum said it preferred to wait until Ethiopia signed.

Political analysts say Sudan is now showing a greater willingness to bring both Egypt and Ethiopia back to the negotiation table.

The latest Egyptian-Sudanese joint statement was released after a meeting held in the Sudanese capital Khartoum between Sudan's Prime Minister Abdalla Hamdouk and Irrigation Minister Yasser Abass, Egyptian Intelligence Chief Abbas Kamel, and Egyptian Irrigation Minister Mohamed Abdel-Ati.

Both countries reiterated their adherence to the terms of the Washington agreement and the Declaration of Principles signed in Khartoum in March 2015.

A few days before the Khartoum meeting Hamdouk bad announced he would visit Cairo and Addis Ababa soon to urge the two sides to resume talks on the dam.

The announcement was made following a call between Hamdouk and US Treasury Secretary Stephen Mnuchin who co-sponsored the Washington talks alongside the World Bank.

Both officials discussed the importance of international cooperation and reaffirmed their commitment to reaching a fair solution on the dam.

Hamdouk's planned visits were delayed owing to restrictions imposed on travel because of the coronavirus outbreak.

Last month President Abdel-Fattah Al-Sisi met with Deputy Chairman of the Sudanese Sovereign Council Lieutenant General Mohamed Hamdan Dagalo in Cairo. They discussed the dam file, and Dagalo offered Khartoum's services as a mediator between Egypt and Ethiopia. No more details of the meeting were disclosed at the time.

Abbas subsequently ruled out the possibility of Sudanese mediation, pouring cold water on the idea that Khartoum could play the role of intermediary between Egypt and Ethiopia.

"Sudan will exert every effort to encourage the resumption of negotiations but it cannot play the role of mediator when it is a party to the talks," Abbas said in an interview published online this week.

Sudan not only declined to sign the Washington deal but withheld support for a draft resolution proposed by the Arab League on the GERD dispute.

In the resolution Arab foreign ministers rejected any erosion of Egyptian and Sudanese historic rights to Nile Water, stating that Egyptian and Sudanese water security "is an integral part of Arab national security".

In the wake of last month's Arab League meeting held in Cairo, Sudan bas insisted its position on the dam bas been "misunderstood". Rather than favouring one party against the other, Khartoum says it is simply taking into account the interests of all parties affected by the dam.

Ethiopia's no-show in Washington has contributed to tensions between Egypt, Ethiopia and Sudan, with Cairo accusing Addis Ababa of deliberately impeding the negotiations.

Meanwhile, Ethiopia's Prime Minister Abiy Ahmed announced earlier this month that his country will start filling the dam during the July and August rainy season and insisted the dam is "a symbol of [Ethiopian] sovereignty and unity".

Ahmed's declaration followed Mnuchin's statement that "the final testing and filling should not take place without an agreement".

Last month Addis Ababa declared that it is working on its own proposal for an agreement, which it will deliver to Egypt and Sudan soon.

"We won't subscribe to an agreement just because the US and the World Bank came forward with it. We need to take time and sort out any sticking points," Ethiopian Foreign Minister Gedu Andargachew told the media.

Asked when negotiations would resume, Andargachew said the Ethiopian side does not accept that negotiations have ever stopped.

"After Ethiopia finishes the discussions it is conducting internally, and when the Egyptians fully recognise that Ethiopia has the right to use its water resources, the negotiations will resume without any third party involved," he said.

*A version of this article appears in print in the 16 April, 2020 edition of Al-Ahram Weekly
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Treasury
HUD's Carson Says He Wants Money for Hard-Hit Mortgage Servicers
By Elizabeth Dexheimer and Vivek Shankar
April 16, 2020, 11:27 AM EDT
- Carson tells Fox News that some companies lack 'deep pockets'
- He doesn't say whether Fed, Treasury should pursue bailout

Bloomberg
U.S. Housing and Urban Development Secretary Ben Carson said money should be set aside to help mortgage-servicing companies that are at risk of failing as millions of borrowers miss loan payments.

"Obviously, we want there to be money to help the servicers of these mortgages because some of them don't have deep pockets," Carson said in a Thursday interview with Fox News. "The housing-finance structure needs to be maintained. It's not just the people who took out the mortgage."

Carson made his remarks in response to a question about what he'd like lawmakers to provide for mortgage relief in future coronavirus-stimulus legislation. He didn't comment on whether he believes agencies such as the Federal Reserve or Treasury Department should act now to provide a liquidity facility for mortgage servicers.

Servicers collect payments from borrowers and make sure investors in trillions of dollars of government-backed bonds get paid each month. With a wave of homeowners predicted to start missing payments, the industry says it needs a lifeline to head off the collapse of firms that could threaten the housing market.

Congress enabled widespread mortgage forbearance in the $2 trillion stimulus bill it passed last month by mandating that borrowers be allowed to delay payments on government-backed loans for as long as a year.

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The Economic Times
IMF strikes the right policy notes

April 16, 2020, 10:52 pm IST ET Edit in ET Editorials | Economy, Edit Page, India | ET

The latest World Economic Outlook of the International Monetary Fund (IMF), released amidst the Great Covid-19 Lockdown, estimates global output would contract by 3% in 2020. Undoubtedly, the pandemic has led to plummeting demand and heightened capital-flow reversals, but the disruptions are surely for the very short term and much buoyancy can be expected in the next few weeks as containment measures are eased the world over.

The IMF does well to call for fiscal expansion. Rightly, IMF chief economist Gita Gopinath avers that there are 'many reasons for optimism', although there remains 'severe uncertainty about the duration and intensity' of the health shock. Also, the lockdown and attendant containment measures make policy stimulus far more challenging.

It is welcome that IMF, the global crisis lender, has proactively stepped up access to emergency financing under its Rapid Credit Facility and other policy instruments, to due approval by G20 finance ministers. The G20 FMs have called for time-bound debt se rvicesuspension for low-income economies, which makes perfect sense.

Further, G20 FMs want the IMF to explore 'additional tools' as the pandemic crisis evolves. The issue of Special Drawing Rights (SDRs) by the IMF needs to be actively considered, although it is opposed by the US. But an artificially strong dollar is not in the US' interest. Countries are issued SDRs in proportion to their IMF 'quotas', which can be exchanged for hard currencies to boost liquidity.

India's external account remains comfortable, what with oil prices at record lows and large reserves. But we do need to go for currency-swap arrangements with, say, the US, as we have with Japan. The IMF's prescription that India ease its fiscal stance to purposefully arrest the slowdown is unexceptionable.

This piece appeared as an editorial opinion in the print edition of The Economic Times.
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Forbes

IMF Becomes Latest Battleground For U.S. And Iran, As Their Naval Forces Spar In The Gulf

Dominic Dudley Contributor

Business

I write about business and politics in the Middle East and beyond

Against the backdrop of the coronavirus crisis sweeping the world, Iran and the U.S. have been resuming cold war hostilities in their respective neighborhoods.

In the Gulf, the U.S. Navy has complained about "unsafe and unprofessional" conduct by Islamic Revolutionary Guards Corps (IRGC) Navy vessels which, it says, have been coming dangerously close to U.S. military ships. These are well-worn tactics by the IRGC and are a sign that there is still plenty of appetite in Tehran to needle the U.S.

Events playing out at the International Monetary Fund (IMF) in Washington are arguably of greater consequence though.

In March, the governor of the Central Bank of Iran Abdolnaser Hemmati wrote to the IMF requesting $5 billion from its Rapid Financing Instrument (RFI) to help deal with the Covid-19 crisis. It was the first such request from Tehran since the 1979 revolution which brought the current regime to power.

At a press briefing on March 12, IMF spokesman Gerry Rice said "We are proceeding expeditiously with all requests in line with our policies." However, there has been little sign of movement on the Iranian application since then, even as numerous other countries have received help via the RFI.

When asked about it on April 1, an unnamed IMF official deflected the question, saying "if it's all right with you, we won't discuss country specific issues today".
In recent days, Reuters has reported the IMF is still assessing Iran's $5 billion request. Jihad Azour, director of the IMF's Middle East and Central Asia department. told the news wire that "since we have had limited engagement with Iran in recent times, the process of obtaining the information we require to assess the request is taking time."

Officials in Tehran suspect another reason for the delay though. Secretary of Iran's Supreme National Security Council (SNSC) Ali Shamkhani has claimed the U.S. is trying to sabotage the Iranian request in what amounts to "crimes against humanity."

President Hassan Rouhani insisted last week in a call with Hemmati that "The IMF must fulfil its duty to observe international obligations in these hard times without being affected by the enemies of the Iranian nation".

It is not the only thing that the U.S. might be blocking at the IMF. According to another Reuters report, Washington has prevented the IMF from extending further aid to countries via the issue of new special drawing rights (SDR) – a sort of global currency. If this went ahead it could provide billions of dollars of foreign exchange reserves for all IMF member states, but the U.S. is reportedly holding out because it opposes such help for Iran and China.

This all fits in with the "maximum pressure" campaign that President Donald Trump has been conducting against Iran, but it comes at a time when Iran is struggling to deal with a healthcare emergency brought on by the spread of Covid-19.

Iran is suffering one of the worst outbreaks in the world. As of April 15, the World Health Organisation reported Iran had recorded 74,877 confirmed cases and 4,683 deaths. Only seven countries have had more cases and five had had more deaths, and many suspect the true figures in Iran are far higher than the official tallies.

The economic impact of this has been severe. The Iranian economy was already under huge strain as a result of U.S. sanctions and has been contracting for the past two years. The IMF now expects it will shrink by a further 6% this year. Iran's oil production has halved since 2017 and crude exports are running at just 500,000 barrels a day (b/d), compared to more than 2 million b/d in 2017. In its latest World Economic Outlook report, issued earlier this week, the IMF said the Iranian government needed oil prices to average more than $389 a barrel this year in order to balance its budget.

There had been fleeting signs of a possible détente between Washington and Tehran late last month, when secretary of state Mike Pompeo said the U.S. might ease some sanctions on Iran to help it deal with the coronavirus emergency. The latest episodes in the waters of the Gulf and the offices of the IMF appear to mark to an end to that.

Dominic Dudley
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Ahram Online

Water rivalry on the Nile
In an effort to overcome competition over water resources, Nile Basin countries can collaborate in harvesting

more rainfall and increase Nile flow to maximize benefit sharing to reach a win-win solution

Hani Sewilam, Thursday 16 Apr 2020

Following Egypt's January 25 uprising in 2011, Ethiopia started building a huge dam, the Grand Ethiopian Renaissance Dam (GERD), upriver. The concrete volume of the dam is 10.5 million m3, making it the largest dam—per volume—in Africa. It is located on the Blue Nile, 700 kilometers northwest of the Ethiopian capital Addis Ababa, and about twenty kilometers from the Ethiopia–Sudan border. It is worth noting that the Blue Nile accounts for more than half of the average annual flow of Nile water to Egypt.

Ethiopia claims that the sole purpose of building the dam is to generate energy necessary for its economy. The dam represents an important connection between water security and energy generation. In general, building a dam for energy generation should not be a problem because the water that will run the turbines will continue flowing to downstream countries, in this case to Egypt and Sudan. However, the construction of this gigantic dam, which has a 74-billion-cubic-meter reservoir that can theoretically store as much water as the total annual share of Egypt and Sudan combined, is a completely different story.

Hoping for a better life and access to electricity, the Ethiopian people funded the GERD with their limited resources in the hopes that it might generate a projected power capacity of at least 6,000 megawatts. Different experts, such as San Diego State University professor of mechanical engineering Asfaw Beyene, have agreed that the GERD is oversized, and that it will not be able to generate the amount of energy that has been publicly announced, or even half of it. In addition, most of the generated hydropower is slated for export, leaving the poor Ethiopians in darkness. It is clear that politics in this case trump legitimate engineering and human principles in favor of storing water and controlling the Blue Nile.

The GERD will store water in an area of 1,800 square kilometers—larger than the size of London—resulting in enormous evaporation and seepage losses in addition to possible upstream usage. These billions of cubic meters in losses will be cut from Egypt and Sudan's water share. The potential reduction in the Nile water flowing to Egypt comes at a time when the country is significantly dropping below the water poverty line and approaching the absolute scarcity limit. The water poverty line is reached when the available freshwater share per person is 1,000 cubic meters of water every year. Egypt is approaching the 500-cubic-meter mark per person (per year). An additional water shortage caused by the GERD will enlarge the existing gap between the water supply and current demand.

Clearly, Egypt's key concern regarding the GERD is safeguarding the lives of more than 100 million Egyptians and sustaining the country's water supply, especially since Egypt depends on the river for 97 percent of its water needs, with the remaining three percent supplied by light rainfall on the northern coast and in the Sinai Peninsula and by non-renewable groundwater.

Indeed, the risk of water shortage caused by the GERD will directly affect food production and security in Egypt. Moreover, reducing the flow of water to Egypt will dramatically affect the resilience of the Egyptian Aswan High Dam, which stores water to be used by Egypt and Sudan during draughts. This in turn will also negatively affect the amount of electricity generated from the Egyptian dam. In addition to the technical and economic impacts of the dam on Egypt, the GERD will have serious environmental consequences such as higher soil salinity, less groundwater recharge, and more seawater intrusion.

Therefore, reaching an agreement between Ethiopia, Sudan, and Egypt on the filling and long-term operation of the dam before Ethiopia starts filling GERD is a serious issue for Egypt. A reduction of water availability by only one billion cubic meters at Aswan (a value that is much lower than most GERD filling and operation prediction scenarios) will result in an agricultural production loss of $430 million and of almost 294,000 feddans in agricultural land, as well as an increase in agricultural imports by 2.2 percent. Moreover, 290,000 families will lose their income, which will increase the possibility of migration and displacement of people to neighboring countries, create more instability and potentially exacerbate the threat of terrorism, from which the region is already suffering.

The Fight over Resources

The GERD project is an alarming example of competition over water, energy, and food resources in the Nile Basin. Ethiopia's use of the dam to generate energy while Sudan and Egypt wait for their share of water to produce energy and food could become a grave issue, especially as populations inhabiting basin countries increase dramatically and their water, energy, and food demands rapidly grow.

In order to secure these three resources for the entire basin, there is a need to understand the reality regarding their availability. Indeed, there is a misconception that Egypt is getting the biggest share of the Nile water compared to the other Nile Basin countries. As a matter of fact, the river water reaching Egypt amounts to about 0.8 percent of the rainfall of the eleven Nile Basin countries. This means there is more than 99 percent of water resources that Egypt cannot access.

The key to resolving the current conflict is for Nile Basin countries to collaborate in making use of the 1,660 billion cubic meters of annual rainfall in the Nile Basin or even the 7,000 billion cubic meters of annual rain that falls specifically in the eleven Nile Basin countries. This can be used in generating energy and producing food rather than affecting the main source of water in Egypt, which only utilizes 55.5 billion cubic meters of Nile water a year, representing only three percent of the total rainfall over the basin. There is a need to think in a more cooperative and participatory way, where all Nile Basin countries collaborate in harvesting rainwater rather than disturb the only lifeline for Egyptians. This is what we call benefit-sharing and a win-win solution.

In fact, Egypt has a long history of supporting Nile Basin countries in water management projects on the upper reaches of the river. Egypt has never objected to the development of the Nile Basin nor does it object to the construction of dams that do not cause significant harm to Egyptians. On the contrary, Egypt has supported the construction of dams in different Nile Basin countries for either hydropower or rainfall-harvesting purposes. For example, Egypt supports South Sudan, Uganda, Kenya, Congo, and Tanzania's pursuits to build new dams and implement water development projects.

Starting in 1949, Egypt signed an agreement and provided £1 million to support the construction of Owen Falls dam in Uganda. The dam helped provide hydropower for development and regulate the flow of water downstream toward the southern regions of Uganda. Recently, the Egyptian company Arab Contractors in a joint venture with Elsewedy Electric Company announced that it had started work on the 2,100-megawatt Stiegler's Gorge hydroelectric dam in Tanzania. This project is endorsed and supported by the Egyptian government. Moreover, Egypt conducted the feasibility studies for a multi-purpose dam in South Sudan.

This spirit of collaboration should extend to agriculture and food production projects. There is much fertile land and enough rainfall in the basin to produce energy and food for everyone. Energy is not only restricted to hydropower; solar energy in the basin is underutilized, especially when considering that the basin includes areas that are among the highest in solar radiation on earth. A political vision which considers all countries along the Nile as one unit that shares knowledge and resources is key to having sufficient water, energy, and food for all Nile Basin countries.

A Technological Solution for Water Scarcity

Aside from the GERD, current water scarcity and food production in Egypt, like in most Middle Eastern countries, are serious challenges that are directly linked to population growth and the overuse of water. To produce one kilogram of wheat requires about 800 liters of water, and on average, fifteen thousand liters of water are needed to produce one kilogram of beef, an amount of water which is almost the volume of one-and-a-half concrete mixer trucks. These numbers differ from one country to another and depend mainly on production techniques and the technologies used. The moral of these figures is that more than two-thirds of the world's freshwater is used for agriculture, such as in Egypt, where about 80 percent of the freshwater is used for agriculture irrigation. In order for Egypt and the entire Middle East to deal with water scarcity, researchers are focusing on fostering and applying the concept of "producing more with less," or to use another expression, "more crop per drop," which means producing more food using less water.

Our research team at the American University in Cairo (AUC) is working to understand the interrelationship between water and food to minimize the water footprint of our foods. Realizing the importance of research efforts geared toward solving the irrigation water problem more than tackling drinking or industrial water, the Center for Applied Research on the Environment and Sustainability (CARES) at AUC established the "WEF nexus lab" five years ago. It aims to contribute to water, energy, and food security not only in Egypt, but also in the Middle East and Africa.

The focus of the CARES' WEF (Water-Energy-Food) nexus model is to use solar energy to power desalination, which is expensive due to its high-energy consumption, and then use the desalinated water to produce food in an environmentally friendly manner. The adopted desalination technique, Forward Osmosis, has low energy consumption which allows the complete use of solar energy for the desalination process. The desalinated water is then used to produce crops and fish from the same unit of water. Fish waste then serves as nutrients for the crops, which help produce 100 percent organic food.

In addition, the desalination reject brine (which is a harmful byproduct for the environment) was successfully tested and proven to produce algae and is currently being tested to produce artemia, or brine shrimp. If the testing of the artemia proves successful, it will close our "nexus" loop since it would be used as feed for the fish. The very success of this research depends on developing a closed loop in which the sun and seawater are harvested to produce fish and crops without disposing of any waste into the environment, and in which the fish are then fed.

CARES is now collaborating with several national and international partners and is working toward commercializing its WEF model and bringing it into application. Nothing can replace Nile water for Egypt, but more research and innovation similar to the work carried out by CARES is urgently needed to enhance water use efficiency and develop new technologies for desalination and wastewater treatment. Such innovations could be part of the solution to face the increasing population and associated water demand in Egypt and the entire Middle East, especially when such solutions are based on local resources such as the sun, seawater, and sand.

*A version of this article was first published on 14 April in The Cairo Review
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Ahram Online

Does Ethiopia want to resolve the Grand Renaissance Dam crisis?
Long experience has proven that Addis Ababa is not playing fair in its dealings on the Grand Ethiopian Renaissance Dam

Mohamed Nasr El-Din Allam , Thursday 16 Apr 2020

Addis Ababa claims that Egypt is an intransigent country that refuses to allow Ethiopia to exploit its own water resources and build dams with the aim of achieving development and generating electricity for the poor Ethiopian population deprived of services. Furthermore, Ethiopia claims that under the previous regime, relations between the countries witnessed a lack of cooperation, provoking internal unrest, while the truth is that Ethiopia realised great gains during this period, as Egypt turned a blind eye to the construction of the Tekeze Dam on Atbara River, in addition to the construction of the Tana Belestunnel on the Blue Nile in order to generate electricity and cultivate vast areas of Ethiopian lands. Egypt also agreed that the Nile Basin Initiative would fund feasibility studies of four major Ethiopian dams on the Blue Nile (Karadobi, Beko-Abo, Mandaya and Border) with a total capacity of 140 billion cubic metres, or nearly three times the annual yield of the Blue Nile, in order to expand agricultural land by about one million feddans.

In 2008, Egypt agreed that the World Bank would fund the feasibility study of Border Dam with an estimated capacity of 14 billion cubic metres. It is worth noting that after the Egyptian revolution in January 2011, Border Dam was replaced by GERD (the Grand Ethiopian Renaissance Dam) after increasing its capacity to 74 billion cubic metres, and Ethiopia undertook unilaterally the design and construction of GERD without notifying downstream countries or consulting them about its negative impacts and risks.

This Ethiopian behaviour towards Egypt in regard to GERD has been always characterised by seizing opportunities and evading any obligations imposed by international law, while no other country in the world pursued this approach except Turkey by building the Ataturk Dam during the period of Iraq's preoccupation with its war with Iran, a dam that deprives Syria and Iraq of most of their historical water share. Similarly, Ethiopia took advantage of turmoil and internal struggles in Egypt amid the 2011 revolution and laid the foundation stone of GERD, announcing the beginning of its construction even before performing the required studies. In spite of this, Egypt willingly entered negotiations over the dam with Ethiopia and accordingly an International Panel of Experts (IPoE) was formed in order to assess Ethiopian studies of the dam and share the results with the countries immediately concerned (Egypt, Sudan and Ethiopia). Ethiopia requested that the experts' report be consultative and not binding.

By the end of May 2013, the IPoE issued its final report which stated that there are many important observations to make regarding the constructional design as well as the hydrological, environmental and socio-economic studies of the dam, which should be started over. In order to consider the recommendations of the IPoE, two meetings of the water ministers of the three countries were held during the months of November and December 2013 where both Ethiopia and Sudan agreed that it would be sufficient to form a committee of national experts from the three countries with the aim to supervise the implementation of the IPoE's recommendations, while Egypt called for the participation of international experts in the committee to ensure impartiality. Unfortunately, the two meetings failed to achieve their objectives and Egypt was forced not only to waive its demand, but also to accept the Ethiopian request "not to conduct dam safety studies through the committee." Meetings continued to select an international consultant to conduct the required studies without any results on the ground, even after the three countries signed the Declaration of Principles in March 2015.

In 2016, the three countries agreed to contract two French consultancy firms (according to Ethiopia's desire). The consultant submitted the inception report, but Ethiopia rejected it and suggested to form a scientific committee that comprises academics from the three countries in order to work instead of the consultant! Egypt went along with the Ethiopian request, which intended to exclude the participation of any international experts who might condemn the Ethiopian side for the massive repercussions of GERD on Egypt and Sudan. The scientific committee did not succeed to reach any agreement between the three countries, and Egypt announced the failure of negotiations and resorted to request international mediation. The United States with the World Bank agreed to supervise the negotiations with a view to reaching an agreement concerning the filling of the dam and its operation. Subsequently, serious scientific and technical negotiations took place through several sessions where dam filling and operation rules were agreed upon. However, disagreements emerged on both operational rules and how to settle disputes that may arise during the filling or operation of the dam, as well as the means of coordination and application of the rules agreed upon in this agreement.

The United States and the World Bank drafted a compromise agreement regarding these differences, to be discussed during the last round of negotiations. Egypt initialed the agreement, while Ethiopia was absent from this meeting under false pretences. It then refused to continue negotiations under US and World Bank supervision.

Ethiopian behaviour of assuming absolute sovereignty over its resources, including shared international rivers, is a public policy applied with neighbouring countries Kenya and Somalia, a clear example being the case of the Omo River shared between Ethiopia and Kenya where Ethiopia had constructed a series of dams to generate electricity, cultivate large areas of sugar cane, and build sugar factories without taking into account the interests of Kenya. The Omo River has historically flowed into one of the most beautiful African lakes, Lake Turkana in Kenya, a habitat for rare wild animals and a source of fish wealth, drinking water and agricultural water for local people. The river dried up, which drove its local population to migrate. Similarly, Ethiopia built a series of dams on the Ganale Dawa River, which is the source of the Juba River that flows into Somalia and into the Indian Ocean, causing great problems for the citizens of Somalia, taking advantage of instability in this sister country.

In recent weeks, Ethiopia revealed its true direction after nine years of fruitless negotiations by declaring that any upcoming discussions should include allocating an Ethiopian water share from the Blue Nile, through the application of the rules stipulated in the Cooperation Framework Agreement, which is also called the Entebbe Agreement, neglecting the fact that both Egypt and Sudan are not part of this agreement and have concerns about it. Furthermore, Ethiopia has no hydrological relationship (from far or near) with the countries of the Equatorial plateau.

Last, but not least, Ethiopia recently announced the reduction of the number of turbines in the GERD to 13 instead of 16, so that the capacity of the power station is less than 5,000 megawatts, thus reducing the maximum water discharge of the dam by about 20 percent, which will have negative impacts on Egypt and Sudan. It is worth noting that this new power capacity could have been produced through the construction of a smaller dam of no more than two-thirds of the current dam's capacity, which confirms that the real goal is to build the largest possible dam to block water from Egypt until it has to agree to a compulsory water share for Ethiopia.

After all the previously mentioned encounters, and after the fact that Ethiopia has unilaterally announced that it will start filling GERD this coming July, what guarantees does Egypt have as to the seriousness of any further negotiations with Ethiopia?

The writer is former minister of water resources and irrigation and professor of water resources in the Faculty of Engineering at Cairo University.
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Mada Masr

Egypt courts Sudan as time runs out in Ethiopia dam dispute

Courtesy: Ventures Africa
By Mada Masr
April 16, 2020
The clock is ticking in a long-running dispute over Ethiopia's plans to build a mega-dam on the Blue Nile River that has stoked increasing tensions with Egypt, which relies on the river as its main source of water.

Addis Ababa recently reiterated its pledge to begin filling the reservoir during the wet season between late June or July and September — a date that looms just over two months away. Yet, despite years of negotiations, both sides remain at loggerheads, unable to overcome key differences to finalize an agreement on the filling and operation of the dam.

Ever since US-sponsored talks broke down earlier this year, Sudan — positioned on the Nile between Egypt and Ethiopia and the third party in the deal — has emerged as a key actor that could play a decisive role in the outcome. And as the final countdown begins, both Egypt and Ethiopia appear to be courting Sudan's favor to win leverage in the dispute. The latest developments also come amid the onset of the global coronavirus pandemic, further complicating matters by sidelining the issue in Washington, which has acted as a mediator. As the potential for robust US involvement fades, Egypt has also been working to bring Ethiopia back to the negotiating table on the condition that a draft text negotiated in Washington in February be used as a starting point.

Tensions have simmered between Cairo and Addis Ababa since 2011, when Ethiopia announced plans to build the Grand Ethiopian Renaissance Dam (GERD), pitting Ethiopia's push to generate electricity for domestic consumption and export against Egypt's fears over water scarcity.

On Sunday, senior officials from both Egypt and Ethiopia issued statements that highlighted the continuing intransigence on both sides.

Seleshi Bekele, the Ethiopian Minister of Water, Irrigation and Energy, said that the construction of the dam was nearly 75 percent complete and promised that Ethiopia would be ready to begin filling the reservoir by the beginning of the rainy season this summer. Meanwhile, Egypt's Minister of Irrigation and Water Resources Mohamed Abdel Aty reiterated Cairo's determination not to allow Ethiopia to go ahead with the filling absent a comprehensive and binding deal.

The exchange of statements came just a few days after Egypt's top diplomat, Foreign Minister Sameh Shoukry, spoke extensively with his American counterpart, Secretary of State Mike Pompeo, over the need for the US to "re-engage" on the issue.

The US became involved in the dispute in November after Egypt called for international mediation. Delegations from Ethiopia, Egypt and Sudan met three times in Washington DC earlier this year. Ethiopia pulled out of the final meeting in late February where a deal was to be signed, calling on the US to allow time for more internal consultations. After holding bilateral talks with Egypt and Sudan, the US released a statement saying it believed an agreement had been reached. Yet Sudan declined to give any formal consent to the text, leaving Egypt as the only country to sign the deal.

While Ethiopia has called for a new negotiation process, Egypt has firmly maintained over the past six weeks that it has no intention of abandoning the text negotiated in Washington. Meanwhile, Sudan has been offering mixed signals — alternating between proposing a new draft for negotiations and standing by the Washington draft.

Last week, Sudanese Prime Minister Abdalla Hamdok said that Khartoum was committed to the Washington text "as a term of reference" to a final agreement on the filling and operation of the dam.

This appeared to signal a slight shift from Khartoum's stance in March, when it registered an official objection to a resolution proposed by Egypt to the Arab League to support both Egypt and Sudan in the dispute. The resolution ultimately passed without Sudan's signature.

Hamdok's comments committing to the Washington text as a term of reference came shortly after he met with Egyptian intelligence chief Abbas Kamel, the second such meeting in six weeks. The Sudanese prime minister is scheduled to visit both Addis Ababa and Cairo before the end of the month. Hamdok had a previously scheduled visit to Cairo that was postponed upon request from Khartoum.

Sudan's wavering position is complicated by a lack of agreement within the senior leadership in Khartoum over the dam dispute, according to Egyptian and Sudanese sources informed on the GERD issue.

Abdel Fattah al-Burhan, the chairperson of Sudan's Transitional Sovereign Council, and Mohamed Hamdan Dagalo (known as "Hemedti"), are more inclined to accommodate Egypt's position regarding the text of the agreement, while Hamdok is more in line with Ethiopia, the sources say. Hamdok lived in Ethiopia for years, as did many of his closest aides, and he has close ties with Ethiopian Prime Minister Abiy Ahmed, according to a European diplomat in Cairo who is closely following the GERD developments.

Hamdok had been Sudan's point man on the dam project, but Burhan agreed to become more involved following a direct request from Egyptian President Abdel Fattah al-Sisi, according to a well-informed Egyptian official. The same source states that Egypt has detailed a number of possible economic, political and security incentives to Sudan in exchange for cooperation on the dam dispute.

"A good process has been initiated, but, to be frank, I am not sure whether this would actually take us where we want to go," the Egyptian official says. Egypt ultimately hopes to get Sudan to put its initials on the text that was negotiated in Washington in February. But according to a Khartoum-based political source, this outcome seems "quite unlikely."

"Hamdok will not be pressured to go that far," the Khartoum source says. "He might make some concessions to accommodate the sovereign council, but he will not go as far as getting into a disagreement with Abiy Ahmed."

Abiy appears to be backing Hamdok against Burhan and Hemedti in siding with Ethiopia, sources in Egypt and Sudan say. They also point to Abiy's tacit approval of an agreement on Sunday for Ethiopia to hand over lands from the Fashqa border territory to Sudan that would resolve an almost 30-year dispute between the two countries.

Additionally, following the Egyptian intelligence chief's visit to Khartoum last week, Abiy sent his chief of staff to the Sudanese capital for talks with Hamdok.

Energy supply deals may also come into play as bargaining chips for both Egypt and Ethiopia. The mega-dam is expected to give Ethiopia an electricity surplus, from which Sudan could benefit with a cheap supply of power. Yet, Cairo has also recently secured a deal to supply Sudan with electricity, with the national supply grids of the countries being officially connected earlier this month.

Egypt and Ethiopia have long vied for political influence in Sudan. During the Sudanese revolution last year that ousted longtime president Omar al-Bashir, both sides jockeyed for a position to act as mediator between opposition forces and the transitional military council that was headed by Burhan; Sudan's involvement in the dam negotiations was a primary motivating factor.

According to the Khartoum source, Sudan currently agrees with Ethiopia on some of the key sticking points in the dispute, including Ethiopia's demand to maintain a certain level of water in the dam reservoir.

"Egypt is set to lose part of the water it gets every year. We might also lose part of the water, but, in the meantime, we'll get to have the floods regulated in a way that would help us better manage our agricultural schemes, and we are also set to get considerably inexpensive electricity which is essential for our development plans," the Sudanese source says. "We would like to help Egypt, but I am not sure how we can do this really."

The best that Khartoum could do, he adds, would be to convince Addis Ababa to accept the text that was reached in Washington as a term of reference for any future talks that might take place — talks that could potentially be hosted in Khartoum. This would require the drafting of a new text that is inspired by the spirit, rather than the letter, of the Washington text, the Sudanese source says.

Egypt is aware of the internal dynamics in Sudan and of Ethiopia's moves to curry favor with Khartoum, the Egyptian government official says.

"We are not delusional. We know that when Hamdok comes to Cairo later this month following his visit to Ethiopia he might be again carrying a version of the Ethiopian proposal to restart the negotiation process," the Egyptian government source says. "But we will not agree to enter into an open-ended negotiation process that goes around in circles. It's out of the question."

The final draft that emerged in Washington at the end of February is the most recent text of a number of proposals that have been floated since the Declaration of Principles was signed by all three countries in Khartoum in 2015.

Over the past several months, Egyptian officials have repeatedly indicated to Mada Masr that they believe Ethiopia has steadfastly avoided committing to any detailed agreement that lays out processes to resolve serious points of contention, including: the annual water release; mitigation measures in various cycles of drought; water levels of both the GERD and the Aswan High Dam; and a dispute resolution mechanism.

The officials believe Ethiopia is looking to secure a broad, loosely defined agreement that would allow Khartoum a free hand to interpret however they wish.

"This has been the case since the very beginning of the early talks on the construction of a dam back in Ethiopia in 2008," a former Egyptian negotiator says. "They were never clear about what they really intended to do or how they intended to do it."

For its part, Ethiopia has argued that Egypt wants to maintain a colonial era grip over the Nile. Under the terms of a 1959 bilateral agreement signed by Egypt and Sudan — which was built on a 1929 agreement — Egypt was entitled to 55 billion cubic meters and Sudan 18.5 billion cubic meters to the Blue Nile. The deal also gave Egypt veto power over all proposed Nile projects. Neither colonial era agreement made any allowance for the water needs of other riparian states that were not party to the deal, including Ethiopia.

Ethiopia first proposed the construction of a much smaller dam in 2007 with the aim of generating electricity as part of a major development scheme. Cairo was apprehensive from the start, given Egypt's dependence on Nile water, the majority of which flows downstream from the Blue Nile. In 2011 — in the aftermath of the revolution in Egypt — Ethiopia upgraded its plans from a 14 billion cubic meter project to a giant 74 billion cubic meter mega-dam.

During the negotiations, Cairo had initially been unwilling to concede to an annual release below 40 billion cubic meters per year that would be shared by both Egypt and Sudan. Ethiopia, meanwhile, pushed for an annual release of 31 billion cubic meters, according to a leaked draft of a proposal submitted by Ethiopia. In Washington, a compromise of an annual release of 37 billion cubic meters was concluded.

However, Ethiopia wants to tie the annual release to the level of water in the reservoir, which could potentially allow it to release a smaller share if the water levels are low. It also refused to agree to a dispute resolution mechanism that would allow Egypt to monitor the flow of water to ensure it receives the agreed-upon annual share, citing issues of sovereignty.

Egyptian officials say that clear mechanisms must be laid out in any final deal. "We cannot just overlook the possibility that Ethiopia would be deciding on its own the amount of water it releases from the dam every year for us and for Sudan," an Egyptian official says. He adds that Cairo is willing to sit down for talks with both Ethiopia and Sudan but the Washington text must be an integral part of the negotiations. "We will sit and listen, but we will never agree to start a whole new negotiation process as if nothing has happened."

The mega-dam has also played into internal political dynamics in Ethiopia, with the prime minister recently describing the project as a "symbol of sovereignty and unity." In recent weeks, the Ethiopian military has also said it is willing to defend the dam from any attacks and showcased its prowess with a military display near the site of the dam in images broadcast on national television.

Yet, there are mitigating factors to Ethiopia's ability to begin the filling process.

The Ethiopian parliamentary elections originally scheduled for August were recently postponed due to the coronavirus outbreak, which may lessen political pressure on Abiy to push ahead with plans to begin filling the reservoir in the summer.

"We have heard Ethiopian officials say that they will start the filling this year, but this remains to be seen, especially since the political pressure that Abiy Ahmed was facing with the general elections that were scheduled for late August has now been put off," a Cairo-based European diplomat says.

The diplomat, whose country has several companies in Ethiopia involved in construction and mechanical work on the GERD, also says it is possible that construction on the dam will not have progressed far enough for the filling process to begin by the summer.

At least two turbines must be operational in order for the dam to generate electricity, which requires the reservoir to be filled to at least 4.9 billion cubic meters. The assessment of several Cairo-based European diplomatic sources closely following the issue is that by July or even August, construction on the dam will not have progressed far enough for more than two billion cubic meters to be filled, which is insufficient to generate electricity.

However, the same sources also say that Abiy might opt to fill the reservoir by that amount as a display of political power. "This might harm Egypt politically as opposed to anything else," another Cairo-based European source says, as the filling would have begun without a definitive agreement in defiance of Cairo's stated position.

The prospect of the United States mediating another round of talks to broker a conclusive agreement between all three parties in the near future is dubious at best. Few believe the coronavirus crisis will have subsided enough by July for Washington to get involved, at which point Ethiopia may decide to initiate the filling of the reservoir absent a final deal. Beyond the pandemic, the US presidential elections in November may also divert the Trump administration's attention from the GERD dispute. And if President Trump loses the White House, the text concluded in Washington may hold little value to the new administration.

As Egyptian officials continue diplomatic and back channeling efforts to try and avert a crisis, time is running out. And they know it.

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Chicago Tribune

United Airlines will get $5 billion to avoid layoffs until the fall. It might only be a reprieve.

By Lauren Zumbach

Chicago Tribune |

Apr 16, 2020 | 1:40 PM

United Airlines is in line to get $5 billion in financial assistance from the federal government to keep paying employees as the COVID-19 pandemic devastates passenger air travel. Even with those funds, the road ahead looks dire, executives said in a letter to employees.

The Chicago-based airline has slashed about 90% of its flying capacity in May, and expects to run a similarly bare-bones schedule of flights in June. It carried fewer than 200,000 people during the first two weeks of April — roughly 3% of the more than six million passengers it had during the same period last year.

The situation isn't getting better. United expects to carry fewer people through the entire month of May than it did during a single day in May 2019.

United has pledged to avoid involuntary furloughs and pay cuts through Sept. 30 — a condition of accepting the federal funds — though many employees will be working fewer hours. Executives warned employees the reprieve may not last.

"But the challenging economic outlook means we have some tough decisions ahead as we plan for our airline, and our overall workforce, to be smaller than it is today, starting as early as October 1," United CEO Oscar Munoz and President Scott Kirby wrote in a letter to employees Wednesday night.

Several other major U.S. carriers, including Delta Air Lines, American Airlines and Southwest Airlines reached agreements with the Treasury Department to receive billions in grants and loans to keep workers on the payroll, money that is part of the CARES Act, the $2.2 trillion federal stimulus package.

U.S. airlines, United included, started the year in the best shape they'd seen in years, said Helane Becker, airline industry analyst at investment research firm Cowen. But the scale of the crisis is unprecedented, and even with the billions in aid, analysts say the industry will be dramatically smaller by the end of the year.
This is a complete takedown of the airline industry...We've lost decades of growth, and it will take years to recover," Becker said.

Of United's $5 billion, roughly $3.5 billion will be a grant, with the remaining $1.5 million in the form of a low interest loan. American, Delta and Southwest expect to receive $5.8 billion, $5.4 billion and $3.2 billion, all a combination of grants and loans. Those funds come with restrictions on stock buybacks and executive compensation and require airlines maintain a minimum level of flying to cities they served on March 1.

Still, that $5 billion doesn't cover all of United's payroll expenses, and payroll only makes up about 30% of United's total costs, executives said in the letter to employees.

Airlines have been slashing costs where they can. Last month, United asked employees to volunteer for unpaid leaves. More than 20,000 have signed up, and the airline will add additional voluntary leave and separation programs over the next few weeks, Munoz and Kirby said in the letter to employees.

United also said it reduced work with vendors and consultants, cut executive salaries in half and scaled back planned capital expenditures, though it declined to comment on specific projects that had been put on hold.

The airline is facing higher costs to cover debts this year than U.S. rivals, according to a report from Cowen. United has nearly $1.7 billion due this year, compared with about $1.5 billion for American and less than $1 billion at Delta, according to Cowen's report earlier this week.

Airlines have also been scrambling to get new short-term loans. In March, U.S. airlines raised more than $10 billion, according to Cowen, led by Delta with $2.6 billion and United with $2.5 billion. United added another $250 million, secured by spare engines, on April 7.

Still, J.P. Morgan analysts "simply don't see any way for most U.S. airlines to avoid massive layoffs" unless the grants and loans are extended, they wrote in a research note last week. Becker estimated there could be as many as 200,000 furloughs across all U.S. airlines.

It took about three years for passenger traffic to return to 2000 levels after the Sept. 11 terrorist attacks, and this recovery will likely be longer, Becker said.

A lot will depend on whether the country develops tools to contain or fight the virus and how long restrictions on travel and instructions to practice social distancing remain in place, she said. Policies mandating social distancing, like forcing airlines to keep a middle seat empty, will hit airlines' bottom lines, but without those policies, travelers may not feel comfortable getting on planes.

Even once health concerns and restrictions diminish, the economic fallout will remain a challenge. People are filing for unemployment benefits in record numbers, and once people are back to work, many will be catching up on bills, not planning trips, Becker said.

Both the economic concerns and lingering restrictions on travel mean domestic flying is likely to bounce back more quickly than international travel. That won't help major U.S. carriers with an international focus, like United, which accounted for a little more than half of all flights domestic carriers operated connecting the U.S. to China and Hong Kong last year, according to data from PlaneStats.com, Oliver Wyman's aviation data portal.

Some travelers may also switch to lower-cost domestic destinations and budget carriers like Spirit and Frontier, said Seth Kaplan, airline expert and former editor of Airline Weekly.

Business travelers — an audience United has worked to attract — could resume flying more quickly than vacationers, according to Cowen. But even business travel will likely face a slower recovery than in prior crises because of the risk of pushing employees to travel too soon and growing comfort with virtual meeting tools, they wrote.

Even as they cut costs, airlines are going to have to double down on service to get passengers back, said Gary Leff, a travel expert who writes the View from the Wing blog. Business travelers might be more willing to forgo the hassle of a trip if they've grown more comfortable with videoconferencing, and leisure travelers will need reassurance airlines have adopted cleaning and social distancing policies that make it safe to fly.

One thing that won't help: playing hardball with refunds, which travelers are entitled to when the airline cancels a flight. United Airlines is facing a proposed class-action lawsuit after the airline allegedly denied a traveler a refund and would only issue a credit for future travel. Other airlines also tightened restrictions on refunds amid the pandemic, prompting a warning from the U.S. Transportation Department earlier this month.

Many consumers focus on the lowest price or most convenient schedule and don't hold bad interactions against airlines, but at least some do seek out or avoid certain carriers, and that matters more in tough times than good ones, Leff said.

"If all your seats are full and you chase one person away, someone else will take it," he said. "But when half your seats are empty, the marginal customer matters."

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# AM News Roundup April 17, 2020

From: [redacted]@treasury.gov>
To: _DL_FYI <_dl_fyi@do.treas.gov>
Date: Fri, 17 Apr 2020 14:59:35 -0400

**AM News Roundup**
**April 17, 2020**

**Secretary Steven Mnuchin**

- CNN Wire: **Trump wants some states to reopen soon but new outbreaks continue in nursing homes and food processing plants**
- The Associated Press: **New pressure on lawmakers as virus aid for firms hits limit**
- USA TODAY: **Small business stimulus program runs out of money**
- Los Angeles Times: **THE NATION: Senate impasse on relief fund persists**
- The Washington Post: **Glitches prevent stimulus payments from reaching millions of Americans**
- The Washington Post: **Small-business program runs dry as firms struggle and Congress bickers**
- The New York Times: **Some Banks Snatch Relief Checks, and a Chorus of Protest Swells**
- American Banker: **Hundreds of thousands of emergency small-business loan applications in limbo**
- American Banker: **Banks join calls to shield stimulus checks from debt collection**
- Politico: **Phone tag and snubs: Bitter leadership feuds undermine pandemic relief**
- The Hill: **Schumer says more testing needed before Trump's plan to open country moves forward**
- The Hill: **Senate misses deadline, but talks on loans go on**
- The Financial Times: **Fed's junk bond purchases should be short-term**
- Reuters: **Trump administration working to ease drilling industry cash crunch**
- Reuters: **IMF's Georgieva underscores need to help Africa, other emerging markets**
- Reuters: **India says IMF liquidity boost may have costly side effects**
- Reuters: **China urges World Bank to suspend debt payments for poorest countries**
- The Atlantic: **Look Out, Corruption Ahead**
- CNBC: **Nearly 3 million borrowers have been granted mortgage relief, and the industry is crying for help**
- CT Mirror: **Lamont, other governors, seek $500 billion in new coronavirus stimulus money for states**
- AccountingToday: **SSI recipients to receive automatic stimulus payments for coronavirus**
- Fox News: **Mnuchin directs people who haven't gotten their coronavirus stimulus checks to IRS site**

**Treasury**

- American Banker: **CFPB finalizes HMDA rule that gives reg relief to banks**
- American Banker: **House bill would temporarily lift credit union commercial lending cap**
- American Banker: **JPMorgan halts home equity loans due to coronavirus**
- The New York Times: **Bringing the Economy Back to Life**
- The New York Times: **Boeing to Restart Production in Washington State With 27,000 Workers**
- The Wall Street Journal: **Stimulus to Add Nearly $1.8 Trillion to U.S. Budget Deficit Over Decade, CBO Says**
- The Wall Street Journal: **Flood of Saudi Oil Looms as U.S. Drillers Face Supply Glut**
- The Wall Street Journal: **Small Businesses Need Money—but First They Need the U.S. to Reopen**
- The Wall Street Journal: **Stocks Rally, Pointing to Second Week of Gains**
- The Wall Street Journal: **How to Navigate the Suspension of Student Loan Payments**
- The Wall Street Journal: **A New IRA Donation Strategy Now Can Increase Your Tax Savings Later**
- The Wall Street Journal: **The Fed and Main Street**
- The Financial Times: **Henry Paulson: Save globalisation to secure the future**
- The Financial Times: **Payment holidays are messing with America's $2.2tn mortgage machine**
- The Financial Times: **Coronavirus threatens $500bn hole in US state budgets**
- Bloomberg: **Problems with your $1,200 government check? Here's what might've gone wrong.**

**Administration**

- Nevada Appeal: **Amodei says Nevada will get $1.25 billion from virus fund**
- Native News Online: **Tribal Pressure Mounts Over Trump Administration Sending CARES Act Funds to Alaska Native Corporations**
- HCP.com: **NC StateTreasurer Folwell Announces $2 Billion Received as Part of CARES Act**
- Mountain Xpress: **N.C. receives $2 billion in federal COVID-19 relief**
- Courthouse News: **Tribes Balk at Inclusion of Alaska Native Corporations in Virus-Relief Fund**

**Other News**

- The New York Times : **China's Economy Shrinks, Ending a Nearly Half-Century of Growth**
- The Financial Times: **China's economy shrinks for first time in four decades**

**Secretary Steven Mnuchin**
CNN Wire

April 17, 2020 Friday 5:46 AM GMT

**Trump wants some states to reopen soon but new outbreaks continue in nursing homes and food processing plants**



Length: 1228 words

Dateline: (CNN)

Body
(CNN) -- President Donald Trump told governors they can reopen their states soon if they want but health officials across the country are still battling numerous coronavirus outbreaks.

"Our national shutdown is not a sustainable long-term solution," Trump told reporters.

Trump unveiled new guidelines on Thursday to help states loosen social distancing restrictions and restart the economy. The guidelines, which won't be mandatory, suggest a phased approach that will still keep schools closed and allow some restaurants and gyms to operate under social distancing protocols. Each governor will ultimately decide on how and when to open.

"We are not opening all at once, but one careful step at a time," Trump said. "And some states will be able to open up sooner than others. Some states are not in the kind of trouble that others are in."

While the number of new cases is dropping in some states, health officials have identified new outbreaks. In New Hampshire, clusters were identified at three long-term care facilities, according to Lori Shibinette, health commissioner with the New Hampshire Department of Health and Human Services.

Meanwhile, more than half of the 143 new cases of Covid-19 in South Dakota were linked to the Smithfield Foods plant, one of the country's largest pork processing facilities, a spokesman with the state's health department said.

An influential model previously cited by the White House shows that number of new cases has dropped on a national level while "places like New York seem to be stuck at the peak for longer than we originally expected."

Dr. Christopher Murray, director of the Institute for Health Metrics and Evaluation at the University of Washington, told CNN's Anderson Cooper during CNN's coronavirus town hall those hot spots are seeing longer peaks than what Spain and Italy experienced. He noted that Southern states will not be hit as hard as initially estimated.

More than 670,000 people have tested positive in the US with at least 33,101 deaths linked to the virus, according to a tally by Johns Hopkins University. About 4,811 deaths were reported Wednesday alone.

It's unclear whether the latest death toll includes probable cases. Federal health officials have said they'll start including probable cases, which meet clinical criteria for symptoms and evidence of Covid-19 -- but with no lab test confirming the disease.

Governors extended stay-at-home orders and formed pacts

Several governors extended stay-at-home orders to fight the coronavirus and new partnerships had emerged among them before Trump told them they will call their "own shots."

Seven states -- Michigan, Ohio, Wisconsin, Minnesota, Illinois, Indiana and Kentucky -- will work together to reopen the Midwest regional economy, Michigan Gov. Gretchen Whitmer announced.

"We will make decisions based on facts, science, and recommendations from experts in health care, business, labor, and education," Whitmer said in a statement.

New York and six other Northeast states extended stay-at-home orders through at least May 15. Los Angeles Mayor Eric

Garcetti has said his city will likely not permit public sporting events and concerts until next year.

Louisiana Gov. John Bel Edwards announced the creation of the "Resilient Louisiana" task force, which will work toward the reopening of the state's economy.

Edwards says experts will make recommendations on how to reopen businesses in a way that adequately protects public health.

More testing is needed before reopening, officials say

Before social distancing mandates are relaxed, authorities and experts say that increased coronavirus testing will have to be conducted nationwide to track how much the virus has penetrated communities and enable officials to separate those who are infected.

Following Trump's call with the governors, North Carolina Gov. Roy Cooper emphasized the need for testing and personal protective equipment, noting the federal government should step in.

"We will continue working with our federal and local partners to beat this virus, protect people's health and recover our economy," Cooper said in a statement.

Washington Gov. Jay Inslee called rapid testing the key to determining when emergency restrictions can be lifted. "We need to build the equivalent of a fire brigade," he said.

Unemployment claims continue rising

Another 5.2 million Americans filed for their first week of unemployment benefits in the period ending April 11, according to new figures by the US Department of Labor.

In total, 22 million people have filed first-time claims since mid-March as the pandemic forces businesses to close and lay off workers.

The Small Business Administration said it had run out money for the Paycheck Protection Program and was unable to accept new applications.

With the $349 billion emergency small business lending program out of funds, Treasury Secretary Steven Mnuchin and Democrats will reconvene Thursday on a package to increase funding immediately.

Former Vice President Joe Biden called choosing between reopening the economy and ending the pandemic a "false choice."

"Look, I think it's a false choice to say you have to choose between the economy and our health. If you don't fix the health side of it, the economy is never going to get right," he said during CNN's coronavirus townhall on Thursday.

Protesters rally against restrictions in two states

Medical experts have emphasized that the key to fewer coronavirus cases is for people to practice social distancing. As a result, all but seven states are under stay-at-home orders from their governors.

But in at least two states, protesters rallied against the social distancing mandates, calling them a violation of individual freedoms.

In Lansing, Michigan, vehicles jammed several streets around the Capitol in a protest organized by conservative groups against Democratic Gov. Gretchen Whitmer.

"It's time for our state to be opened up. We're tired of not being able to buy the things that we need," Brenda Essman of Kalamazoo told CNN affiliate WLNS. "We need to open our businesses."

And in Raleigh, North Carolina, demonstrators gathered outside the state legislative building Tuesday to protest the state's stay-at-home order, CNN affiliate WRAL reported. Police officers told them they were defying social distancing rules by standing too close together, and asked them to disperse. Most left.

Michigan is one of the hardest-hit states with nearly 2,000 deaths reported while North Carolina has had 135.

Companies report changes in testing

Some commercial lab companies say they've seen some recent decline in demand for coronavirus tests following weeks of increases.

Quest Diagnostics said demand declined in recent days, allowing the company to wipe out the remnants of its coronavirus test backlog. Its average turnaround time is now less than two days.

Another company, Eurofins USA, said its labs have excess testing capacity, in part because many hospitals are now testing in-house. A company spokesperson said another contributing factor is some of its labs have been denied entry into some insurance plan networks.

CNN's Jamiel Lynch, Janine Mack and Konstantin Toropin, Elizabeth Joseph, Kevin Liptak, Lauren Fox, Phil Mattingly, Joe Sutton, Dave Alsup, Andy Rose and Ben Tinker contributed to this report


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The Associated Press

April 17, 2020 Friday 10:30 AM GMT

**New pressure on lawmakers as virus aid for firms hits limit**



Section: POLITICAL NEWS

Length: 848 words

Byline: By ANDREW TAYLOR, Associated Press

Dateline: WASHINGTON

Body
WASHINGTON (AP) - Lawmakers are struggling to break a stalemate over President Donald Trump's $250 billion emergency request for a small-business program, stoking uncertainty about when additional support will be available in a key rescue program now exhausted of funds.

A Senate session quickly adjourned without any progress, though staff aides to House and Senate Democrats and Treasury Secretary Steven Mnuchin convened another conference call, on legislation to shore up the Paycheck Protection Program and demands by Democrats for potential additions. The Small Business Administration announced Thursday it has reached its $349 billion lending limit and is no longer accepting applications, and Trump immediately weighed in on Twitter to bash Democrats.

"Democrats are blocking additional funding for the popular Paycheck Protection Program. They are killing American small businesses. Stop playing politics Dems! Support Refilling PPP NOW - it is out of funds!" Trump wrote.

GOP aides said that Mnuchin is prepared to accept additional funding sought by Democrats for hospitals, but that additional aid to state and local governments couldn't get approval in the current round. The aides spoke on condition of anonymity to characterize internal party deliberations.

Thursday's Senate session featured a short speech by a frustrated majority leader, Mitch McConnell, R-Ky., but no effort to pass Trump's $250 billion request - or to shame Democrats, were they to block it as they did last week. Instead, McConnell said that he had cleared the $250 billion package on the GOP side but that Democrats would have stopped it.

"Democrats would not let us reopen the program," McConnell said. "This really should be above politics."

The Capitol is largely shuttered, requiring consensus from all sides for any legislation to pass, and top GOP leaders are vowing to stick closely to Trump's request despite Democrats' additional demands.

The Senate is away from Washington through May 4, but it convenes twice each week for pro forma sessions that could be used to pass more coronavirus aid - though only if no senator objects. The next Senate pro forma is Monday afternoon; no action is expected at a brief Friday House session.

McConnell, asked by a reporter whether he could support any agreement reached by Senate Minority Leader Chuck

Schumer and Mnuchin, was noncommittal.

"Well, look, we'd take a look at it. My members want to plus up the small-business program. We think the need is obvious," he told reporters. "And all the money for the other programs is not yet out the door. It doesn't mean we won't be dealing with them later, but we have an emergency, we ought to deal with it."

GOP leaders McConnell and Kevin McCarthy are back in Washington to monitor developments. McCarthy, the House minority leader, is closer to Trump, but both seem to fear Mnuchin might be willing to contemplate concessions that rank-and-file Republicans would find objectionable.

At issue is a $349 billion Paycheck Protection Program that is a centerpiece of last month's massive rescue bill. The Congressional Budget Office issued an estimate for the legislation, passed virtually unanimously last month, pegging its deficit cost at $1.8 trillion. That's less than the $2.2 trillion informal White House estimate, and the difference is because the CBO believes an almost half-trillion-dollar loan guarantee program designed to stabilize large companies and state and local governments won't have deficit costs because the money would be paid back.

The program gives grants to businesses with fewer than 500 workers so that they can maintain payroll and pay rent while shutting down their businesses during social distancing edicts.

The program has been swamped by businesses applying for loans and has reached its appropriations limit. Mnuchin says $250 billion more is needed immediately.

But Democrats want money for hospitals burdened under COVID-19 caseloads and additional funding for states and local governments straining as the economy slides into recession.

They also want to make sure the Paycheck Protection Program is opened up more to businesses that don't have established relationships with banks that have been accepting applications for rescue funding.

Pelosi is pressing to add money to be distributed by community development financial institutions, which are small, nontraditional lenders that focus on making loans in underdeveloped and underserved neighborhoods, typically communities with larger minority populations.

"We want to make sure that, as it gets more money, many more people get access to the credit," Pelosi said.

Eventually, the need for consensus seems likely to result in a relatively limited package.

Republicans are agitating to help rural hospitals, while Democrats are also keen to boost aid to cash-strapped states and local governments whose revenues have cratered. Aiding the states may be a stretch for now, however, as the issue can easily provoke fights between large, high-tax states like California and New York and smaller states more typically run by Republicans.

USA TODAY

April 17, 2020 Friday, FIRST EDITION

**Small business stimulus program runs out of money**



Section: NEWS; Pg. 2A

Length: 276 words

Byline: Christal Hayes, USA TODAY
Body
WASHINGTON - A stimulus program set up to prevent small businesses from shuttering and their employees from going on unemployment officially ran dry Thursday morning, less than two weeks after launching.

The fate of the Paycheck Protection Program, which was launched April 3 with $349 billion for loans to small businesses, is unclear as congressional leaders and the Trump administration remain at an impasse on a deal to inject billions more into the program.

The Treasury Department said that by law, it will not be able to issue loan approvals for small businesses because of the lapse in funding, pausing the program that approved more than 1.6 million applications for employers. The Small

Business Administration said it halted accepting applications for loans and enrolling lenders.

As the program's popularity became apparent this month, the administration and Treasury Secretary Steven Mnuchin asked Congress for an additional $250 billion in emergency funds to bolster the program.

Late Wednesday, Mnuchin and SBA Administrator Jovita Carranza issued a statement pleading for Congress to pass more funding.

"The SBA has processed more than 14 years' worth of loans in less than 14 days. The Paycheck Protection Program is saving millions of jobs and helping America's small businesses make it through this challenging time," they said.

Democrats demanded that Congress should also pass more funds for hospitals and state and local governments.

Congressional Republicans argued liberals were playing political games and holding hostage billions.

House Speaker Nancy Pelosi argued that Democrats were fighting for these funds to reach those most in need.
#Top of the Document

Los Angeles Times

April 17, 2020 Friday, Home Edition

**THE NATION; Senate impasse on relief fund persists;**
**A loan program for small businesses is out of money and will remain so at least until next week.**



Section: MAIN NEWS; National Desk; Part A; Pg. 5

Length: 952 words

Byline: Jennifer Haberkorn

Dateline: WASHINGTON

Body
The government program designed to help small businesses weather the economic fallout of the COVID-19 pandemic ran out of money Thursday, and congressional leaders remained at a standoff over how to replenish the funds.

The Senate met for a brief session Thursday afternoon -- the last opportunity it had to approve more money until next week. Since no action was taken, the program will remain depleted at least through the weekend.

Over 12 days, the Small Business Administration spent the entire $349 billion that Congress previously authorized to spend on forgivable loans intended to help small businesses maintain their payroll and health coverage for employees.

Republicans want to authorize an additional $250 billion for the Paycheck Protection Program.

But Senate Minority Leader Charles E. Schumer (D-N.Y.) and House Speaker Nancy Pelosi (D-San Francisco) have balked at spending that money without ensuring that microbusinesses and disenfranchized companies are able to participate. They also want to add more funding for state and local governments and hospitals.

President Trump told lawmakers on a call Thursday morning that he's open to adding additional program recipients to get a deal, Sen. Roy Blunt (R-Mo.) said.

"This is something that Democrats and Republicans at the leadership level should be able to figure out -- what is it that we really need to do right now," Blunt said. "We know that's paycheck protection. Apparently the president's open to discussing another topic or two."

Aides to Pelosi and Schumer planned to continue negotiations with Treasury Secretary Steven T. Mnuchin, according to Democratic aides.

Senate Majority Leader Mitch McConnell (R-Ky.) was noncommittal as to whether Senate Republicans would agree to any deal cut between Mnuchin and Democrats.

"We'd take a look at it," McConnell said. Republicans "want to plus up the small-business program. We think the need is obvious. And all the money for the other programs is not yet out the door. It doesn't mean we won't be dealing with them later. But we have an emergency; we ought to deal with it."

The Paycheck Protection Program has strong bipartisan support. The political squabble over a second round of funding matched the partisanship in Congress before agreement on the sweeping stimulus package known as the CARES Act, which was bogged down for days until it finally passed without objection.

Democrats say very small businesses or companies without an existing banking relationship have had particular trouble accessing the loans because banks have given preference to their existing customers.

"We don't want it to perpetuate the disparity of access to credit for some of our businesses," Pelosi said Thursday.

Democrats also want to tack on additional funding for the healthcare system and for state and local governments.

"We really need to recognize the danger that some people are in when they try to help us," Pelosi said, pointing to state and local government and healthcare workers. "We must have more resources placed."

House Minority Leader Kevin McCarthy (R-Bakersfield) cited the 5.2 million people who filed for unemployment in the last week as a key reason why the money should be approved immediately.

"I cannot understand after watching another 5 million get unemployed how Speaker Pelosi continues to say no. It's just unheard of. A program that is working that only provides the small businesses to stay afloat, to keep their people hired," McCarthy said. "All it simply takes is the Democrats to say yes. I don't know what more that it takes. You got 5 million reasons today."

Congress has been largely out of session since passing the CARES package late last month. On Thursday, the nonpartisan Congressional Budget Office released the official price tag for that legislation: $1.8 trillion added to the deficit.

With social distancing and stay-at-home policies still in effect throughout the country, the House took a step toward allowing representatives to vote remotely, with a recommendation by House Rules Committee Chairman Jim McGovern (D-Mass.) that would allow members who cannot travel to Washington to have a member who is physically present vote on their behalf, and at their explicit direction.

Democratic leaders have expressed concerns about using technology to conduct remote voting, but a growing number of lawmakers have pushed Pelosi to allow some form of remote voting amid fears members could be exposed to the coronavirus while traveling to Wash- ington or while at the Capitol.

"This system would enable members to vote remotely in a secure way, without using the kind of technology that is susceptible to hacking or interference by foreign bad actors. And because it doesn't rely on some new technology being stood up and vigorously tested, it could give members a say on important legislation much more quickly," McGovern said in a statement.

House rules can be changed by unanimous consent or voice vote, as long as no member objects.

That happened when the House approved the economic package in March by voice vote. House leaders were forced to recall hundreds of representatives to Washington when Rep. Thomas Massie (R-Ky.) objected to passing such a large, complex piece of legislation without taking a recorded vote.

Blunt told reporters Thursday that he's considering virtual hearings and meetings, but not remote or proxy voting for the Senate.

"Neither the majority leader on the Senate side or the majority leader and the speaker on the House side have any interest in a legislative body that doesn't convene. I think the Constitution clearly anticipates that members would be present," he said.

—

Times staff writer Sarah D. Wire in Washington contributed to this report.
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The Washington Post

April 17, 2020 Friday, Suburban Edition

**Glitches prevent stimulus payments from reaching millions of Americans**



Distribution: Every Zone

Section: A-SECTION; Pg. A14

Length: 1786 words

Byline: Heather Long;Michelle Singletary

Body

Many Americans woke up Wednesday expecting to find a payment of $1,200 or more from the U.S. government in their bank account, but instead they realized nothing had arrived yet - or the wrong amount was deposited. Parents of young children complained they did not receive the promised $500 check for their dependent children.

U.S. Treasury Secretary Steven Mnuchin has instructed the Internal Revenue Service to get payments out as fast as possible to help offset the pain of losing jobs and shutting down businesses, but numerous glitches - affecting filers who used tax preparers, parents of dependent children and people with 2019 tax returns still to be processed - are delaying payments and causing confusion.

Several million people who filed their taxes via H&R Block, TurboTax and other services were unable to get their payments because the IRS did not have their direct deposit information on file, according to the Treasury, companies and experts.

The IRS launched a "Get My Payment" tool Wednesday for people to track the status of their payment and enter direct deposit information, but many who used it said they received a message saying "Payment Status Not Available," a frustration that left them without answers.

Some parents told The Washington Post that they received a $1,200 payment for a single head of household or a $2,400 check for a married couple but that the IRS left out the $500-per-child-under-17 payments.

IRS and Treasury officials said they are aware of these issues and are working to fix them. A Treasury spokeswoman noted the IRS processed nearly 80 million payments in less than three weeks. That's just over half the 150 million payments expected to go out under the Economic Impact Payment program.

Social Security recipients will automatically receive the payments later this month. Paper checks will have President Trump's name on them and are expected to start going out next week. Low-income Americans who do not normally file a tax return, including the homeless, are also eligible to receive the $1,200 check but only if they enter their information in a new non-filers tool at irs.gov .

Below is a rundown of the most common issues preventing people from getting the payments and what steps the IRS recommends to rectify them.

Millions of people who use tax preparation services didn't get their payments

Customers who use tax preparation services such as H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to The Post that they didn't get their stimulus payments Wednesday.

Up to 21 million tax filers could be affected, said consumer law expert Vijay Raghavan, because the IRS does not have these people's direct deposit information on file if they received an advance on their tax refund from these companies or had the fee for tax preparation taken out of their refund.

The reason is that tax preparation companies received these people's tax refunds first, deducted their fees and then distributed the remaining refunds to the customers. Because of that, the IRS had a "temporary bank account" on file that the tax preparer created for the 2019 tax season, Raghavan said.

The IRS is aware of the problem and urges people to input their bank information on the Get My Payment portal, a spokesman said.

Chi Chi Wu of the National Consumer Law Center said the IRS told her that it found a way to work around this problem and that a "significant percentage" of these people will ultimately get a direct deposit. So far, many are waiting.

Matt Sielen of Chino, Calif., who recently lost his job, was shocked to discover that he would not be receiving the payment on his H&R Block Emerald Card, the debit card on which he received his tax refund. Sielen and his wife, a nurse who cares for homebound people, have two young children and were counting on the $3,400 payment to pay rent and other bills. The couple had H&R Block take their tax preparation fee out of their refund earlier this year, which means the IRS didn't have their bank details.

"I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

After he was unable to get through to anyone on H&R Block's phone line, Sielen went on the IRS website and was told to enter the couple's bank information. He did that but wishes H&R Block had been clearer about what to do. The company's website says, "We are still waiting for answers from the IRS regarding the majority of Emerald Card holders."

The Post spoke with six other people in a similar situation who have not received the IRS payment. One was told by her tax preparer that she will have to wait for a check in the mail.

A TurboTax spokesman said the IRS does have all of the necessary information for its users, but customers were still reporting issues on Twitter and to The Post.

"The IRS has the appropriate banking information for all TurboTax filers, which can be used by them to distribute stimulus payments," said Rick Heineman, a company spokesman.

'Payment Status Not Available'
Frustrated taxpayers also took to Twitter to vent about their inability to track when and how they would be getting their money. Some posted an image of the message they received after entering their information: "Payment Status Not Available."

There are a number of reasons the tool can't check the status of a stimulus payment, the IRS said.

I You aren't eligible for a payment.

I Your payment is based on your status as a Social Security, disability, Veterans Affairs or Railroad Retirement beneficiary. In this case, the IRS will use your SSA or RRB Form 1099 payment information. Your payment information isn't available on the Get My Payment tool.

I You have not filed a 2018 or 2019 federal tax return.

I You filed your 2019 return, but it hasn't been fully processed.

I You used the non-filers tool, but the information you entered is still being processed.

I There's a problem verifying your identity when answering the security questions.

Others say they are getting that message even though they do not fall into any of these categories. Information on the site is updated only once a day, so checking more than once in a 24-hour period won't yield a different result. The IRS says people who qualify for a payment will receive it by mail if they do not get it through direct deposit.

Receiving the wrong payment amount or no money for dependent children
A number of people indicated they received an incorrect payment amount. Five people contacted The Post saying they didn't receive any money for their children or they received only one child payment when they have three kids. Others said the amount for them personally was wrong.

People whose adjusted gross income qualifies them to receive a stimulus check are supposed to receive an additional $500 for every dependent child under 17. But one reader from Kentucky with three children under age 15 said she received only $1,200 on Wednesday. She double-checked her 2019 tax return and verified that all three children were listed as dependents.

Individuals who receive Social Security retirement, survivors or disability (Social Security Disability Insurance) benefits or Railroad Retirement benefits will automatically receive the $1,200 stimulus payment if they are eligible. The IRS announced it has added to this group Supplemental Security Income (SSI) recipients. The automatic payments for SSI recipients will go out no later than early May, according to the agency statement.

However, the IRS says if you fall into one of those categories and have children under 17, you have to use the non-filers tool at irs.gov to claim the $500 payment per child. You'll need a valid Social Security number or Adoption Taxpayer Identification Number for each of your dependents.

Jamie Jones, a Virginia widow and mother of three receiving Social Security survivor benefits, said she received her

$1,200 payment but her deposit did not include the extra $1,500 for her children. Because she filed a tax return for 2019, she couldn't use the non-filers tool, she said. She listed her children, ages 8, 10 and 12, on her tax return, so the IRS should have made the additional payment.

"I've never been one to look for handouts, and work hard to try to keep my family afloat," Jones said. "My oldest daughter currently has outgrown her tennis shoes, and even though the stores were shut down, I had planned to allocate some of this money to an online purchase to get her a new pair of shoes."

A spokesman for the IRS wasn't sure why Jones's payment didn't include the money for the children.

People who receive what they believe is an incorrect amount will have an opportunity to let the IRS know. The agency is required to mail a letter to your last known address 15 days after sending your payment. The letter is supposed to explain how the payment was made and provide instructions on how to report any issues.

The IRS website locks you out if you try too many times
To thwart fraudsters, the IRS tool locks out people who try multiple times a day. This has become a problem for people trying to give the IRS direct-deposit information.

Andrea Tasan and her husband were eventually locked out of the Get My Payment site after trying to check the status of their payment.

The Maryland couple filed tax returns in 2018 and 2019, each time requesting their refunds be applied to pay the following year's taxes. Because of this, the IRS has no direct-deposit information for them. The Get My Payment tool confirmed they were eligible for a stimulus payment based on their 2019 return, but they couldn't get any more information.

"The system returned with the response that our information did not match their records," Tasan said.

They tried again using their adjusted gross income and refund amounts for their 2018 return. Again they were told the information doesn't match IRS records. The system then locked them out because they made "too many attempts" to access the tool.

They now have to wait a day to try again. The IRS is also preventing people from changing the bank account information already on file as a measure to prevent fraud.

People who owed $0 can't check their payment status
Others complained about a glitch in the tool that won't allow them to move forward because they neither owed any money to the IRS nor received a refund for 2018 or 2019. Typing in zero didn't work.

"I could not give an affirmative answer to any of these questions since I owed no tax and did not receive a refund," one reader wrote. "Submitting the form returned an error so I tried again and answered 'yes' to owing tax and 'zero' to the amount. Error again."

"We are aware of the problem and are checking into it," IRS spokesman Eric Smith said.

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The Washington Post

April 17, 2020 Friday, Regional Edition

**Small-business program runs dry as firms struggle and Congress bickers**



Distribution: Every Zone

Section: A-SECTION; Pg. A17

Length: 1315 words

Byline: Erica Werner;Aaron Gregg;Renae Merle

Body

A new lending program for small businesses maxed out Thursday morning and stopped accepting claims, but a bitterly divided Congress looked unlikely to address that growing problem as the nation plunged into unemployment levels not seen since the Great Depression.

The Small Business Administration said on its website that the agency "is unable to accept new applications . . . based on available appropriations funding."

The $350 billion Paycheck Protection Program was a central piece of the massive $2 trillion economic rescue law passed just three weeks ago. Republicans and Democrats say more action is needed to build on the law, but they cannot agree on what to do. The economy continues to crumble, but lawmakers are scattered all over the country advancing conflicting proposals and bickering.

The impasse has become so heated that President Trump lashed out at House Speaker Nancy Pelosi (D-Calif.) on Thursday morning, just one day after he threatened to adjourn Congress because he complained nothing was getting done. Pelosi, for her part, dismissed Trump as "a weak person."

The Paycheck Protection Program was overwhelmed by demand from the moment it launched April 3, and the program has now essentially run dry as small businesses around the nation beg for relief. The program is aimed at helping businesses with fewer than 500 workers and keeping people employed by extending loans that are forgivable if businesses keep workers on payroll.

The SBA reported Thursday morning that more than 1.6 million loan applications valued at "over $339 billion" had been approved. It is not expected to disclose who the recipients of the taxpayer funds will be, as the $2 trillion rescue law did not compel the agency to make this information public.

The government has not released data showing how much of that cash has been disbursed and given to the small businesses, however. Anecdotal reports from lenders and small-business owners suggest only a small portion of it has been released, with many banks overwhelmed with applications. It is also unclear how many firms have secured new loans, though it appears to be a small fraction of the 30 million small businesses in the United States.

Last week, Treasury Secretary Steven Mnuchin asked Congress to agree to $250 billion more for the program, but a GOP attempt to approve that increase failed in the Senate as Democrats demanded more money for hospitals, cities and states and food stamp recipients.

There has been scant progress since. Talks finally started Wednesday with aides to Mnuchin, Pelosi and Senate Minority Leader Charles E. Schumer (D-N.Y.), but they did not yield results in time for action at a brief Senate "pro forma" session Thursday afternoon, as some had hoped.

Instead, Majority Leader Mitch McConnell (R-Ky.) spoke briefly on the floor, saying there had been "absolutely no progress" since last week's failed attempt to advance a small-business funding increase, and excoriating Democrats' position as "absolutely surreal."

The need is only deepening on all sides, as new figures out Thursday showed unemployment claims once again surged over the past week, with 5.2 million people filing for unemployment insurance. More than 22 million Americans have now filed for unemployment aid since Trump declared a national emergency four weeks ago.

Trump attacked Pelosi viciously over Twitter, following that up several hours later with another tweet accusing Democrats of "killing American small businesses" by blocking additional funding for the small-business program.

Democrats have blamed Republicans for the impasse, accusing them of refusing to negotiate over their demands for targeted assistance, such as more relief for hospitals, and for city and state budgets that have been hammered by a drop in revenue. Governors of both parties have been begging Congress to approve $500 billion more in stabilization funds to help them weather the economic catastrophe.

Pelosi told reporters on a conference call Thursday that instead of asking Democrats why they are blocking more small-business money, Republicans should explain why they are standing in the way of sorely needed increases for health-care facilities and state and local budgets. "I turn the question on them," Pelosi said. "When we all know we want to help small businesses, why would you turn your back on the hospitals who are delivering the services."

Republicans have argued that the need for small businesses is more immediate, but Pelosi disputed that. "It's very, in our view, self-evident that that need for state and local and hospitals is urgent now," she said. Pelosi said negotiations were ongoing, and also said Democrats wanted to see more data on how the small-business program has functioned so far.

The Paycheck Protection Program is a major component of the Trump administration's efforts to blunt the economic effects of the coronavirus, which has been especially devastating for small businesses.

It is meant to offer loans for small businesses totaling up to $10 million at very low rates. Borrowers get an interest rate of just 1 percent and can have the loan entirely repaid if they keep paying their employees.

Under PPP, private banks handle the work of accepting applications, evaluating borrowers' needs, setting the precise terms of the loan and transferring the cash. The SBA and Treasury Department are responsible for approving lenders and establishing the rules.

The program got off to a rocky start with big U.S. banks, including Citigroup, taking several days to launch and many only accepting applications from their existing customers. Within days, bank officials began to warn that the $349 billion would not last long.

This week, JPMorgan Chase said it has funded $9.3 billion of the loans so far and was still processing 300,000 applications seeking $36 billion. Bank of America says it has received applications seeking more than $40 billion in loans.

The Federal Reserve eased restrictions it had put on Wells Fargo's growth after the San Francisco-based bank said it had received applications worth more than $10 billion in loans in just a few days.

The banking industry is calling on Congress to increase the program's funding. "Additional funding for all lenders is needed now to ensure there are no breaks in service to small businesses seeking assistance as a result of the coronavirus outbreak," said Richard Hunt, president of the Consumer Bankers Association. In the next round of funding, 25 percent of the $250 billion should be set aside for small community banks to make these loans, according to the Independent Community Bankers Association.

The PPP program reached its funding limit while a separate program, called Economic Injury Disaster Loans, is also running short on funds. The funding shortfall has already caused that program to slash the size of loans it gives to small businesses, SBA officials say.

In a statement Wednesday, Mnuchin and SBA Administrator Jovita Carranza warned that a lapse in appropriations threatens to further disrupt the loan programs.

"By law, the SBA will not be able to issue new loan approvals once the programs experience a lapse in appropriations," Mnuchin and Carranza wrote. "We urge Congress to appropriate additional funds for the Paycheck Protection Program - a critical and overwhelmingly bipartisan program - at which point we will once again be able to process loan applications, issue loan numbers, and protect millions more paychecks."

In the statement, Mnuchin and Carranza defended the two loan programs amid criticism from members of Congress and industry groups. They said the SBA has processed more than 14 years' worth of loans in less than two weeks and said the program is already "saving millions of jobs and helping America's small businesses make it through this challenging time."

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The New York Times

April 17, 2020 Friday, Late Edition - Final

**Some Banks Snatch Relief Checks, and a Chorus of Protest Swells**



Section: Section B; Column 0; Business/Financial Desk; Pg. 5

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Byline: By Emily Flitter and Alan Rappeport

Body

Financial institutions can use the government deposits to make up for recipients' negative balances.

For some struggling Americans, the arrival of a deposit from the Treasury Department to help with basic expenses like rent and groceries during the coronavirus crisis was something to count on -- until their financial institutions got in the way.

Frustrated customers say banks have been seizing some, or all, of their relief payments because their accounts are overdrawn, in some cases as a result of pandemic-caused hardship.

Joseph James Davis Jr. said his bank in Mena, Ark., took more than $2,000 after he fell victim to a check-cashing scam in a moment of desperation.

"I've never been scammed before," said Mr. Davis, 41.

Mr. Davis said the work for his landscaping business had dried up because of the coronavirus crisis, so he responded to an online ad that promised payment to anyone who would agree to put advertising decals on a vehicle.

Mr. Davis was sent a check, but was told he had to pay for the decals with some of the money. After he sent off the payment, his bank, Union Bank of Mena, told him the check had been bogus and he had to repay it $2,784.

He couldn't. And on Wednesday, Mr. Davis saw the $3,400 relief payment -- $2,400 for himself and his wife and $500 for each of his two stepchildren -- land in his bank account. The bank kept all but $611.

Kevin Williams, president of Union Bank of Mena, did not respond to calls and emails seeking comment on Thursday.

The phenomenon is swiftly becoming a political issue, with Treasury Secretary Steven Mnuchin fielding calls from senators urging him to ensure that relief money isn't garnished. Banks are legally allowed to withhold funds that go into accounts that have negative balances, and no specific provision in the CARES Act, the $2 trillion relief package that authorized the stimulus payments, prevents banks from taking customers' stimulus money to cover debts.

USAA, a financial services company that serves members of the military and their families, was also garnishing stimulus payments before reversing itself on Thursday.

A Minneapolis couple with a USAA account -- a disabled veteran and his wife -- were anxiously awaiting their relief payments, the wife said. She and her young family had just moved into their own apartment after living with their extended family while they struggled to get out from under thousands of dollars of debt.

But the woman, who did not want to be identified by name out of concern that her financial troubles could harm the careers of family members, had to quit her job after being unable to find child care when Minnesota ordered all day care centers to close because of the virus. She had been counting on a relief payment to help pay rent and buy formula for her 10-month-old daughter.

But USAA told the couple that it was keeping the money because their account was overdrawn.

The woman showed The New York Times screenshots of a Twitter exchange between her husband and a USAA representative. Using USAA's verified Twitter account, the representative explained that if the family's bank account had a negative balance, "any deposits to the account will go toward the negative amount owed to the bank."

After this article was published on Thursday, USAA said it would pause overdraft collections for the next 90 days.

"This will allow members access to their full stimulus payment to help cover the costs of rent, food and other important necessities," Matthew Hartwig, a bank spokesman, said in an email. "Beginning as early as today, we will apply this policy retroactively to any member accounts with a negative balance at the time the first stimulus checks were deposited, so that members will have access to their stimulus funds."

The government checks are meant to cushion the pandemic's financial blow to some of the hardest-hit Americans. Anyone who earns up to $75,000 in adjusted gross annual income and has a Social Security number will receive $1,200. Married couples who file joint tax returns will receive $2,400 if their adjusted gross income is under $150,000. The amount declines for those who make more.

In a March 2018 survey, the Pew Charitable Trusts, a nonpartisan research institute, found that more than 39 million Americans had incurred overdraft fees within the past year, with people essentially using overdrafting as credit.

Several politicians are calling for banks to stop garnishing stimulus payments. On Wednesday, Senators Elizabeth Warren of Massachusetts and Sherrod Brown of Ohio, both Democrats, implored the head of a bank trade group to tell its members to halt the practice.

"For weeks, we have pressed the Treasury Department to exercise its authority and ensure that Americans receive the full amount of their stimulus payments," the senators wrote in a letter to Rob Nichols, the chief executive of the American Bankers Association. "While Treasury has refused to follow congressional intent, that does not give banks license to steal the stimulus payments from their customers."

By contrast, the CARES Act specifically prohibits garnishing stimulus money for state or federal debts, except for court-mandated child support.

Not every bank is keeping its overdrawn customers' money. Bank of America, JPMorgan Chase, Citibank and Wells Fargo -- the nation's four biggest banks -- are pausing their collections on negative account balances to give customers access to the stimulus.

"We are temporarily crediting the overdrawn amount for customers, giving them full access to their stimulus payment," said Anne Pace, a spokeswoman for Chase, in an email to The Times on Wednesday. "We hope this gives them a chance to catch their breath."

On Monday, a group of 25 state attorneys general also registered their disapproval of garnishing relief checks. "During this public health and economic crisis, the states do not believe that the billions of dollars appropriated by Congress to help keep hardworking Americans afloat should be subject to garnishment," they wrote in a letter to Mr. Mnuchin.

The American Prospect this week unearthed an audio recording of a Treasury official discussing with banks how stimulus money should be handled when there are outstanding loans or other debts. The official, Ronda Kent, said that "there's nothing in the law that precludes that action" and that it was up to the discretion of the banks.

Progressive watchdog groups have seized on the issue to criticize the Trump administration's handling of the economic crisis, describing it as a giveaway for banks.

"This money should be going toward food, rent and medicine -- it's not the time to hand out favors to debt-collection industry donors or pad some big bank's bottom line," said Jeremy Funk, a spokesman for Allied Progress. "Secretary Mnuchin needs to ensure that these $1,200 checks go straight into Americans' pockets, where they belong."

The Treasury Department had no comment.

Another hopeful stimulus recipient described having to fight for hours with her credit union on Wednesday before it would release the full $2,400 deposit. Initially, the institution, Digital Credit Union, which is based in Marlborough, Mass., kept $1,000 to make up for the customer's overdrawn account balance.

The customer did not want to be identified because she was worried that the lender would close her accounts or penalize her for speaking publicly. She and her husband have four children. His hours at a group home for children were recently cut to three days a week, she said. She is out of work.

She said that after multiple calls, a representative had agreed to return the $1,000 to her. She said she was sharing her story because she was worried that other people would not have the stamina to fight for the money the way she had.

Edward Niser, a spokesman for Digital Credit Union, said in an email that the institution could not comment on individuals, citing privacy reasons.

"In these difficult times," he said, "we are there to support our members and we are making every possible effort to follow evolving federal and state guidance."

https://www.nytimes.com/2020/04/16/business/stimulus-paychecks-garnish-banks.html
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American Banker

April 17, 2020 Friday

**Hundreds of thousands of emergency small-business loan applications in limbo**



Section: Vol. 185; No. 74

Length: 1175 words

Byline: John Reosti

Body

With the Paycheck Protection Program's initial funds depleted, lenders are stepping up efforts to press for more money.

The Small Business Administration announced Thursday morning that it had committed all of the program's $349 billion, less than two weeks after the effort began. Lawmakers are debating a second round of funding that would add $250 billion to the program.

The SBA and the Treasury Department, the program's administrators, had said they would stop approving applications when the funding was expended.

That leaves more than 700,000 applications in limbo, said Richard Hunt, president and CEO of the Consumer Bankers Association.

"I believe we could need upward of $1 trillion to satisfy all the demand, but we need at least $250 billion as soon as possible," Hunt said during a Wednesday conference call. "If Congress would just pass what we call a clean bill, that would be great."

James Ballentine, executive director of congressional relations and public affairs at the American Bankers Association, expressed hope that lawmakers would reach an agreement on a new round of funding as early as Thursday.

"Any lapse would be detrimental to so many small businesses," Ballentine said.

The Federal Reserve announced just hours before the funding ran out that its liquidity facility for the program was fully operational and available.

The CBA has been urging the government to allow lenders to keep uploading applications into the SBA's E-Tran system even if there is a temporary shutdown.

"Entering PPP loans into the system would ensure small businesses are able to receive immediate funds, without the continued backlog, when Congress approves additional funding," Hunt wrote in a Wednesday letter to the agencies.

BBVA USA in Birmingham, Ala., plans to continue processing applications even if funds lapse, said Elizabeth Dobers, director of business banking at the $92.7 billion-asset bank.

"We'll put the pedal to the metal and keep going," Dobers said on the CBA's call.

Conceived by a group of senators led by Marco Rubio, R-Fla., and Susan Collins, R-Maine, the program was included in the $2 trillion CARES Act stimulus program Congress passed and President Trump signed into law on March 27.

The Paycheck Protection Program, which began on April 3, is intended as a lifeline for small businesses. The effort, managed through the SBA's 7(a) program, offers loans of up to $10 million to businesses with 500 or fewer employees impacted by the coronavirus crisis.

Paycheck Protection loans are 100% guaranteed by the government and can be forgiven if businesses spend the proceeds on payroll and basic operating expenses.

Before the coronavirus crisis hit, the highest annual loan volume guaranteed under 7(a) was $25.4 billion in fiscal 2017.

"SBA has processed more than 14 years' worth of loans in less than 14 days," Treasury Secretary Steven Mnuchin and SBA Administrator Jovita Carranza said in a joint statement issued on Wednesday. "The high demand we have seen underscores the need for hardworking Americans to have access to relief as soon as possible."

"Given the success of PPP in getting money into the hands of small businesses quickly, we still believe that the best option is for Congress to appropriate additional federal funds as soon as possible," Rob Nichols, the ABA's president and CEO, said in a Wednesday statement.

With most of the country on lockdown and entire industries such as hospitality, dining and retail shut down, government officials rushed to put the program in motion, even though crucial details including theinterest rate,the language of the promissory noteand guidance on the use of electronic signatures hadn't been fully worked out.

Initial guidance for the program wasn't released to lenders until April 2 - hours before the effort went live.

"We're flying the plane and building it at the same time," Dianna Seaborn, director of the SBA's Office of Financial Assistance, said during a conference call with lenders earlier this month. "Things change hourly."

Despite an unsettled start, demand has been enormous, forcing bankers to choose between proceeding without definitive guidance on key questions or abandoning hundreds of clients fighting for survival.

The $3 billion-asset Canandaigua National in New York "very deliberately said this is the spirit of the program. Let's go ahead and get this money into the community ASAP," CEO Frank Hamlin said. "We'll fight it out later to the extent people don't back our play."

Canandaigua bankers have "been working around the clock." Hamlin added. "We've been taking this very seriously."

Many community banks set up lending assembly lines to get loans out the door, stepping up efforts as the program neared its cap.

Washington Trust Bank in Spokane handled more than 3,400 applications over the program's first 10 days, eclipsing its total volume for all of 2019, said Jack Heath, the $7.2 billion-asset company's president and chief operating officer. Washington Trust has 50 "inputters" funneling loans into E-Tran, Heath said.

"We've gone to a 24/7 model," Heath said. "We've got it up to a pretty good cadence."

Easter Sunday was Washington Trust's first day off since the program's launch. Even then, some employees had to be dissuaded from working, Heath said

"It's nice to see the institution pulling together," he added.

Canandaigua also threw out its traditional schedule, Hamlin said.

"We've had many evenings where people are working late, and certainly weekends," said Charles Vita, Canandaigua's chief lending officer. "We try to rotate people, so we have some shifts going on. "Everyone has really stepped up. It's a real tribute to our entire organization. I can't think of an area that hasn't been involved."

Dobers did not provide detailed statistics for BBVA USA's activity, but the company has processed up to 10 times its typical annual SBA volume since the program started.

BBVA USA is one of the country's most active 7(a) lenders. Through the first three months of the 2020 fiscal year, which began Oct. 1, the company had made 7(a) loans totaling $64 million, according to the SBA.

"We've commandeered every resource in the bank" for Paycheck Protection, Dobers said.

"Most of the banks we interact with are doing some version of shift work," said Sultan Meghji, the CEO of Neocova, a fintech based in St. Louis.

"Never before in the history of this country has a program of this magnitude been stood up in this fashion," Ballentine said.

Congressional Democrats have tied more funding to a request for money for hard-hit state and local governments and hospitals. They're also seeking to allocate some Paycheck Protection money for borrowers in disadvantaged communities.

The Independent Community Bankers of America called on lawmakers to commit at least $62.5 billion of the proposed second round of funding to banks with assets of $50 billion or less.

Hunt warned that attempts to earmark funds for certain groups or banks risked complicating the program.

"It's taken a herculean effort for SBA to process this simplified system," Hunt said.

https://www.americanbanker.com/news/hundreds-of-thousands-of-emergency-small-business-loan-applications-in-limbo

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American Banker

April 17, 2020 Friday

**Banks join calls to shield stimulus checks from debt collection**



Section: Vol. 185; No. 74

Length: 1374 words

Byline: Brendan Pedersen

Body

WASHINGTON - A growing chorus of voices is calling on Congress to protect the stimulus checks being sent to Americans across the nation this week from debt collection.

A consensus has emerged that the recent $2 trillion package for easing economic fallout from the coronavirus allows banks to use a consumer's piece of the stimulus to fulfill garnishment orders to pay creditors for outstanding debts.

The issue has put banks in a bind. To avoid diverting customers' stimulus money, they would need to suspend collection of overdraft fees, for example, and in many cases banks are obligated to fulfill court-required garnishment orders. Yet the industry has been widely focused on efforts to help consumers weather effects of the pandemic. Some large banks have alreadysuspended collecting on negative checking balancesto avoid garnishing stimulus checks.

And the industry is urging lawmakers to exempt stimulus payments - typically $1,200 per individual - from garnishment, siding with consumers advocates and several members of the House and Senate.

"We believe it is imperative that Congress make it clear that these payments are treated as benefits subject to the federal exemption from garnishment," the American Bankers Association, Bank Policy Institute, Consumer Bankers Association and Financial Services Forum wrote in a joint letter to congressional leaders.

The stimulus package - known as the Coronavirus Aid, Relief, and Economic Security Act - exempted the direct relief payments from certain garnishment orders, such as debts owed to state and federal agencies. But the exemption did not cover orders to pay private creditors.

"As a result, banks are obligated to treat [stimulus checks] accordingly, which will impose a significant burden for some families facing unprecedented circumstances," the trade groups wrote. They added that the Treasury Department should make such payments available through direct deposit, which allows for the funds to be coded as exempt from garnishment.

Wells Fargo and Citigroup said this week they will not collect on negative balances for a month to ensure that customers can receive the full stimulus amount deposited into their accounts. Wells also announced that noncustomers can cash stimulus checks in their branches for no fee.

Reports about banks' ability to deduct outstanding debt from customers' stimulus money swirled in days after publication of a story in American Prospect magazine. It includedaudioof a Treasury official telling banks in a webinar that "nothing in the law" would legally prevent them from using stimulus funds to cover overdraft fees and other debts owed by customers.

But some analysts say that even if banks have the legal authority to do so, skimming off the top of emergency federal benefits would likely constitute a third rail for many depository institutions.

"The upside of doing it would be so, so small," said Rolland Johannsen, a senior associate at Capital Performance Group. "You're talking about what's going to be a $1,200 payment for most people. So what if someone has a $60 overdraft fee? There's very little economic upside, and the reputational downside is considerable."

The bank trade group letter joined calls by consumer advocates, including the Center for Responsible Lending and the National Consumer Law Center, that have demanded the stimulus checks be more broadly protected from garnishment.

"Everybody knows from historic experience that when debt collectors know money is coming in, like tax refunds, they

"Everybody knows from historic experience that when debt collectors know money is coming in, like tax refunds, they come rushing in," said Lauren Saunders, associate director at the law center. "This is a chronic problem."

Nonbank debt collectors may consitute a broader threat to customers receiving their full stimulus money, analysts say. If a court has ordered someone's wages or assets to be garnished, debt collectors could have full access to stimulus funds once they have been deposited in a bank account.

"Millions of people in this country have debt garnishment orders against them," Saunders said. "Banks are caught in the middle here, and they have to comply with court orders."

Many federal benefits, such as Social Security payments and veterans benefits, have been exempt from debt collection by third parties since a2011 rulemakingfrom the Treasury Department tied to the Dodd-Frank Act. But with no explicit provision in the CARES Act to provide the stimulus checks with similar protections, the Treasury Department has made no public indication that it will do so.

"Under the CARES Act, Treasury has the broad authority to issue rules around the stimulus," said Lisa Stifler, director of state policy at the Center for Responsible Lending. "They haven't done so on this, and we don't know why."

The Treasury Department did not respond to a request for comment for this story.

Johannsen said there is a difference between banks being ordered by a court to transfer funds to a third-party debt collector and their using stimulus money to cover an overdraft.

"What you have to do is separate from what banks have control over, in terms of decisions they can make about their own actions, versus what they're obligated to do as a result of legal responsibilities," he said. "Debt collectors can't just take the money out of someone's bank account unless they have a court-approved debt garnishment order. So if a bank is served that order, they don't have a choice. But what they do have a choice over, if someone has an overdue loan payment or outstanding overdraft fee, is whether or not to use the stimulus funds to offset it."

He added that banks have generally been sympathetic to consumers' financial struggles during the pandemic crisis.

"Banks need to think about what they're in control of - whether your collection group is going to stand down, be more circumspect, how you're making calls and other kinds of collection activities," Johannsen said. "Most banks have adopted an attitude of tolerance. If people are asking for extensions or leeways, in most cases I'm aware of, they're being very tolerant. But we'll see how long that can last."

Lawmakers have called on banks to publicly state that they will not seize a customer's stimulus funds for the payment of debts.

"We ask that your member banks do the right thing - for their customers, our country, and our economy - and publicly commit that they will not offset their customers' stimulus payments to pay for any fees, charges, or allegedly past due debts," wrote Sens. Elizabeth Warren, D-Mass., and Sherrod Brown, D-Ohio, the top Democrat on the Senate Banking Committee, in a letter Wednesday to six financial services trade groups.

Last week, Brown along with Sen. Josh Hawley, D-Mo., sent a letter to Treasury Secretary Steven Mnuchin urging him to take action to protect individuals' funds from private debt collectors. "If Treasury fails to take action, the CARES Act direct payments are at risk of being seized by debt collectors," they wrote. "That is not what Congress intended."

Even without explicit federal protections, several states have taken actions to either halt debt collection or protect stimulus payments from debt collectors.

In Massachusetts, the state's attorney general issued guidance on Monday telling local debt collectors that CARES Act payments were "off-limits." In Ohio, the attorney general warned collectors not to touch stimulus funds, citing existing state law that generally protects federal benefits from being garnished by debt collectors, even those not explicitly protected under federal law.

And in a letter on Monday, 25 state AGs, including from New York, California, Illinois, Ohio, New Mexico, Virginia and Minnesota, urged Treasury to take stronger action.

"During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment," the attorneys general wrote.

But advocates say an uneven patchwork of state and local action to halt debt collection will still leave many low-income Americans in the lurch.

"More than anyone else, the people facing debt garnishment are likely to have lost their jobs, been furloughed, or had hours reduced and are struggling to make ends meet right now," said the CRL's Stifler.

https://www.americanbanker.com/news/banks-join-calls-to-shield-stimulus-checks-from-debt-collection
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Politico

**Phone tag and snubs: Bitter leadership feuds undermine pandemic relief**
**Party leaders are squabbling like normal, even as the stakes are so much higher.**

**By HEATHER CAYGLE, BURGESS EVERETT and MELANIE ZANONA**

**04/17/2020 04:30 AM EDT**

**Updated: 04/17/2020 07:41 AM EDT**

**For Congress, the coronavirus pandemic changed everything — except the personality feuds that have defined the institution in the Trump era.**

**Instead of congressional leaders and President Donald Trump rallying to take on a virus that's crushing the economy and killing tens of thousands of Americans, the opposite has happened. The partisan sniping and long simmering squabbles among the White House and "Big Four" — Senate leaders Mitch McConnell and Chuck Schumer, Speaker Nancy Pelosi and House Minority Leader Kevin McCarthy — are more prominent than ever.**

**The most recent example came Thursday. As an emergency rescue fund for small businesses ran dry, leaders on both sides dug in — extending a weeklong dispute about how to replenish the program and who was at fault for the delay.**

**"It is surreal to see Democratic leaders treat support for workers and small businesses as something they need to be goaded into supporting," said McConnell, who brought the Senate in for a brief session and then promptly adjourned until Monday. "This should be above politics."**

**The comment offered only a hint of the disputes between congressional leaders that are multifaceted, personal and stubborn.**

**While there is a legitimate policy disagreement among the parties, long-running personal quarrels among the most powerful people in Washington are also undermining relief efforts. And the idea of Congress rising above politics is laughable at the moment, even as the need for statesmanship has never been greater.**

**The origin of the latest clash is a game of phone tag that has left each side accusing the other of pettiness.**

**Democrats, now angry that Republicans began to move forward without their input, are dealing only with Treasury Secretary Steven Mnuchin. Republicans, in turn, are mounting an all-out assault on the Democratic Party as hostage-takers that hate small businesses.**

**Sidelined and forced to watch the political theater play out from their home states, some rank-and-file lawmakers in both parties are growing exasperated.**

**"I'm frustrated, I'm dismayed, I'm disgusted," said Rep. Dean Phillips (D-Minn.), who beat a GOP incumbent in 2018. "And I speak for a lot of us when I say that."**

**Phillips emphasized he wasn't criticizing any one leader in particular but rather the "business-as-usual" partisanship on display as top lawmakers — and party campaign committees — blast out statements blaming the other side instead of negotiating.**

**Retorted Sen. John Cornyn (R-Texas), an ally of McConnell: "I know this is shocking to you, but some of it's just posturing."**

**"I don't think we're going to stay stuck forever," Cornyn added. Still, he blamed Schumer and Pelosi for using an emergency as an "opportunity to spend money."**

**It's a tried and true tradition in politics for leaders to harangue the other side publicly while quietly working behind the scenes to clinch a bipartisan deal. But the institution is hindered by the interpersonal relationships — or lack thereof — between the four leaders.**

or lack thereof — between the four leaders.

For Pelosi and McConnell, there are still hard feelings over how the last round of coronavirus negotiations played out. Pelosi and McCarthy have a limited working relationship, while Schumer and McConnell are standoffish at the best of times.

That dynamic makes governing in ordinary times a challenge. But now, some lawmakers note, the consequences are literally life and death. While party leaders bicker, critical funds for small businesses, hospitals and state and local governments are running out.

"Mitch McConnell doesn't talk to anybody on our side of the aisle," fumed Sen. Jon Tester (D-Mont.). "This is a serious, serious problem. We're in the middle of a pandemic ... come on, man."

"Why won't [Pelosi] allow more money?" McCarthy asked reporters Thursday. "I cannot understand a scenario where you want to play politics with that. There's no explanation. All they have to do is say 'yes' today."

One of the biggest issues in the latest conflict is that Democrats contend McConnell moved forward on a bill to deliver more money for the Paycheck Protection Program established in the coronavirus rescue law without talking to Schumer first.

They say it's just the latest example of McConnell's unilateral approach during the pandemic.

"He did that not even trying to work witb Leader Schumer whatsoever," said Sen. Joe Manchin (D-W.Va.), who serves on Schumer's leadership team but often breaks with his party. "My God. Chuck will talk to the wall. Chuck's not bard to talk to. You might not agree with him, but he'll talk to anybody."
On the morning of April 7, McConnell sent out a news release announcing his plans to try to approve more money for the small business fund. McConnell's office said the leader placed two phone calls and followed up with two emails to Schumer's staff that day and that those entreaties were not returned. Democrats say those efforts came too late anyway and that McConnell bad already made his decision publicly.

Sen. John Kennedy (R-La.) said if Schumer is offended "because he didn't get a phone call soon enough from the majority leader, then I think the minority leader ought to fill out a hurt feelings report and let's move on.

"I apologize on behalf of God and country. I apologize to him. Consider me sorry," Kennedy said.

Democrats say they have no problem with the additional $250 billion to support small businesses but want to provide the same amount to hospitals and cash-strapped states. Republicans are balking and say any other aid should be addressed in a broader bill.

Pelosi, like McConnell, has adopted a hard-line approach at times during the coronavirus crisis. After a tense meeting between leaders ended without an agreement on the $2.2 trillion rescue package last month, Pelosi left McConnell's office declaring plans to put out her own version instead — and days later did just that.

And when Pelosi wanted to establish a special House coronavirus oversight panel, she made the announcement without first talking to McCarthy — she called him, he didn't answer — or even some senior Democrats, who found out as reporters tweeted the news.

When McCarthy and Pelosi did connect, he responded to her proposal by asking, "Why don't we just allow the attorney general to deal with that?" Pelosi was incredulous, according to a source familiar with the conversation.

Complicating matters is that the leaders are trying to govern by unanimous consent or voice vote in order to keep lawmakers away from the Capitol amid the pandemic. That means they need widespread cooperation from both parties and chambers — a whole new dynamic for the majoritarian House and a Senate where 60 votes usually rules the day. A single lawmaker can now completely upend leadership plans.

In one rare instance of unity, McCarthy and Pelosi teamed to quash an effort by Rep. Thomas Massie (R-Ky.) to force a recorded vote on the third rescue package that would have forced more than 400 lawmakers to return to Washington or else be recorded absent.

But cooperation had already begun to deteriorate as the size of the legislation got bigger and the stakes grew higher. During the earlier "Big Four" meeting in McConnell's office, McCarthy tried to persuade Pelosi and Schumer to let a Senate GOP proposal advance while they kept hammering out a bipartisan agreement.

McCarthy asked for Democrats' "trust" and argued that a similar process had essentially played out in the House on the previous bill, according to a GOP aide familiar with the meeting. Democrats balked, saying the policy and price tag differences between the two bills — the most recent one totaling more than $2 trillion — was "apples and oranges," according to a Democratic aide.

McCarthy's appeals didn't work: Senate Democrats blocked the procedural vote twice, demanding more oversight among other significant revisions. And Pelosi pushed ahead with her own bill, even though it never ended up receiving a vote.

McCarthy lashed Pelosi and the Democrats for not extending the same courtesy. "That's the difference, if you want to compare the two of us right now," McCarthy told reporters Thursday.

This week, Republicans piled on Pelosi — a frequent target — for the current impasse. The Trump campaign designated her "the ice queen" for showing off her ice cream stash in an apparently expensive freezer, a sobriquet Democrats say is overtly sexist and point out wouldn't be used for a man. And GOP lawmakers accused Schumer of only holding up negotiations at her behest. But Democrats contend Republicans aren't operating in good faith.

"It can't be just Secretary Mnuchin sends down a request to Sen. McConnell and three days later he puts $250 billion on the floor without any further discussion and totally ignores other needs," said House Majority Leader Steny Hoyer (D-Md.).

Relationships between Democrats and the president are even more strained. Trump and Pelosi haven't spoken in months, since she walked out of a tense White House meeting after he called her a "third-rate politician," and she jabbed him on Russia by saying, "All roads with you lead to Putin."

It's not much better between the two New Yorkers.

After Schumer sent Trump a letter pressing him to appoint a point-person to manage the ramp-up of health care supplies, the president responded by suggesting Schumer may lose his primary in 2022 and that Schumer is a "bad" senator for his state. According to Schumer's office, Trump told Schumer he'd tried to prevent the letter from being sent.

The exchange prompted gasps from even Republican allies of the president.

"Every public official in the heat of anger writes a nasty letter," said Sen. Lamar Alexander (R-Tenn.) [moved attribution]. "But Abraham Lincoln would put at the bottom of his: 'unsigned, unsent' and put it in his drawer. And Napoleon had a rule that he would wait for 30 days."

Added Alexander, "Both the president and Sen. Schumer might learn a lesson from Lincoln and Napoleon."
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The Hill

Schumer says more testing needed before Trump's plan to open country moves forward

By Alexander Bolton - 04/17/20 09:14 AM EDT

Senate Democratic Leader Charles Schumer (N.Y.) on Friday offered some cautious praise for President Trump's guidelines for reopening the country but said he thinks that more testing still needs to be made available, reiterating Democrats' call for a national testing program.

"The plan is a little more measured than what the president said in the past, which is good but there's a key thing missing in all this," Schumer said in an appearance on MSNBC's "Morning Joe."

"If we don't have a strong, adequate testing regime, we're going to have real trouble," he added. "You have to know who has the illness, who's immune from the illness and who could get the illness before we can determine who can go back to work and who can't."

Schumer reiterated the need for a $30 billion national testing and contact tracing plan Democrats unveiled this week. He said it needs to be included in the interim coronavirus relief package that he, Speaker Nancy Pelosi(D-Calif.) and Treasury Secretary Steve Mnuchin are negotiating.

He said Trump should invoke the Defense Production Act to "take over the factories and their supply chains" to make tests and distribute them across the country.

The Democratic leader said the current testing regime is "scattershot and totally inadequate for the job that needed" to get Americans back to work.

"Each state can't come up with its own test. Many of the states are inadequate to come up with their own tests. We need a national program distributed to the local governments," he added.

Trump and the White House coronavirus task force announced a detailed set of new guidelines Thursday evening for reopening the country, which governors would use to make decisions for their own states.

The three-phase plan provides ground rules for bringing employees back to work in phases, reopening schools and organized youth activities, permitting elective surgeries again, reopening gyms under strict physical distancing protocols, and allowing nonessential travel to resume — among other loosenings of restrictions now in place.

Trump's plan also assumes the "ability to quickly set up safe and efficient screening and testing sites for symptomatic individuals" and contact tracing for those who test positive for COVID-19.

Schumer said he, Pelosi and Mnuchin will negotiate through the weekend on a package that would provide $250 billion for the Small Business Administration's Paycheck Protection Program, which ran out of money on Thursday, as well as $100 billion in new money for hospitals and $150 billion for state and local governments. Schumer said the $30 billion national testing proposal should be included in the package.

"We've had constructive talks. They're going to continue through the weekend and I don't see any reason why we can't come to an agreement soon. The president even was more positive about coming to an agreement last night in his press conference," Schumer said.

Schumer warned that if local governments don't receive an infusion of federal money soon, they will be forced to layoff thousands of workers.

"When they lay off hundreds of thousands of people, which they will before May 4 when we come hack, that's just as bad as a small-business person not being able to employ people," he said.
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The Hill

Senate misses deadline, but talks on loans go on

By Alexander Bolton - 04/17/20 06:00 AM EDT

Senate negotiators haven't given up on reaching a deal to add funds to a small-business lending program set up to help firms weather the coronavirus crisis, despite an impasse Thursday that coincided with the program running out of money.

While GOP leaders in the House and Senate have ripped Democrats over the impasse, saying they were hurting small businesses as the nation lurches into a recession and unemployment claims spike, there were some signs that the two sides could still come together.

During a conference call with lawmakers from both parties, President Trump expressed hope "that Democrats and Republicans can work together to find a solution here," according to Sen. Roy Blunt (R-Mo.).

Blunt added that to do so, it "may involve something in addition to just advancing the Paycheck Protection Plan."

Trump later on Thursday expressed hope that negotiators would solve the impasse soon.

"To be honest, I think something's going to be happening. I hope so because this is a very popular program," he said at a White House briefing later in the day.

"We're negotiating with Democrats and they should frankly approve it quickly. This is a great thing for our country, it's a great thing for small business and for the workers and we're having a hard time getting them to approve it. I think it's gonna happen," he said.

The PPP was set up under the $2.2 trillion coronavirus relief package signed into law by Trump late last month. The $349 billion program offering loans to small businesses to keep their workers on during the crisis ran out of money on Thursday, according to the Small Business Administration.

Republicans are seeking a clean $250 billion in new money for the program, while Democrats want to reform the program and provide at least $250 billion for hospitals, state and local governments and the Supplemental Nutrition Assistance Program for low-income families.

Senate Minority Leader Charles Schumer (D-N.Y.) and Speaker Nancy Pelosi(D-Calif.) have negotiated directly with Treasury Secretary Steve Mnuchin for a week now, instead of working with Senate Majority Leader Mitch McConnell (R-Ky.), in hopes of driving a wedge between the administration and GOP leaders in Congress.

Schumer and Pelosi spoke with Mnuchin and Treasury Department staff on Thursday afternoon. A spokesman for Schumer said "talks are ongoing."

So far, Trump, Mnuchin and GOP leaders have remained unified in resisting Democratic demands to make it easier for women- and minority-owned businesses to obtain loans throught the program and to provide an additional $100 billion for hospitals and $150 billion for state governments.

Trump on Wednesday accused Democrats of holding up new funding for SBA because of partisan motives and took another shot at Pelosi and Schumer on Thursday.

"Democrats are blocking additional funding for the popular Paycheck Protection Program. They are killing American small businesses. Stop playing politics Dems! Support Refilling PPP NOW – it is out of funds!" he tweeted.

But behind the scenes he was signaling to lawmakers that he's ready for the weeklong impasse to end.

Pressure is on both sides to get a deal since the small business program, which will forgive loans to employers who keep workers on payroll, now will have to pause for a few days.

The Labor Department reported Thursday morning that 5.25 million more Americans had filed for first-time unemployment claims in the past week, bringing the total for the past three weeks to 22 million.

"This situation could have been completely avoided. Small businesses in America are in desperate need. We should not be playing politics and denying small businesses the help they need. Congress MUST fund #PPP," Sen. Shelley Moore CapitoR-W.Va.) posted on Twitter after it was announced that the SBA program had exhausted its funding.

Sen. Thom Tillis (N.C.), a vulnerable Republican up for re-election who is neck-and-neck with bis Democratic challenger in the polls, said Congress needed to act "immediately" to keep the small-business program running.

He said the program was helping "tens of thousands" of businesses in bis state "get through this crisis and keep their employees on payroll."

Sen. Joe Manchin(W.Va.), a moderate Democrat, said: "It's time to stop the partisan bickering and come together to fix this."

The Senate adjourned a pro-forma-session on Thursday without taking any action on replenishing the program and is not scheduled to hold another such session until 2 p.m. Monday.

McConnell said Thursday that he would "take a look at" whatever Mnuchin and Democratic leaders agree to.

"I know he's talking to the Democrats about providing additional assistance," the GOP leader said of Muchin's efforts to secure $250 billion more for small-business loans.

McConnell noted that not all the money Congress appropriated in the CARES Act for hospitals and state and local budgets is yet "out the door," but he didn't rule out "dealing" with those Democratic priorities "later."

Some Republicans warn that even if Mnuchin and Schumer reach a deal, McConnell would still need to secure support from his entire Republican conference to approve it by unanimous consent during a pro-forma session — not an easy task.

The Senate is not scheduled to reconvene as an entire body until the week of May 4.

There's also the challenge of passing an interim coronavirus relief deal through the House, which is also scheduled to be out until May 4, by unanimous consent.

Rep. Thomas Massie (R-Ky.), a libertarian conservative, says he will try to force the chamber to take a formal roll call vote on the package, which means a small group of House members will have to return to the Capitol to roll call vote on the package, which means a small group of House members will have to return to the Capitol to enable the presiding Democratic chair to overrule the objection.

Mnuchin and SBA administrator Jovita Carranza announced Wednesday night that once the small-business program exhausted its funding it would by law no longer be able to accept loan applications. The SBA's Economic Injury Disaster Loan program is also out of money.

Even a short pause in lending from the Small Business Administration could lead to thousands of more Americans losing their jobs.

A study published Tuesday by Main Street America, a network of 300,000 small businesses, projected that as many as 3.5 million small businesses could close permanently over the next two months and 7.5 million could shutter over the next five months.

"This is not a time for finger pointing or political posturing. Small businesses — which are the lifeblood of the American economy — need an immediate cash infusion now," said John Arensmeyer, the founder of Small Business Majority, a group that represents a network of more than 58,000 small business owners.

He said "90 percent of small businesses have been impacted by COVID-19 with a large percentage reporting a severely negative impact" and warned that "one in three businesses have closed and 14 percent more plan to do so."
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The Financial Times
Fed's junk bond purchases should be short-term
Crisis-fighting measures need to be transparent and unwound quickly
THE EDITORIAL BOARD
The editorial board
April 17, 2020
When Walter Bagehot, the Victorian economist, wanted to explain how central banks should act as lenders of last resort, he quoted a director of the Bank of England. "We lent it by every possible means and in modes we had never adopted before," the central banker said of the BoE's response to a financial panic.

The US Federal Reserve's decision to include junk bonds in its latest asset purchase schemes reflects this century-old principle that when the financial sector is in trouble it is often better to hose it with cash than be too discriminating about the effects. Buying junk bonds will mean tacitly supporting some of the private equity companies that have specialised in capital engineering and loading companies up with debt.

For many this violates the fundamental basis of capitalism: badly-run businesses should go bust and speculators should expect to lose their money if bets turn bad. That includes those who did not prepare adequately for a crisis whether through overly leveraging their assets or making their companies fragile through stock buybacks. If shareholders enjoy the rewards of being less risk-averse than others so, too, should they carry the costs. Workers, many Americans point out, have been encouraged to put aside enough of their pay to cover for unforeseen circumstances; so should businesses.

Yet enforcing these principles would mean many well-run companies would become collateral damage. It is the Fed's job to maintain orderly financial markets and the infrastructure for coping with such a large wave of bankruptcies does not exist. Uncertainty would swiftly cripple wholesale funding markets as investors tried to assess who was carrying bad assets on their books. This would further burden the economy with a financial crisis in addition to a shutdown, and put even more boosters under already rocketing rates of unemployment. In the past month there have been 22m applications for unemployment benefits in the US; potentially eradicating all job growth since 2009.

Distinguishing between those deserving and undeserving of support is difficult even in normal times. Trying to do so in the middle of a crisis is impossible. It is easy to say speculators and corporate raiders should not enjoy the same level of support as viable businesses, but drawing a line between the two is difficult. Many take ordinary corporate practices to an extreme. The Fed is wisely limiting purchases to corporate bonds that were investment-grade before the shutdown.

However, the politics of this support are terrible. Public anger accompanied bailouts for the banks during the financial crisis; supporting the junk bond market may be even more controversial. Although debt did not cause this crisis, there will have to be a reckoning once the moment of danger is passed. Corporate America should expect to run much lower levels of leverage, as well as to pay more in tax to the federal government that has preserved many of them as going concerns.

Most importantly, the Fed will need to sell these assets quickly. Such rapid action would make it clear this is an attempt to ease a temporary dollar funding squeeze and not a bailout.

Congressional oversight over the scheme is vital, too; neither Fed chair Jay Powell nor Treasury secretary Steven Mnuchin are elected and many Americans worry the scheme is rewarding the politically connected.

Fighting a crisis can be a dirty business. It often requires compromise. The Fed's actions are justified, but they will be rightly controversial: the best approach is to make them as short-term and transparent as possible.


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## Trump administration working to ease drilling industry cash crunch

Timothy Gardner

WASHINGTON (Reuters) - The Trump administration is seeking to ease a severe cash crunch in the drilling industry by raising loan limits available under a coronavirus stimulus package and by barring lenders from discriminating against drillers, according to Energy Secretary Dan Brouillette.

The measures come as oil and gas companies working in shale basins from Texas to Wyoming struggle to stave off bankruptcy due to a meltdown in global oil prices after governments around the world issued stay-at-home orders that have obliterated demand for fuel.

Brouillette said he was working with Treasury Secretary Steve Mnuchin to roughly double the size-limit on loans available to mid-tier U.S. energy companies under the recently passed CARES Act stimulus package to $200-$250 million to help them weather the fallout of the pandemic.

"It really needs to be something closer to $200 or $250 (million) to be of any real benefit to them," Brouillette told Reuters in an interview, adding he had met with industry representatives on the issue on Wednesday.

He said he and Mnuchin also planned to work with U.S. regulators and the banking industry to ensure financial institutions don't discriminate against oil drillers when choosing who to provide credit to.

"We just want to ensure that as banks are going out there, they're not making discriminatory decisions and saying 'No we're not going to do any of this type of lending. We prefer to do this other type of lending'," Brouillette said.

The global banking industry has been under pressure from climate change activists to reduce lending to fossil fuels companies and instead favor renewables.

The U.S. oil and gas industry is estimated to owe more than $200 billion to lenders through loans backed by oil and gas reserves. As revenue has plummeted and assets have declined in value, some companies are saying they may be unable to repay.

Whiting Petroleum Corp (WLL.N) became the first producer to file for Chapter 11 bankruptcy on April 1. Others, including Chesapeake Energy Corp (CHK.N), Denbury Resources Inc (DNR.N) and Callon Petroleum Co (CPE.N), have also hired debt advisers.

Some big U.S. lenders, meanwhile, are preparing to seize oil company assets to avoid losses on bad loans. JPMorgan Chase & Co, Wells Fargo & Co, Bank of America Corp and Citigroup Inc are each in the process of setting up independent companies to own oil and gas assets, according to previous Reuters reporting.

Brouillette said he expected the pandemic would also hamper demand from China, which had agreed to purchase more than $50 billion in U.S. oil, liquefied natural gas and other products under a trade deal last year – another weight on U.S. oil companies.

"Their ability to honor all of the commitments that they made in phase one are hampered, you know, to some degree by the crisis we're all facing," he said.
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## IMF's Georgieva underscores need to help Africa, other emerging markets

**Andrea Shalal, David Lawder**

**WASHINGTON (Reuters) - International Monetary Fund chief Kristalina Georgieva urged governments and the private sector to step up their efforts to help African countries and other emerging markets weather the economic and health impacts of the coronavirus pandemic.**

**Georgieva lauded a decision by the Group of 20 major economies and Paris Club creditors to temporarily suspend debt service payments by the poorest countries. She said the IMF's steering committee had unanimously urged private sector creditors to join in to stem a massive outflow of capital from emerging markets and prevent unnecessary bankruptcies.**

**G20 officials and Paris Club creditors agreed on Wednesday to suspend debt service payments for the world's poorest countries through the end of the year, a move matched by a group of hundreds of private creditors.**

**But finance ministers and a growing chorus of non-profit groups are calling for broader debt relief to help other low- and middle-income countries that are also plagued by higb debt burdens as they brace for worsening pandemic impacts.**

**Coronavirus cases in Africa could shoot up from thousands now to 10 million within three to six months according to provisional modeling, a regional World Health Organization (WHO) official said on Thursday.**

**Speaking after a meeting of the IMF's steering committee, Georgieva told a videoconference news briefing on Thursday that the IMF and the World Bank were looking at ways to "ease the burden" on other countries saddled with high debt levels.**

**"Of course, there are other countries that are under the burden of debt ... and both the World Bank and the IMF are committed to look into debt sustainability issues on a country by country basis," she said.**

**MOBILIZING WITH AFRICA**

**The IMF, World Bank and ministers from African countries will meet online with UN officials and others on Friday to discuss their call for debt relief, Georgieva told reporters.**

**Nigerian Finance Minister Zainab Ahmed, in remarks prepared for Friday's meeting of the World Bank's Development Committee, backed a call by African leaders for $100 billion on emergency aid, including $44 billion earmarked for immediate debt relief.**

**African leaders say the continent is facing a perfect storm of high debt levels, the coronavirus pandemic, plummeting oil and commodity prices and mounting budget deficits.**

**Ahmed welcomed the debt relief agreement reached to help the poorest countries, but said middle-income countries with debt challenges and fiscal constraints also needed help.**

**Georgieva said Africa was a high priority for the IMF and the World Bank, noting that many countries on the continent had been growing at rates of 6% or more, before the pandemic, providing a boost for a generally sluggish global economy.**

**"Now is the time to make sure that we don't lose the momentum of this Africa on the move," she said.**

**African leaders are calling for broader debt relief after seeing external debt payments double from 2015 to 2017 to 11.8%.**

**U.S. Treasury Secretary Steven Mnuchin, in remarks to the International Monetary and Finance Committee, said Washiugton was open to further debt relief measures, but gave no details.**

**He said he "strongly supported" Wednesday's debt relief decision by the Group of 20 major economies and the Paris Club, and urged private creditors to take part on a voluntary basis.**

**Enhanced disclosure by borrowers and creditors of public and publicly guaranteed debt would allow detailed analyses of debt sustainability levels by the IMF and World Bank, he said, paving the way for "further action on**

debt as needed."
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## India says IMF liquidity boost may have costly side effects

WASHINGTON (Reuters) - India's finance minister said on Thursday the country could not support a general allocation of new Special Drawing Rights by the International Monetary Fund because it might not be effective in easing coronavirus-driven financial pressures.

Finance Minister Nirmala Sitharaman said in a statement to the IMF's steering committee that she also was concerned that such a major liquidity injection could produce potentially costly side-effects if countries used the funds for "extraneous" purposes.

Sitharaman joined U.S. Treasury Secretary Steven Mnuchin in opposing a new SDR allocation, which would provide all 189 members with new foreign exchange reserves with no conditions.

"In the current context of illiquidity and flights to cash, the efficacy of an SDR allocation is not certain, she said, adding that most countries rely on national reserves as a first line of defense.

"Consequently, extraneous demands for these reserves, not related to domestic monetary and financial stability, would be costly, and hence cannot be supported," she added.

Reporting by David Lawder; Editing by Richard Chang
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## China urges World Bank to suspend debt payments for poorest countries

David Lawder

WASHINGTON (Reuters) - China on Thursday urged the World Bank to allow its poorest borrowers to suspend debt payments while they deal with the coronavirus pandemic, saying the world's biggest multilateral development bank should "lead by example."

Chinese Finance Minister Liu Kun said in a statement to the World Bank's Development Committee that all parties should take part in joint actions agreed by Group of 20 countries to address debt vulnerabilities amid the pandemic, including commercial, multilateral and official bilateral creditors.

Liu said debt service suspension by the World Bank Group's International Development Association arm would be "net present value-neutral" and would not hurt its credit rating.

If the World Bank Group "fails to participate in collective actions for suspending debt service payments, its role as a global leader in multilateral development will be seriously weakened, and the effectiveness of the initiative will be undermined," Liu said.

On Wednesday, the G20 major economies agreed to suspend bilateral official debt service payments for the world's poorest countries through the end of the year, a move quickly matched by a group of hundreds of private creditors. It was expected to free up more than $20 billion for the countries to spend on fighting the coronavirus outbreak.

"As a responsible bilateral creditor, China will actively engage in bilateral consultations with borrowing countries to put into effect the arrangements for the suspension of debt service payments reached by the G20 through consensus," Liu said.

World Bank President David Malpass, who pushed for the G20 debt initiative, told a meeting of G20 finance officials that debt forbearance by multilateral development banks would require them to maintain creditworthiness.

"Suspending repayments to MDBs, if not fully compensated by new shareholder contributions, would run the risk of hurting the poor in both the short-term, by reducing our ability to front-load assistance, and in the long-term of hurting the poor in both the short-term, by reducing our ability to front-load assistance, and in the long-term, by reducing our leveraging capacity," Malpass said in a statement.

**CHINA SUPPORTS SDR ISSUE**

**People's Bank of China Governor Yi Gang said in a separate statement to the International Monetary Fund's steering committee that China supports a general allocation of new Special Drawing Rights, which would boost liquidity for member countries.**

**U.S. Treasury Secretary Steven Mnuchin on Thursday dashed any hopes for such a new issuance of IMF monetary reserves at the present time, saying it would do little help the poorest countries and most of the benefits would flow to wealthier countries that do not need them.**

**Sources familiar with the IMF's deliberations on the issue told Reuters this week that the United States was also opposed to the fund's providing new resources to Iran and China with no conditions.**

**"We also support a timely allocation of Special Drawing Rights (SDRs), which has been proved as an agile and effective measure in previous crises response," Yi said.**

**In 2009, the IMF allocated $250 billion in new SDRs to its members, providing a liquidity boost during the depths of the last financial crisis.**

**Reporting by David Lawder; additional reporting by Andrea Shalal; editing by Sandra Maler and Leslie Adler**
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**The Atlantic**

**Ideas**
Look Out, Corruption Ahead
As the country mobilizes resources to address the pandemic, politicians and corporations may attempt to exploit the crisis to enrich themselves.

**6:00 AM ET**

**Sarah Chayes**
**Author of Thieves of State: Why Corruption Threatens National Security**

**Independent oversight is the bane of corrupt networks everywhere. Without it, they can inflict incalculable damage. In Afghanistan in 2011, the governor of the central bank had to flee for his life after asking foreign counterparts to freeze the assets of well-connected Afghans suspected of looting the country's biggest financial institution. Guatemalan President Jimmy Morales managed in 2018 to shutter a respected special-investigations body, the International Commission Against Impunity in Guatemala, whose efforts had uncovered an extensive customs-fraud and campaign-financing scheme that included drug traffickers, businessmen, and the country's political leaders. President Donald Trump's recent removal of Glenn Fine, chosen by fellow inspectors general to head the Pandemic Response Accountability Committee, is of a piece with such examples. Patterns of corruption flash more insistently each day, like the blinking of an engine-malfunction light.**

**In a dozen systemically corrupt countries I've lived in or studied, sophisticated networks have infiltrated or essentially replaced the government. These webs cross institutional, even sectoral, boundaries. As in Guatemala, they may include outright criminals. They link politicians, judges, and other officials with top businessmen. Sometimes members switch positions—what we in the U.S. call the revolving door. Or they may wear more than one hat, serving strategic government functions while also running businesses. Often built around a core of close family members, such as former Afghan President Hamid Karzai and his brothers, or Azerbaijan's ruling couple and their children, these structures include classmates, colleagues, fellow fighters in the last civil war, or partners in opportunistic business ventures. In Nigeria, according to a former housekeeper for the oil company Total, whom I interviewed in 2015, politicians who hurled insults at each other by day met by night to discuss divvying up oil rights.**

**Unstructured, even unruly, though these networks may be, they are highly successful. But not at governing, for governing is not their objective. Their objective is to enrich their members. Government functions, such as ensuring that hospitals are stocked with basic supplies, falter. Great sums of money, provided for post-crisis rebuilding or borrowed from international financial institutions, flow to insiders, while ordinary people needlessly suffer and die.**

Mechanisms intended to defend citizens from such larceny are disabled. In some countries, they may simply be abolished, as were the CICIG and its Honduran counterpart, the Mission to Support the Fight Against Corruption and Impunity in Honduras. If that solution is too blatant, audit bodies, inspectorates, or other watchdogs may be understaffed or starved of funds, or handed over to network loyalists.

The point is to ensure that network members are left in peace as they perform their duties---duties to the network, that is. These fall into two categories. One is rewriting the rules of the political and economic game to favor the networks and their ongoing dominance: to turn what ordinary people consider corruption into "business as usual." Party politics, often just a cover for the rivalry between competing corrupt networks, may serve to cripple the public's ability to protest. As a Honduran villager put it to me in 2016, "None of our political parties really represents us. They just come in here and divide people. Their aim is to pit the people against each other."

The other duty that corrupt government officials perform is to steer public moneys to their fellow network members. This is a critical feature of such systems. It is wrong to think—as some Americans do—that corruption happens only when functionaries fill their own pockets. Corrupt networks are bound together by a dense tissue of reciprocal favors, sometimes only repaid years later. The anthropologist Janine Wedel has spent much of her career studying such dynamics, especially in the former Communist bloc. "Individuals," she emphasized in an article for the journal Trends in Organized Crime, "are acting as part of a group whose members' agendas and activities are interdependent."

An emergency offers unparalleled opportunities for the coordinated looting of public coffers that feeds such networks. Life is upended; emotions run high. In the scramble, tested procedures are ignored and structures are disorganized. Exhausted decision makers, pressured to "do something," miss crucial details, even as quantities of cash are injected into the chaos.

As the United States mobilizes unprecedented resources to address the coronavirus pandemic and the attendant recession, the Trumps and allied officials and business leaders—like corrupt networks in countries most Americans once assumed we could never resemble—could attempt to exploit the crisis, deepening and prolonging the damage caused by the pandemic itself.

Trump's son-in-law, Jared Kushner, who is playing a central—and ill-defined—role coordinating the federal government's pandemic mobilization, has a history of profiting from dire situations. In the wake of the Great Recession, as Aaron Glantz alleges in his recent book Homewreckers, Kushner snapped up thousands of rental properties in Rust Belt cities at half their value, then ran them like modern-day tenement houses. Maryland's attorney general has taken entities controlled by Kushner to court over similar claims in Baltimore.

Treasury Secretary Steven Mnuchin, who will be steering much of the bailout money, got his start at Goldman Sachs, trading the exotic derivatives that gave us the Great Recession. In the midst of that crisis, after he left Goldman, Mnuchin bought out one of the largest mortgage originators, with substantial federal assistance, and then joined the ranks of the robo-foreclosers. His bank was placed under a consent order for its abusive practices.

Senate Majority Leader Mitch McConnell, who pushed for a rescue package with no guardrails at all, for years refused to bring up for a vote a bill that would use coal-mine cleanup funds to shore up the pensions of retired miners. Before he finally caved, he steered $4 million of that same money to a project for an aluminum plant owned partly by Russian oligarchs. Those oligarchs had directed more than a million dollars to a campaign fund linked to McConnell.

Trump, of course, has profited at taxpayer expense in multiple ways: His resorts have hosted lavish official functions and unusual visits by government entities. His businesses have enjoyed the patronage of people, abroad and here at home, seeking his favor, as well as such other benefits as the waiver of environmental laws for foreign resorts. Lawsuits charging that Trump violated a central anti-corruption provision of the U.S. Constitution—the prohibition on receiving items of value from U.S.- or foreign-government officials or their agents—are making their way through the courts.

In such a context, aggressive enforcement and accountability is imperative for coronavirus relief measures, including the $2 trillion made available by Congress and the Federal Reserve's power to spend unlimited money borrowed in part through the sale of Treasury bonds. Democrats were right to reject any rescue bill bare of oversight, even as the magnitude of the crisis devastating their constituents screamed for action.

But the provisions they did force into the CARES Act seem almost quaint, like artifacts of some once upon a time when those in power may have respected norms of good governance: a special inspector's office; an accountability committee made up of permanent inspectors general from relevant agencies, which can subpoena nongovernment witnesses and write reports but not punish; and a congressional commission. None of these bodies is empowered to oversee the Fed's independent spending. Nor is any yet up and running. And there is no legal deadline for appointing their members. Conditions explicitly attached to the bulk of the CARES loans are weak: a ban on stock buybacks, executive-pay limits, and moratoria on layoffs and evictions only last a year, and can be waived at Mnuchin's discretion.

Though seen as a neutral institution, the Fed, charged with moving at least a quarter of the CARES money beyond the trillions it can mobilize independently, is neither set up nor inclined to require compliance. As the former deputy secretary of Treasury and Fed governor Sarah Bloom Raskin put it to me in an email, "The powers being consolidated within the Fed and within Treasury are extraordinary."

For example, the Fed can lend directly to corporations, as well as guarantee bank loans to them; it can buy unlimited amounts of low-grade exotic assets like commercial mortgage-backed securities, off-limits even in 2008. It will be free to choose which assets to buy and from whom, and what to accept as collateral. Treasury and the Fed will pick certain firms to help do the actual buying, a task rife with potential conflicts of interest. All these decisions can be made in secret.

"Only with a pandemic could such powers have been transferred without meaningful accountability," Raskin wrote. And only vigorous oversight and enforcement could limit the damage.

Yet even the staid provisions that Democrats forced into the law were immediately repudiated. First, in a signing statement laden with legalese, Trump declared his intention to treat most of the provisions as "non-binding." He appointed the White House insider Brian Miller—who was among those who rebuffed congressional subpoenas and requests for information during the Trump impeachment inquiry—as special inspector general. Then came the sidelining of the chief independent coronavirus watchdog. These are the moves I would have expected—from a president of Afghanistan or Honduras.

While it is too early to know how much fraud and self-dealing will transpire—and hamstrung oversight means we may never know—the conditions are ideal for malfeasance. There are already concerns that critical medical equipment may have been routed to Trump favorites. Financial-industry insiders have been lobbying Kushner for even easier access to relief money.

The 2008 bailout's weak safeguards resulted in an epidemic of housing foreclosures, an accelerated collapse of the middle class, and gaping inequality. A handful of interconnected private investors were left in possession of much of the housing stock while countless poor people were thrust into homelessness. The almost inevitable outcome this time around will be a further transfer of wealth and power into the hands of networked insiders, while anonymous, underpaid medical personnel and cashiers and janitors save the nation, and the rest of us struggle to find our feet.

As sick as we are of Washington acrimony, now is the time to pick a fight. At the very least, the terms of a 2008 bill forbidding removal of inspectors general except for specified cause must become law. Congress and the public deserve to know the names of the beneficiaries of stock purchases and loans, as well as the invoices that private firms submit to the Fed for services rendered. Conditions placed on future tranches of money must be clear and enforceable, including clawback provisions for loans that prove inappropriate. A law to require the Fed to spell out its criteria for securities purchases would be a step toward bringing that body under democratic control. With the various oversight bodies still theoretical, the House of Representatives should urgently hire additional staff and launch hearings—virtual, for now—on who is receiving this money and under what conditions. When the viral pathogen is safely in check, we must embark on a comprehensive overhaul of this country's anti-corruption safeguards and ethical standards.

Crises are opportunities. The outcome depends on who seizes them.

We want to hear what you think about this article. Submit a letter to the editor or write to letters@theatlantic.com.

Sarah Chayes is the author of Thieves of State: Why Corruption Threatens National Security and a forthcoming book about corruption in the United States.
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CNBC
Nearly 3 million borrowers have been granted mortgage relief, and the industry is crying for help
PUBLISHED FRI, APR 17 202010:52 AM EDTUPDATED 37 MIN AGO
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KEY POINTS

More than 2.9 million homeowners have taken advantage of the mortgage forbearance program for government-backed loans, part of the coronavirus CARES Act relief package.
This represents 5.5% of all active mortgages, according to Black Knight, a mortgage data and analytics company, that is now tracking the numbers daily.
GP: Woman going through bills, looking worried
urbazon | Getty Images
More than 2.9 million homeowners have taken advantage of a program designed to provide relief to holders of government-backed mortgages, part of the coronavirus CARES Act relief package.

This represents 5.5% of all active mortgages, according to Black Knight, a mortgage data and analytics company that is now tracking the growing numbers daily.

The program allows borrowers to delay their monthly payments for a year. Those payments are then tacked on to the end of the loan, or paid back over time in a mortgage modification. Borrowers must tell their mortgage servicers that they have had financial hardship due to the coronavirus pandemic, but they do not have to provide any proof.

The 2.9 million loans in forbearance as of Thursday account for $651 billion in unpaid principal and include 4.9% of all government-sponsored enterprise loans (Fannie Mae and Freddie Mac) and 7.6% of all FHA/VA loans.

"In these times, it is essential to both our industry and for the benefit of the entire U.S. economy to have a clear understanding of the magnitude of the mortgage forbearance situation," said Black Knight CEO Anthony Jabbour.

Even if borrowers don't make their monthly payments, those who collect the payments still have to advance the principal and interest amounts each month to bondholders. At the current level of forbearance, mortgage servicers would need to advance $2.3 billion per month to holders of government-backed mortgage securities on Covid-19-related forbearances. Another $1.1 billion in funds will be lost each month by those with portfolio-held or privately securitized mortgages (nearly 5% of these loans are in forbearance, as well).

While Ginnie Mae, which backs FHA/VA loans, has set up a relief fund to help its servicers, there is nothing currently available for Fannie Mae and Freddie Mac. FHFA Director Mark Calabria, the regulator of the two, has held steadfast against setting a relief fund up, claiming it is not necessary.

The entire mortgage industry has been fighting that hard, sending letters to the Treasury Department and the Federal Reserve, which would have to set up such a facility.

"It's frankly frustrating and ridiculous that we do not have a solution in place," said Jay Bray, CEO of Mr. Cooper, the nation's largest mortgage servicer, who consulted with the Trump administration to set up the bailout. "When we were working on the Act, we had liquidity in it, and it did not make it into the Act. We were told it would be handled through the administration, and it's a real problem."

Last week, a bipartisan group of lawmakers sent a letter to Treasury Secretary Steven Mnuchin asking for a bailout fund. Late this week, Democrats Sherrod Brown, the ranking member of the Senate Banking Committee, and Maxine Waters, chairwoman of the House Financial Services Committee, sent another plea to Mnuchin and Federal Reserve Chairman Jerome Powell, saying:

"The government must be prepared to respond quickly to prevent a liquidity shortfall in the single-family and multifamily mortgage markets, and to ensure that consumers are equitably served by that response. Any liquidity provided must be used to stabilize the market at a time when many families may fall behind on payments and facilitate relief to individual homeowners and renters throughout the market through forbearance, loss mitigation, and protection from displacement, rather than immediate defaults and evictions."

Calabria and Mnuchin did not respond to requests from CNBC for comment.
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CT Mirror

Lamont, other governors, seek $500 billion in new coronavirus stimulus money for states

By Ana Radelat, CT Mirror

To cope with losses of revenues and unexpected medical expenses due to the coronavirus pandemic, the nation's governors, including Connecticut Gov.Ned Lamont, are pressing for hundreds of billions of additional state aid in the next major stimulus package.

The nation's governors insist the "Phase Four" bill include $500 billion to help them respond to the coronavirus crisis.

"States are facing budgetary shortfalls due to the far-reaching and unprecedented impact from the coronavirus. Congress must allocate funding to help states continue the fight while ensuring they can remain financially stable," Lamont tweeted in support of an effort to seek the additional money led by Gov. Larry Hogan and Maryland and Andrew Cuomo of New York.

The nation's governors are also demanding flexibility in how they can use the money.

Discussions have begun on the next major stimulus bill, which would be the fourth such package approved by Congress. However, negotiations between Democratic and Republican leaders have been rocky.

The last federal stimulus bill, the CARES Act, provided $150 billion in a new "Coronavirus Relief Fund" to the states, about $1.4 billion to Connecticut. Governors were able to begin drawing down their allocations this week.

But the money can't be spent on costs that are not directly attributable to the coronavirus crisis, such as purchasing ventilators and other medical and protective equipment and setting up provisional hospitals.

'Change the regulations'
James Nash, spokesman for the National Governors Association, said governors want to use the funds more broadly, to fill holes in their budgets that are indirectly attributable to the coronavirus, such as the shutdown of businesses and soaring jobless rate that will depress the state revenues from corporate and personal taxes, as well as sales and gasoline taxes.

The governors are asking Treasury Secretary Steven Mnuchin to change the regulations concerning the use of the $150 billion that has already been approved and for Congress to make sure governors have flexibility in spending additional funds that may be included in the next stimulus bill.

"States are implementing hiring freezes and reductions in discretionary spending while ordering departments to plan for different scenarios that envision deep and sustained revenue loss," Nash said. "To some extent, the prospect of federal relief, along with rainy day funds and the nature of the state budget cycle, have staved off layoffs thus far."

But governors are warning their ability to respond to the pandemic will be hurt without more money. Michigan estimates state revenues could be reduced by $3 billion this year, Wisconsin said it could lose $2 billion and Pennsylvania estimated it's coronavirus-related loss at $4.5 to $5 billion. State projections for 2021 revenue loses are even more dire.

Lamont spokesman Rob Blanchard said the U.S. Treasury on Monday opened the portal for states to register for their allocation of the Coronavirus Relief Fund, but Connecticut has yet to receive any money.

Blanchard said that once registered, states will receive "promptly" half of their allocation, with the rest no later than April 24.

"The Office of Policy and Management has requested the first tranche, and we are awaiting receipt of the funds," he said "That said, we have not received any guidance from Treasury as to how we can spend it – the only guidance is the statutory language which limits use to 'necessary' COVID-19-related expenditures that were not budgeted for as of March 27. Revenue replacement is not an eligible use."

Blanchard said Connecticut's government does not know how much more federal money the state will need to avoid a deficit. "Obviously we have a healthy rainy day fund, but we have no idea for how long we will be responding to the pandemic and for how long our economy will be in partial shutdown," he said.

On Thursday, governors Gretchen Whitmer of Michigan, Tony Evers of Wisconsin and Tom Wolf of Pennsylvania appealed directly to President Donald Trump for help.

"Without this leadership, the damage to our state economies will be exacerbated by the cuts we know we will be forced to make," the governors wrote Trump. "We ask you to heed this weekend's call from the leadership of the National Governors Association, Chair Maryland Governor Larry Hogan and Vice Chair New York Governor Andrew Cuomo, and support $500 billion in state stabilization funds that will allow for the replacement of lost revenues and with the maximum flexibility possible so the funding can be used beyond those costs directly tied to COVID-19 related expenses."

Despite intense lobbying by the nation's governors, Cuomo, during an interview with CNN Wednesday night, said securing more stimulus money for the states will be a heavy lift. "You don't earn a lot of political chits giving money to state governments, so politicians don't want to do it," the New York governor said.

There was an attempt – by congressional Democrats – to add more money for states in an interim bill that would also provide an additional $250 billion to the Paycheck Protection Program that provides forgivable Small Business Administration loans to small businesses.

But that Democratic request, coupled with a request for another $100 billion to help the nation's hospitals, has stalled approval of the interim package. The proposed money to the states is likely to be dropped from a final deal.

Meanwhile, the $350 billion that set up the Paycheck Protection Program hit it's limit on Thursday and is now out of funds.
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AccountingToday
SSI recipients to receive automatic stimulus payments for coronavirus
By Michael Cohn
April 17, 2020, 7:49 a.m. EDT
Register now
People who receive Supplemental Security Income will automatically get economic impact payments from the federal government in response to the novel coronavirus pandemic.

The Internal Revenue Service, the Treasury Department and the Social Security Administration said the economic impact payments will go directly to the SSI recipients' bank accounts through direct deposit, Direct Express debit card, or by paper check, just as they would normally receive their SSI benefits. The Treasury anticipates SSI recipients will receive these automatic payments no later than early May.

CORONAVIRUS IMPACT: ADDITIONAL COVERAGE

"SSI recipients with no qualifying children do not need to take any action in order to receive their $1,200 economic impact payment. The payments will be automatic," said Treasury Secretary Steven T. Mnuchin in a statement Wednesday. "Recipients with qualifying children should use the 'Non-Filers: Enter Payment Info Here' web portal to enter basic information so they can receive their payments as quickly as possible."

SSI recipients will receive a $1,200 economic impact payment with no further action needed on their part. Moving SSI recipients into the automatic payment category follows weeks of extensive cooperative work between the SSA, the Treasury, the IRS, along with the Bureau of Fiscal Services.

"Since SSI recipients typically aren't required to file tax returns, the IRS had to work extensively with these other government agencies to determine a way to quickly and accurately deliver economic impact payments to this group," said IRS Commissioner Chuck Rettig (pictured) in a statement. "Additional programming work remains, but this step simplifies the process for SSI recipients to quickly and easily receive these $1,200 payments automatically. We appreciate the assistance of SSA and the Bureau of Fiscal Services in this effort."

Earlier this month, the IRS took a similar action to make sure those receiving Social Security retirement or disability benefits and Railroad Retirement benefits could receive automatic payments of $1,200. While these groups receive Forms 1099, many in this group don't typically file tax returns. People in these groups are expected to see the automatic $1,200 payments later this month.

Eligible taxpayers who filed tax returns for 2019 or 2018 will also receive the payments automatically. About 80 million payments are hitting bank accounts this week.

The law provides eligible taxpayers with qualifying children under age 17 to receive an extra $500. For taxpayers who filed tax returns in 2018 or 2019, the child payments will be automatic.

However, many benefit recipients typically aren't required to file tax returns. If they have children who qualify, an extra step is needed to add $500 per child onto their automatic payment of $1,200 if they didn't file a tax return in 2018 or 2019.

For those who receive Social Security retirement or disability benefits (SSDI), Railroad Retirement benefits or SSI and have a qualifying child, they can quickly register by visiting a special tool available only on IRS.gov and provide their information in the Non-Filers section. By quickly taking steps to enter information on the IRS website about them and their qualifying children, they can receive the $500 per dependent child payment in addition to their $1,200 individual payment. If beneficiaries in these groups do not provide their information to the IRS soon, they will have to wait until later to receive their $500 per qualifying child.

The Treasury Department, not the Social Security Administration, will make these automatic payments to SSI recipients. Recipients will generally receive the automatic payments by direct deposit, Direct Express debit card, or by paper check, just as they would normally receive their SSI benefits.

For those with dependents who use Direct Express debit cards, additional information will be available soon regarding the steps to take on the IRS website when claiming children under 17.

For information about Social Security retirement, survivors and disability insurance beneficiaries, visit the SSA website at SSA.gov.

General information about the Economic Impact Payments is available on a special section of IRS.gov.

SSI recipients who have qualifying children under the age of 17 can go to IRS.gov and click on the "Non-Filers: Enter Payment Info Here" button. The tool will ask for basic information to confirm eligibility, calculate and send the economic impact payments, including:

SSI recipients will get the $500 per dependent child payment along with their $1,200 individual payment. If SSI beneficiaries in this group do not provide their information to the IRS soon, they will have to wait until later to receive their $500 per qualifying child.

For SSI recipients with dependents who use Direct Express debit cards, more information will be available soon about the steps they should take on the IRS website when claiming children under 17.

The Social Security Administration won't consider economic impact payments to count as income for SSI recipients, and the payments are excluded from resources for 12 months.

For more information about Social Security retirement, survivors, and disability insurance beneficiaries, click here.

For more information on economic impact payments click here.

Michael Cohn Editor-in-chief, AccountingToday.com
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Mnuchin directs people who haven't gotten their coronavirus stimulus checks to IRS site

By Brooke Singman | Fox News

Treasury Secretary Steven Mnuchin on Friday urged eligible individuals who have yet to receive their coronavirus stimulus payment to visit the IRS website to upload banking information so that they can get the relief "fast."

"Please visit IRS.GOV If you have not received your direct payment to upload your bank info so you can get it FAST. #getmypayment #irs #directdeposit #caresact," Mnuchin tweeted Friday morning.

"Thank you to the 85mm people that have visited IRS.gov and the 4mm that have uploaded new bank info. If you don't have your payment PLEASE go to IRS.Gov #getmypayment," he added.

Mnuchin's tweets come after the Treasury Department acknowledged that there have been "glitches" in sending payments to Americans who qualified for the relief via direct deposit.

A Treasury Department official told Fox News Thursday that the agency was actively looking into payments that have yet to be received by those qualifying Americans.

The official noted that many who have yet to receive the direct deposit had used H&R Block and Turbo Tax to file their taxes in the past and used the refund anticipation loan programs with the companies. That's a service where taxpayers can pay the company a small fee in order to receive their tax refund immediately, versus getting it a week or two after filing.

The official said the issue is that those fast tracked refunds are put on debit cards, which means the IRS doesn't have the filers' direct deposit information.

The Treasury Department's acknowledgment of the glitches come after The Washington Post first reported that the coronavirus relief checks have yet to hit several million people's bank accounts, despite the agency's promise last week that the majority of individuals would receive their payments by the end of the day on April 15.

The Post reported that millions of these individuals used popular tax filing services in the past, and thus, the IRS did not have their direct deposit information on file.

The IRS on Wednesday launched an online tool, the "Get My Payment" app, to allow taxpayers to give the agency their direct deposit information to help speed up the coronavirus relief payments to Americans.

The majority of eligible Americans – more than 80 million, according to Mnuchin – who filed their taxes in 2018 and/or 2019 and received a refund via direct deposit had received their stimulus relief payments by Wednesday.

Those who do not file taxes are also now able to go to the IRS website and use the "Non-Filers: Enter Payment Info Here" section to enter their bank information in order to receive their payment faster than they would via regular mail.

Some Americans can expect to receive paper checks in the mail, but that method of delivery could take months.

As part of the CARES Act, people who file their taxes as individuals are eligible for payments up to $1,200, and couples who file jointly are eligible for up to $2,400 plus an additional $500 per child under the age of 17.

The amount decreases for individuals who earn an adjusted gross income of more than $75,000 and couples who earn more than $150,000 a year, by $5 for every $100 in income above those marks. This means the payment is less the higher their earnings are, with it being reduced to zero for individuals who make $99,000 or more and couples who make $198,000 or more.

People who file as heads of household are eligible for payments of up to $1,200 plus $500 per child under 17. That amount is reduced for people who earn an adjusted gross income of more than $112,000 a year. The extent to which it is decreased depends on how many children they have.

Payment amounts may also be offset by any past due child support payments that have been reported to the Treasury Department.

The payments do not count as taxable income. Similarly, they do not count for determining eligibility for federal programs like Supplemental Security Income.

Brooke Singman is a Politics Reporter for Fox News. Follow her on Twitter at @BrookeSingman.
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Treasury
American Banker

April 17, 2020 Friday
CFPB finalizes HMDA rule that gives reg relief to banks



Section: Vol. 185; No. 74

Length: 336 words

Byline: Kate Berry

Body
The Consumer Financial Protection Bureau issued a final rule that reduces the number of financial institutions reporting Home Mortgage Disclosure Act data that can be used to root out discrimination in home lending.

The amendment to Regulation C, released on Thursday and effective July 1, will increase the permanent loan-volume coverage threshold for collecting and reporting data on closed-end mortgages from 25 to 100.

The CFPBfirst proposedthe current HMDA changes in May 2019. The move is part of CFPB Director Kathy Kraninger's efforts to provide regulatory relief to small lenders by significantly raising loan thresholds for collecting and reporting HMDA data.

The final rule also increases the permanent threshold for open-end lines of credit from 100 to 200.

Financial institutions currently have a reprieve from HMDA reporting after the CFPB extended a temporary threshold that required institutions with 500 open-end lines of credit to report. The permanent threshold goes into effect Jan. 1, 2022, when the temporary, two-year threshold expires, the CFPB said.

The agency sought to tie the regulatory relief to the coronavirus pandemic. In its press release, the CFPB said it recognizes "the operational challenges" confronting institutions due to COVID-19.

"The Bureau anticipates that this final rule, once effective, will reduce regulatory burden on smaller institutions to help those institutions to focus on responding to consumers in need now and in the longer term," the CFPB said in the release.

Congress enacted HMDA in 1975 to collect data that can be used to identify institutions that engage in discrimination in mortgage lending, typically by raising costs for certain borrowers. The CFPB and other prudential regulators use the data to examine and identify fair-lending violations.

The2018 regulatory relief lawhad already exempted an estimated 85% of all banks from reporting expanded HMDA data points, including an exemption from disclosing all points and fees when a bank originates a home loan.

https://www.americanbanker.com/news/cfpb-finalizes-hmda-rule-that-gives-reg-relief-to-banks
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American Banker

April 17, 2020 Friday
House bill would temporarily lift credit union commercial lending cap



Section: Vol. 185; No. 74

Length: 506 words

Byline: Aaron Passman

Body
A forthcoming House bill would eliminate credit unions' member business lending cap for three years on all loans related to helping small businesses weather the coronavirus crisis.

The legislation, announced Wednesday in a letter from Reps. Brad Sherman, D-Calif., Suzanne Bonamici, D-Ore., Don Young, R-Alaska, and Brian Fitzpatrick, R-Pa., would exempt all credit union disaster-relief loans to small businesses from the MBL cap.

"Given the urgent financial needs of so many small businesses because of the COVID-19 crisis, now is the time to provide credit unions with additional flexibility to serve their business members," the representatives wrote.

The letter, which called the legislation the Access to Credit for Small Businesses Impacted by the COVID-19 Crisis Act of 2020, said others had until Thursday to sign on to be an original co-sponsor of the bill.

By law, credit unions' member business lending portfolios cannot exceed 12.25% of total assets. The proposed legislation would include any credit union commercial loans used to help businesses recover from the pandemic for a three-year period beginning March 13 of this year, according to the National Association of Federally-Insured Credit Unions. The National Credit Union Administration would also have to issue regulations ensuring safety and soundness were not adversely affected by any of those loans.

As the credit union industry has grown in the years since the Great Recession, trade groups have repeatedly pushed that the MBL cap be raised or removed entirely. Those efforts have been unsuccessful, however, in part because of strong pushback from bank groups. The cap was originally put in place as a concession to bankers after passage of the Credit Union Membership Access Act in the late 1990s.

Not surprisingly, credit union groups cheered the news.

"This legislation will go a long way toward ensuring more loans and capital reach those in need, and NAFCU stands to advocate for its passage during these uncertain economic times," Dan Berger, NAFCU's president and chief executive, said in a statement.

"This legislation would ensure that all available business credit is deployable during and after this crisis, so that small businesses can get back to business and Main Street communities can recover quickly from this unprecedented crisis," said Jim Nussle, president and CEO of the Credit Union National Association.

The American Bankers Association said it supported efforts to help financial institutions work with those affected by COVID-19 but criticized the legislation.

"[T]his proposal has nothing to do with the current crisis," a spokesman said. "Government guaranteed loans, such as crisis-specific programs like the SBA Paycheck Protection Program, do not count against the member business loan cap. We can only assume that this is an attempt by the credit union industry to quietly ease longstanding commercial lending limits using the current crisis as a cover."

However, it's unlikely that lawmakers will act immediately on any proposed legislation.

https://www.americanbanker.com/news/house-bill-would-temporarily-lift-credit-union-commercial-lending-cap
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American Banker

April 17, 2020 Friday
JPMorgan halts home equity loans due to coronavirus



Section: Vol. 185; No. 74

Length: 525 words

Byline: Kate Berry

Body
JPMorgan Chase has temporarily stopped offering home equity lines of credit due to the nationwide surge in unemployment and projections that U.S. home prices could decline substantially amid the coronavirus pandemic.

The $3.1 trillion-asset bank said Thursday that it is taking steps to mitigate risks in the housing market as it prepares for a surge in defaults by homeowners.

"Due to the economic uncertainty, we're temporarily pausing new applications for home equity lines of credit," said Amy Bonitatibus, chief marketing officer at Chase Home Lending.

The New York bank's customers can still tap into their home's equity through a cash-out refinance of their existing mortgage, Bonitatibus said. Last year, JPMorgan originated roughly 33,000 home equity lines of credit and approximately twice as many cash-out refinances, she said.Spokespeople for Wells Fargo and Bank of America said that those banks are still offering HELOCs.

JPMorgan Chairman and CEO Jamie Dimonwarned this weekthat the bank is preparing for a worst-case scenario in which its credit costs could exceed $45 billion if the economy remains closed for longer than expected. Under projections reviewed by JPMorgan, home values could decline by 10% and the unemployment rate could climb as high as 20%.

Last week, JPMorgan announced changes to its underwriting standards to ensure that borrowers have equity in their homes if home prices drop nationally. Borrowers applying for home purchase loans now will need a 700 FICO score and a 20% down payment, Bonitatibus said.

The policy changes at JPMorgan come after Fannie Mae's recent announcement to lenders that it is reducing its window for documenting a borrower's income and assets. Fannie will now give lenders 60 days, not the usual 120 days, when purchasing residential mortgages.

That change puts pressure on banks and other financial firms to conduct more due diligence and manual underwriting of lans. It comes at a time when banks are struggling to meet the needs of small businesses and contending with a surge in forbearance requests from homeowners.

The new policies at JPMorgan also come amid rising unemployment. Some 22 million consumers, or 15% of the U.S. workforce, have applied for unemployment insurance in recent weeks.

Mortgage lenders are trying to assess how many homeowners will ask for forbearance as a result of economic damage from the COVID-19 outbreak.

The $2 trillion Coronavirus Aid, Relief, and Economic Security Act passed by Congress late month mandates that all borrowers with government-backed mortgages be allowed to delay mortgage payments for 180 days, and get a furtber 180-day extension.

A forbearance allows a borrower to defer payments for up to a year for loans backed by Fannie Mae, Freddie Mac and the Federal Housing Administration, as well as smaller government agencies. The deferred payments potentially would be tacked on to the end of a loan and repaid when a borrower refinances or ultimately sells the home.

During the last financial crisis, home prices fell roughly 35% between 2006 and 2009, according to the S&P CoreLogic Case-Shiller home price index.

JPMorgan set aside nearly $8.

https://www.americanbanker.com/news/jpmorgan-halts-home-equity-loans-due-to-coronavirus
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The New York Times
Bringing the Economy Back to Life
A former Treasury secretary argues that Congress should act now to help small businesses and poor urban neighborhoods while committing to future fiscal repair.

By Robert E. Rubin
Mr. Rubin was the secretary of the Treasury from 1995 to 1999.

April 17, 2020
Moments after being sworn in as Treasury Secretary in 1995, I stood in the Oval Office to advise the president on how to address the threat posed to us by the unfolding economic crisis in Mexico, an experience repeated two years later during the Asian financial crisis. I know what it's like to recommend complex responses with no certainty of success.

Today, as our nation grapples with the worst pandemic in living memory, policymakers' immediate focus is on containing the virus, caring for the sick and providing near-term economic aid and stimulus. But, while remaining focused on those imperatives, officials must begin planning when and how to regenerate economic life for the shorter and longer term.

A threshold issue is timing. We must avoid resuming economic activity too soon and creating a wave of new infections. But if we wait until there's zero risk of further contagion, the hardship caused by this severe economic disruption could become far worse.

With the White House and some states already formulating guidelines for when to reopen, one way to reconcile any differences is for the administration and Congress to convene a small group of independent and respected public health experts and economists to weigh these interdependent health and economic considerations. The experts' framework should reflect economic forecasts under different health scenarios and start with the emerging consensus that the transition will be gradual, that large-scale testing is essential, that different cities or regions may be on different timelines and that the guidance for people with antibodies may differ from that for those who remain vulnerable.

The second issue is how to best support economic revival. The relief for individuals, specific industries, state and local governments, and small businesses enacted by Congress provides some fiscal stimulus. And the Federal Reserve is offering liquidity to various parts of the economy.

But too many small businesses can't survive without more being done. Even those that receive loans under the Paycheck Protection Program are likely to find the funding insufficient to reopen. And many very small businesses, like local restaurants, may not receive funds. A loan pegged to 2.5 months of payroll that must be spent within two months of receipt is unlikely to enable small businesses to weather the shutdown.

Small businesses will need working capital to restart. Unless the crisis ends sooner than expected, many businesses receiving government loans will not have enough capital remaining to finance their reopening. There should be an additional fund in the next congressional stimulus package to extend credit to viable small businesses seeking to reopen. Unlike the existing program's, the purpose would be not to maintain payroll but to revive our economy. The design could be a variant of the conventional Small Business Administration loan program, with the government and lenders sharing risk.

Banks participating in the loan program are generally going to lend only to existing borrowers. That excludes most small businesses in poor urban neighborhoods and distressed rural areas, potentially exacerbating these communities' already acute problems. There should be additional funding, therefore, for Community Development Financial Institutions, which lend to small businesses in underserved communities.

The recovery, once started, is likely to be slow and long, requiring intermediate and longer-term stimulus. A large-scale investment in our nation's infrastructure could both provide stimulus and increase productivity. We should also address glaring deficiencies in our social safety net laid bare by the crisis, such as the inadequacies of health care, paid leave, unemployment insurance and food stamps.

And that leads to the final issue for policymakers. The federal government can — and should — continue to borrow vast amounts to address the current crisis. Our longer-term debt/G.D.P. ratio might well be worse if we don't take robust action, because gross domestic product could decline more precipitously.

But Congress should commit now to address — when conditions allow — the increase in debt as a share of our economy, which was already seriously worsening before the crisis. This is partly to do the necessary planning and partly because it might influence how deficits are funded — for example, with long-term Treasury maturities, given low interest rates.

Federal revenues were roughly 16.5 percent of G.D.P. before this crisis, compared with the historical full employment average of 18.5 percent, and 20 percent at the end of the 1990s, with excellent economic conditions. There will be ample room to increase revenues, on a highly progressive basis, for example, by increasing corporate taxes, restoring individual rates, repealing pass-through preferences and imposing a financial transactions tax. We should also pursue universal health care coverage, preferably through a public option, while at the same time reducing our system's overall costs, which far exceed other developed economies'. Addressing our debt/G.D.P. ratio is in our longer-term economic interest and also benefits us in the nearer term, as greatly increased debt could impede the recovery.

We continue to face harrowing health and economic conditions. Responding to these twin crises will require unprecedented action — and as always, sound decision-making.

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Robert E. Rubin was the secretary of the Treasury from 1995 to 1999.
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The New York Times
Boeing to Restart Production in Washington State With 27,000 Workers
The aerospace giant said employees in the Puget Sound area would begin manufacturing commercial planes by the end of next week.

By Niraj Chokshi
April 16, 2020

Boeing plans to resume commercial airplane production in Washington State by bringing about 27,000 employees back to work, the company said on Thursday. Most will return by the end of next week.

The announcement is the first attempt at large-scale resumption of business activity by a U.S. corporation since the coronavirus outbreak forced companies and government officials to shut down most nonessential work. President Trump is encouraging businesses and states to reopen the economy by May 1 or earlier.

"Following thorough reviews of local conditions, we've started restoring operations at some sites where work has been suspended," Boeing's chief executive, Dave Calhoun, said in a letter to employees ahead of the announcement. This week, the company brought about 2,500 employees in the state back to work, most of them focused on defense production operations.

Of Boeing's approximately 160,000 employees worldwide, there are at least 66 current confirmed coronavirus cases. At least 124 others have recovered after being infected.

The Seattle area was an early U.S. hot spot for coronavirus infections and deaths. Washington State has recorded more than 10,000 confirmed cases and more than 550 deaths. But spread of the virus has slowed in recent weeks and experts have credited containment strategies put in place by government officials and businesses.

Boeing employees who return to work in the coming week will find new health and safety precautions in place, such as staggered start times and spread-out work areas, the company said. But a company spokesman, Charles Bickers, said Boeing would not test employees for the virus.

Face coverings will be required and provided to those who don't bring their own, and other personal protective equipment will be available to employees who are unable to distance themselves from colleagues for extended periods, the company said. Signs and floor markings will remind employees to stay apart and workers will be asked to conduct wellness checks on themselves before every shift and submit to temperature screenings at many manufacturing sites.

"The health and safety of our employees, their families and communities is our shared priority," Stan Deal, president and chief executive of Boeing Commercial Airplanes, said in a statement. "This phased approach ensures we have a reliable supply base, our personal protective equipment is readily available and we have all of the necessary safety measures in place to resume essential work for our customers."

The returning employees will work on the company's 747, 767, 777 and 787 planes. The company will also begin laying the groundwork to resume production of the 737 Max, pending regulatory approval after being grounded for about a year following two deadly accidents.

Boeing could find it difficult to reopen plants while taking precautions to protect workers from the coronavirus, said Erik Gordon, a professor at the University of Michigan's Ross School of Business.

"Boeing has an established system of assembling aircraft and that system was designed to be efficient at assembling aircraft," Mr. Gordon said. "It was not designed to be safe under pandemic conditions."

That said, Mr. Gordon gave Boeing and other companies credit for letting employees work from home where possible.

"No company should ask anybody who can telecommute to do anything else," he said.

The company employs about 72,000 people in Washington State. Between the returning workers and those who are able to telecommute, most of Boeing's employees in the state will be back to work. The company said it was not yet resuming production at its plant in South Carolina.

"We have talked about the prospect of Boeing reopening because they are essential, and I'm glad they've committed to a robust use of P.P.E. and workplace hygiene," Gov. Jay Inslee of Washington said in a statement. "We hope to get more details on that, and our agencies will keep talking with them to ensure workers feel safe going to work."

In the letter to employees, Mr. Calhoun welcomed the news this week that the nation's major airlines and the Trump administration had reached an agreement on the terms of $25 billion in government support that is intended to pay airline workers.

"Knowing that the U.S. airline industry has critical financial support through this devastating wave of the virus allows us to plan our production system for the medium- and long-term impact on air travel," Mr. Calhoun said. "We are hopeful that governments around the world will follow the lead of the U.S. and support their aviation industry in a similar fashion."

Mr. Calhoun also said that the aerospace industry would need government support, most likely in the form of loans.

"As you've heard me say before, we're in uncharted waters. The impact of this global virus will change our business for years to come," he said. "But we're doing what it takes to emerge from it strong and competitive."

Niraj Chokshi covers the business of transportation, with a focus on autonomous vehicles, airlines and logistics. @nirajc

A version of this article appears in print on April 17, 2020, Section B, Page 6 of the New York edition with the headline: Boeing to Resume Production at Seattle-Area Sites. Order Reprints | Today's Paper | Subscribe
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The Wall Street Journal

Stimulus to Add Nearly $1.8 Trillion to U.S. Budget Deficit Over Decade, CBO Says
Cares Act is projected to boost federal spending by more than $1.3 trillion in that period

By Paul Kiernan

Updated April 16, 2020 6:25 pm ET

WASHINGTON—The stimulus package passed last month to mitigate the economic devastation wrought by the novel coronavirus pandemic will add $1.76 trillion to federal budget deficits over the coming decade, the Congressional Budget Office said Thursday.

The legislation, known as the Cares Act, an acronym for Coronavirus Aid, Relief and Economic Security, aims to provide more than $2 trillion of financial assistance to U.S. households, businesses and financial markets. But because much of that aid will be extended in the form of loans that will have to be paid back, the impact on the deficit is expected to be smaller.

Federal spending is projected to rise by $1.314 trillion in the 2020 to 2030 period as a result of the legislation, the CBO said, while revenues are expected to fall by $446 billion.

The provision of the Cares Act that will contribute most to the deficit is the Paycheck Protection Program, which provides $349 billion to small businesses to keep workers on their payrolls through the end of June. The $1,200 checks that were sent out to most American taxpayers this week will collectively add $293 billion to deficits, while a major expansion to unemployment insurance will add another $268 billion.

Those forecasts don't include any future efforts to shore up the economy, which has quickly spiraled into what experts believe will be its deepest downturn since the Great Depression. Funding for the Paycheck Protection Program ran out this week, and Congress is facing urgent pressure to extend the program by appropriating at least another $250 billion.

The federal deficit was growing at a brisk pace even before the new coronavirus forced swaths of the economy to a halt. In early March, the CBO projected that federal spending would outpace revenues by $1.073 trillion in fiscal 2020, which ends Sept. 30.

That figure is expected to jump by $1.61 trillion because of the Cares Act, the CBO said Thursday. In 2022 and 2023, deficits should be smaller than previously expected as the government collects some taxes that are currently being deferred to help businesses weather the shutdown.

Write to Paul Kiernan at paul.kiernan@wsj.com
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The Wall Street Journal

Flood of Saudi Oil Looms as U.S. Drillers Face Supply Glut
Tankers carrying roughly seven times the normal monthly amount are coming to America, threatening U.S. energy prices and production

By Collin Eaton and Russell Gold

April 17, 2020 6:30 am ET

A fleet of tankers full of Saudi oil is slowly making its way to the U.S. Gulf Coast, threatening to worsen an already historic oversupply of crude.

The Saudi crude, about seven times as much as the Gulf Coast took from the country in a typical month last year, will fill rapidly dwindling places to store oil, depress already low prices in key shale regions and increase pressure on drillers from Texas to North Dakota to shut off their wells.

"We're going to have some very severe short-term pain," said Mark Papa, the ex-chairman of Centennial Resource Development Inc. and former chief executive of EOG Resources Inc.

These tankers were loaded in March and early April when Saudi Arabia was pursuing a strategy of increasing its output to drive down prices and increase its share of key markets. Since then, the U.S. brokered a deal with nearly two dozen countries, including Saudi Arabia, for a historic cut to world-wide oil production. The aim is to raise prices and stabilize oil markets.

Nonetheless, the 20 tankers holding a combined 40 million barrels of crude are still headed to ports in Louisiana and Texas, according to shipping sources and market intelligence firms Vortexa Ltd. and Kpler Inc. They are due to arrive in Texas and Louisiana through late May.

"This is the American energy producers' Pearl Harbor. We know the ships are coming in, and yet nobody is doing anything about it," said Kirk Edwards, president of West Texas oil company Latigo Petroleum LLC. "Every barrel they're bringing in on those ships backs out a barrel of oil produced here in the Permian Basin."

The slowly unfolding situation has begun to capture the attention of U.S. politicians, some of whom are calling for the U.S. to consider embargoes or other measures to stop the influx of oil. Sen. Kevin Cramer of North Dakota has expressed frustration that Saudi Arabia would flood the U.S. market with discounted crude at this moment.

"Don't let them unload on American soil," the Republican lawmaker tweeted last week. He later exhorted President Trump to do all he could to convince Saudi Arabia to route its oil elsewhere.

President Trump is monitoring the situation and has said all options are available in stabilizing energy markets, a senior administration official said.

One possibility for the president would be to impose tariffs, but observers said that is unlikely following the recent oil deal. Francis Fannon, the U.S. State Department's most senior energy official, said tariffs remain an option for the president, but "he consistently said it was a lever be didn't think he would need to pull."

The state-run Saudi Arabian Oil Co., known as Saudi Aramco, declined to comment.

The American Petroleum Institute, a powerful industry trade group, opposed any interference in free trade for oil. "That's actually the last thing we need," said Frank Macchiarola, the group's senior vice president of policy, economics and regulatory affairs. "Reliance on foreign or imported crude is important for refineries."

A substantial majority, if not all, of the crude coming from Saudi Arabia had buyers, market sources said.

The industry is already facing a massive oversupply of crude, driven by a historic drop in demand as billions of people stay home to counter the spread of the coronavirus.

U.S. crude inventories rose by 19.2 million barrels last week, according to the Energy Department, and the benchmark U.S. oil price Thursday was at $19.87 a barrel, the lowest in 18 years. At trading hubs in the Gulf Coast, Permian Basin in West Texas and the Bakken Shale of North Dakota, crude traded for significantly lower. In the Bakken, prices fell below $10 a barrel as sellers outnumbered buyers.

Some companies have begun shutting in wells whose oil has nowhere to go. Cimarex Energy Co. Chief Executive Thomas Jorden said pipeline companies already have asked the Denver-based driller to make voluntary output curtailments amid storage constraints, even offering breaks on transportation fees.

"We would rather shut in some of that production than continue to produce at these prices," Mr. Jorden said.

The Saudi oil surge is set to exacerbate that glut, starting with the supertankers Awtad, Jana, Aslaf and Lulu, carrying 2 million barrels apiece, which are on track to arrive this month, according to vessel-tracking data.

Most of the tankers are set to arrive in May, bringing almost 32 million barrels to Texas and Louisiana ports, though some may still change their destination. It would be the largest month for Gulf Coast imports of Saudi crude in more than six years, according to Vortexa's forecast and Energy Department import data.

However, this might be the last surge of Saudi crude to head to the U.S. Gulf Coast for a while. Following a 23-

nation agreement to cut crude production, Saudi Arabia on Monday raised the price of oil it sells to U.S. refiners, making it less attractive to buy, while it cut prices to Asia.

—Timothy Puko contributed to this article.

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The Wall Street Journal

Small Businesses Need Money—but First They Need the U.S. to Reopen
Entrepreneurs say $350 billion stimulus package compels them to spend funds before they expect demand to return

By Allison Prang

April 17, 2020 9:00 am ET

Thousands of small-business owners rushed to apply for federal funds designed to keep their firms afloat through the Covid-19 pandemic. But for some, the slower it gets to them, the better.

Under the Paycheck Protection Program, the government will forgive loans to small businesses if the firms meet certain requirements. One such stipulation is proving thorny for companies: They must allocate most of the money they receive toward keeping employees on payroll for eight weeks starting from when the money is received.

The problem for business owners is tbat many can't predict when the economy will normalize and don't know whether they will be in a better position to pay workers two months from now. Many states are extending restrictions on movement and trade, keeping consumers from buying goods and services. Plus, the push for companies to keep workers comes as the government also is expanding unemployment benefits, making that a potentially better option for some workers.

Take Suzanna Cameron and Lilli Wright, two friends wbo own separate flower businesses in Brooklyn, N.Y. Both have already let go of most or all of their workers, and both say that even if they got money to rehire them, in two months there likely won't be enough business to keep them on board.

The difference: Ms. Cameron, whose Stems Brooklyn flower shop qualifies for $45,000 in funding, applied for a federal loan, saying if she gets it she will use some of it to cover payroll for the people still working and try to give back the rest to the government. For Ms. Wright and her flower design studio, Mimosa, it wasn't worth it.

"I [would] have to lay off my employees after two months of paying them through the PPP because there will be no work until August," said Ms. Wright, who noted most of her studio's business comes from the wedding industry. She said she would rather take advantage of a tax-credit program that rewards companies for retaining employees, and work on "figuring out how to prepare my business for the long term."

The debate over whether to apply is moot for now because the Treasury Department said Thursday that the $350 billion allocated to the Small Business Administration's stimulus program had run out. Republicans and Democrats want to replenish tbe funds but are at odds over the terms.

For tbe loans to be forgiven, small businesses must use three-quarters of the money—all of which is first come, first served—to cover payroll expenses. The rest can go toward rent, utilities or mortgage interest. If a business doesn't meet those requirements, the funding is a two-year loan with a 1% interest rate.

The government hopes the funding compels businesses to keep people on their payrolls, potentially slowing the recent surge of unemployment claims that have topped 20 million over the past month.

Mo Iqbal, wbo owns a restaurant witb his wife in Orange, Calif., bad to lay off all 42 of his employees when the business closed down. He applied for funding from the program and understands it is supposed to keep people employed. The question is whether he can reopen within eight weeks. If he can't, he doesn't know what he'll do, he said.

"It's a good thing," he said of the program, but if the pandemic continues, businesses are going to need more support, he added.

Cortney Keene, who owns a behavioral health company in Vermont for children with autism with her husband, was approved for almost $125,000 in funding through the program. Ms. Keene initially tried to have the funding disbursed in early May, but had to take it 11 days after it was approved.

"We still feel grateful that this money is there to help and support us," she said.

Ms. Keene, whose company had temporarily furloughed its staff of 20, not including her and her husband, has been working on a telehealth option for customers. Even if the government doesn't forgive the money, "I still see it as a loan at a low interest rate that's going to help us keep our business going," she said.

For those who have been laid off, the federal government as part of its stimulus raised unemployment benefits by $600 a week. While the increase in benefits helps further subsidize Americans who have lost their jobs, the small-business community also says it is hard to compete with those heftier payments.

Pat MacKrell, president and chief executive of Pursuit, a nonbank lender that has been participating in the program, said there is a conflict in offering better unemployment benefits at the same time that the government is incentivizing businesses to bring people off unemployment.

Joe Walsh applied for about $250,000 under the program and was approved, though he thinks it will take longer than eight weeks to reopen his formerly 30-person cleaning company in Portland, Maine. It is also unclear if his workers would want to stay at the firm over the next couple of months because many of them stand to make more from the country's expanded unemployment benefits.

Mr. Walsh estimated he would have to raise the pay of certain employees of Green Clean Maine by up to 40% to compete with collecting unemployment. "Then the question becomes 'How do I pay for that differential as a business owner?'" he said.

Write to Allison Prang at allison.prang@wsj.com
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The Wall Street Journal

## Stocks Rally, Pointing to Second Week of Gains
Gilead shares jump about 8% after one of its drugs shows promise in treating coronavirus

By Avantika Chilkoti, Gunjan Banerji and Joanne Chiu

Updated April 17, 2020 10:45 am ET

U.S. stocks rallied Friday, putting major indexes on track for a second consecutive week of gains, buoyed by optimism that parts of the American economy may begin reopening in coming days.

The Dow Jones Industrial Average climbed about 400 points, or 1.7%, led higher by shares of Boeing.The S&P 500 climbed 1.7%, and the Nasdaq Composite added 1%.

The gains this week are especially notable because they build on a blockbuster week for stocks. Last week, the S&P 500 logged its biggest one-week percentage gain since 1974, while the tech-heavy Nasdaq recorded its biggest one-week percentage gain since 2009.

All three indexes are still down more than 12% from their mid-February highs, but they have roughly cut their losses in half since late March.

President Trump on Thursday said some states with few coronavirus cases could proceed to the first phase of lifting restrictions on social and business activity as early as Friday. He declined to name them, deferring to governors, but said there are as many as 29 states that could soon begin the process of opening.

Speculation about possible coronavirus treatments also buoyed markets. A report that Gilead Sciences'sexperimental drug remdesivir might be performing well in clinical trials of Covid-19 patients sent shares of the drugmaker up 8.4%.

Although effective drugs might take years to develop, the developments are catalysts to suggest the situation isn't as bad as feared and that markets would recover, said Andy Maynard, managing director of equities sales and trading at China Renaissance Securities.

"The market has attempted, where possible, to take a glass half-full view," said Richard McGuire, head of rates strategy at Rabobank, pointing to news about infection rates slowing in some countries, as well as plans for a smooth reopening of economies.

"The virus and its fallout is something that's going to plague us for some time," he cautioned.

The pandemic has killed more than 33,200 people in the U.S. and infected about 671,000.

Meanwhile, many investors have piled into some of the highflying technology shares that have long powered the stock market. Amazonand Netflix have both climbed about 15% this week. And the tech-laden Nasdaq Composite is on track to gain 6% for the week, far outpacing the S&P 500's 2.4% advance.

Still, some investors remain anxious about the recent rally, with some skeptical how long it will last. Piotr Matys, an emerging-markets strategist at Rabobank, called the surge in stocks a "false rebound."

"I don't think that the worst is over," Mr. Matys said. "The market is way too optimistic thinking that those restrictions will be removed and we will be back to normal. We won't be. It is going to take many more months after those restrictions are removed before people will start going out, going to restaurants and spending more."

Shares of Boeing climbed 11% after the plane maker said it will restart production of its wide-body commercial jetliners in the Seattle area following a three-week shutdown.

As investors jumped into stocks, they pulled back from haven assets. Gold dropped 0.8%, while the yield on 10-year Treasurys ticked up to 0.613%, from 0.609% on Thursday. Yields rise as bond prices fall.

The spotlight is now increasingly on corporate earnings, which kicked off this week with reports from major U.S. banks led by JPMorgan Chaseand blue-chip companies like Johnson & Johnson.

"Earnings season has the potential to act as a bit of a wake-up call because companies are going to be providing some clearer guidance on how they see this hitting their revenues in 2020," Mr. Gimber said, adding that companies could be forced to limit dividends and buybacks.

Among the companies reporting next week are Coca-Cola,Netflix and Delta Air Lines.

Overseas, an unprecedented—but widely expected—plunge in Chinese economic activity in the first quarter failed to faze investors. China's economy shrank 6.8% in the first three months of 2020, compared with a year earlier, in the first such contraction since Beijing began reporting quarterly gross domestic product in 1992. The pullback was less than what economists had forecast.

Hong Kong's Hang Seng Index closed up 1.6%, while the Shanghai Composite Index gained 0.7%.

The economic data "was telling the market what we already knew: that China was in lockdown for much of the first quarter, so economic activity was pretty grim," said Hugh Gimber, global market strategist at J.P. Morgan Asset Management in London.

"The focus in China at the moment is on how they are able to lift lockdown measures and how they are able to return their economy to a more normal state while trying to avoid a second wave of infection," he added.

In other parts of Asia, Japan's Nikkei 225 closed 3.2% higher. The index has now gained more than 20% from a closing low in March.

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The Wall Street Journal

How to Navigate the Suspension of Student Loan Payments
Due to the coronavirus pandemic, the U.S. is suspending monthly loan payments and freezing interest accruals for most borrowers until Sept. 30

By Anne Tergesen

April 17, 2020 8:00 am ET

The federal government is suspending monthly payments and interest accruals on most of the $1.5 trillion in federal student debt for half of this year.

As a result, from March 13 to Sept. 30, an eligible borrower's balance will be frozen, with no financial penalties.

But the suspension doesn't cover all borrowers and loans. And there are reasons to continue your monthly payments if you can afford to.

Here are details on how the suspension will work, who will benefit, and what financially-strapped borrowers can do to reduce their payments after the suspension ends.

What kind of loans are eligible?

There are two basic types of student loans: federal and private.

Federal loans, including Stafford, Grad PLUS, Parent PLUS and consolidation loans, comprise more than 90% of student loans outstanding and are eligible for the six-month payment suspension and interest freeze, provided they are owned by the U.S. Education Department.

Some federal loans issued under the Federal Family Education Loan program, which was discontinued in 2010, are owned by entities aside from the Education Department, including commercial lenders. Most federal Perkins loans are held by colleges. Borrowers with these loans can't take advantage of the suspensions unless they consolidate their loans into a new loan, a step that isn't always beneficial (see below).

How can I check whether my loans qualify?

If your loans were issued after June 30, 2010, they are very likely owned by the Education Department, which means they qualify, said Heather Jarvis, an attorney who teaches financial professionals about student loans.

Otherwise, contact your loan servicer or go to studentaid.gov. Under "my aid," download a list of your federal loans and check whether the Education Department is the owner, said Ms. Jarvis.

What must I do to get my repayments suspended?

Nothing. Your loan servicer is required to automatically suspend the payments due between March 13 and Sept. 30 and change the interest rate on your account to zero, said Mark Kantrowitz, vice president of research at Savingforcollege.com.

I made a payment after March 13. Can I get the money back?

While the suspension of monthly payments is retroactive to March 13, loan servicers were given until April 10 to implement the change. As a result, some "borrowers had automated payments pulled from their accounts" after March 13, said Ms. Jarvis. Ask your loan servicer for a refund if you want one.

How will I know that these benefits have been applied to my account?

Some borrowers say the suspended payments are listed in their accounts as delinquent, according to Ms. Jarvis. Under the stimulus package, loan servicers are prohibited from reporting suspended payments as delinquent to the credit bureaus. Still Ms. Jarvis recommends monitoring your account "to see that any problems are resolved."

Can I suspend private loans?

Many private lenders and servicers are offering some flexibility to borrowers who ask to suspend their payments. Unlike federal loans, though, the interest will continue to accrue, and the lender may deny your request.

Navient Corp.,which holds both federal and private loans, is offering programs that, among other things, allow payments to be suspended for up to three months. CommonBond Inc. is permitting a hiatus for up to two years (or more for those affected by coronavirus) and is waiving late fees. Social Finance Inc. offers up to 60 days of suspension, with the possibility to extend for another 30 days.

If I can afford to make monthly payments during the suspension period, should I?

Possibly. Unless you have accrued unpaid interest, all of the payments you make during this period will be applied to your loan's principal, allowing you to repay the debt faster.

People just starting repayments have the most to gain, since the portion of each monthly loan payment that covers interest declines over time covers interest declines over time.

A borrower who makes payments through Sept. 30 stands to reduce the amount of interest he or she will pay over the life of the loan. For example, on a $10,000 loan with a 4.5% interest rate, a borrower who starts monthly repayments on March 13 and continues uninterrupted will pay off the loan three months ahead of schedule. This would result in $340.64 of interest savings, or 14% of the amount that would have otherwise accrued, according to Mr. Kantrowitz.

If you have multiple student loans, Mr. Kantrowitz recommends channeling any payments you can make to the one with the highest interest rate. If you have other debt with a higher interest rate, put your student loans on pause and pay that instead, Mr. Kantrowitz said.

I have federal loans that don't qualify. Can I get help?

If you have subsidized Stafford loans that aren't owned by the Education Department and you are unemployed or experiencing economic hardship, you can request a deferment. This suspends monthly payments and stops additional interest from accruing. Otherwise, you can request a forbearance, which suspends the payments but lets the interest continue to build.

If you have more than one loan, you can combine them into a consolidation loan, which qualifies for the payment suspension and interest freeze.

However, because these are new loans, you cannot pause the payments retroactively to March 13, said Mr. Kantrowitz. You will also lose any interest-rate reductions you earned for making on-time or automatic payments. If you are in a loan-forgiveness program, consolidating might reset the clock on the 25 years of payments required before the balance can be canceled, said Mr. Kantrowitz, who added the rules are unclear.

If my loan is in default, will I benefit?

For those in default, the major benefit—aside from a freeze on interest accruals—is that the suspension puts a temporary halt to the process of "involuntary collection," including wage garnishments and seizures of tax refunds.

After Sept. 30, collection efforts will resume, so if you are entitled to a tax refund, file your return soon, said Ms. Jarvis.

For borrowers who have reached an agreement with a lender to rehabilitate a loan there is a big benefit. Rehabilitation is a one-time chance to remove the default from the borrower's credit report in return for making nine on-time payments over 10 months. The six paused payments count toward the nine required, said Ms. Jarvis.

I am in a loan-forgiveness program. Will my payments be suspended?

Yes. Even better, the paused payments will count toward your loan forgiveness. If, for example, you are enrolled in the federal government's Public Service Loan Forgiveness program, the six suspended payments can be applied to the 120 you must make before the balance can be forgiven, said Mr. Kantrowitz.

People in income-driven repayment plans—which cap student-loan payments at a portion of a borrower's annual discretionary income—should refrain from making voluntary payments if they believe they are likely to qualify for loan forgiveness. "Extra payments will just reduce the amount that will be forgiven," said Mr. Kantrowitz.

Do I have to do anything before repayments resume on Sept. 30?

Starting in the summer, loan servicers will send borrowers reminders that monthly payments will resume on Sept. 30.

Well before Sept. 30, you should assess whether you can afford your regular monthly payment.

If the answer is no, you can request forbearance or economic hardship deferment. However, you may be better off with an income-driven repayment plan. A borrower in such a plan who can prove a loss of income can reduce the payments, even to zero, until his or her income rises.

—Josh Mitchell contributed to this article.

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**The Wall Street Journal**

# A New IRA Donation Strategy Now Can Increase Your Tax Savings Later

The coronavirus stimulus legislation tweaked the rules for IRA payouts, so savers who make charitable donations from those accounts may want to shift their giving plans

**By Laura Saunders**

**April 17, 2020 5:30 am ET**

**It's a confusing year for charitably minded seniors with traditional individual retirement accounts—and a good one to reconsider giving strategies.**

**Recent law changes are responsible. Late in 2019, Congress raised the age at which most savers are required to start taking money from their IRAs to age 72 from age 70½. But it left unchanged the age at which savers can donate IRA assets, which is still 70½.**

**Then this year, Congress suspended the mandated IRA payouts, known as required minimum distributions, or RMDs, for 2020 due to the coronavirus pandemic. The suspension gives savers' nest eggs a chance to recover from market losses. Lawmakers also provided a tax-efficient path for IRA owners who want to make very large donations of more than $100,000.**

**These changes are affecting strategies for seniors who use a popular tax break to do their charitable giving in a tax-efficient way. The break, formally known as a Qualified Charitable Distribution, allows them to donate IRA assets directly to charities.**

**As a result of the changes, some charitably inclined IRA owners who don't have to take RMDs this year will want to maximize tax benefits by skipping 2020 IRA donations and making a double gift next year. Others may opt to donate IRA assets rather than cash or assets such as stock this year, even without RMDs.**

**Still others may ignore tax strategies because of the coronavirus's ravages.**

**"Charities need money now, and for some givers this is what matters most," says Natalie Choate, an attorney with Nutter, McClennen & Fish in Boston. Ms. Choate makes nearly all her charitable donations with IRA assets and will likely do so this year.**

**Here's what traditional IRA owners who are thinking through giving decisions need to know now.**

**First, be aware of what hasn't changed: IRA owners age 70 ½ and older can donate up to $100,000 of assets directly to qualified charities (but not donor-advised funds). Donations up to the limit count toward the RMD from the IRA, if there is one.**

**There's no deduction for these donations, but they don't raise adjusted gross income. The advantage of minimizing this income is that it can reduce other levies based on adjusted gross income. These include income-based Medicare Part B and D premiums and also a 3.8% surtax. The 3.8% surtax applies to net investment income such as dividends or capital gains, and the threshold is AGI of $250,000 for most married filers and $200,000 for most single filers.**

**Unlike writing a check, using IRA assets to make donations also provides a tax break for charitable giving even if the donor doesn't itemize deductions on Schedule A—as many seniors don't.**

**Now here's what makes this year different for IRA donations.**

**Because RMDs aren't required for 2020, an IRA donation this year can't reduce them. As a result, many IRA owners who normally have RMDs can get a bigger tax break by making two donations in 2021 rather than one each in 2020 and 2021, says Lawrence Katzenstein, an attorney with Thompson Coburn in St. Louis.**

**For example, say that an IRA owner has a required withdrawal of about $40,000 a year and typically gives $10,000 to charity. She won't be able to use a 2020 donation to reduce her 2020 RMD. But she could defer the 2020 gift into early 2021 and make two $10,000 donations in 2021.Then she'd report $20,000 of taxable IRA payout next year, not $30,000.**

**Mr. Katzenstein adds that wealthy donors who want to give more than $100,000 of IRA assets also have a new way to do it this year, due to a provision in the newly passed Cares Act stimulus legislation. Instead of giving IRA assets directly to charities, they can withdraw cash from IRAs and make cash charitable contributions free of limits that often crimp such gifts. To learn more, consult a tax adviser.**

Finally, there's a new cohort of IRA owners who are now old enough to donate assets at age 70½, well before they have to take required payouts at age 72. This year they join the millions of IRA owners who can make donations but whose RMDs are suspended for 2020.

How can these givers maximize their charitable tax breaks, other than by waiting to donate until they have RMDs? Unless they're very wealthy, says Ed Slott, an IRA specialist who is an accountant in Rockville Centre, N.Y., they often should donate IRA assets rather than cash or appreciated assets such as stock.

This may seem surprising. Donations of appreciated assets, such as shares in taxable accounts, often allow the giver to skip capital-gains tax on the growth and take a deduction for the gift's full market value. This powerful strategy is a favorite with wealthy donors who give more than the $100,000 annual limit allowed for IRA donations.

But for lesser givers age 70½ and older, Mr. Slott advises donating IRA assets first and trying to hold appreciated assets such as stock until death. At that point, a provision known as the step-up forgives capital-gains tax on the asset's growth.

Says Mr. Slott, "Your heirs will thank you if you leave assets in taxable accounts rather than traditional IRAs, because the IRAs come with taxes due."
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The Wall Street Journal

The Fed and Main Street
The central bank is setting itself up for a political backlash.
By The Editorial Board

April 16, 2020 7:32 pm ET

Another 5.2 million Americans filed jobless claims last week, for a depressing total of 22 million in a month. The worst is far from over, which makes it all the more puzzling that the Federal Reserve and Treasury have been so stingy with their Main Street Expanded Loan Facility that is supposed to offer liquidity support for mid-sized companies.

The Fed last week unveiled its Main Street program as part of a $2.3 trillion lending effort that is heavily tilted toward relief for Wall Street. But the stipulations and strings spelled out by the Fed will make the program much less attractive to borrowers, as we described in "The Fed's 'Main Street' Mistake."

Glenn Hubbard and Hal Scott elaborate on the problems nearby, and the Fed and Treasury ought to listen if they don't want to be held politically accountable for favoring the well connected in finance over middle American companies that are the heart of the U.S. economy.

***

The Fed's interventions have helped to shore up financial markets by putting a guarantee on seemingly every credit in circulation. That's only a slight exaggeration, as it has offered to buy high-yield corporate debt, commercial real-estate securities holding strip malls, and perhaps even the bonds of some of the most mismanaged states and cities (here's looking at you, Illinois).

This has been good for Wall Street and asset holders, and the Fed did have to take action to prevent cascading defaults and protect the financial system. But the Fed's facilities (other than Main Street) are in many ways price supports for weak credits whose owners are able to navigate the Fed process. The relative stability in the stock and credit markets the last two weeks may have encouraged the Fed and Treasury to believe that this is enough.

We wouldn't count on it. The U.S. will defeat Covid-19, but no one knows how or when or what the cost will be. Job losses in the unemployment report for April could be as high as 20 million. Mortgage and debt payments due on May 1 could trigger loan defaults and corporate bankruptcies. If the lockdowns extend into June, look out below. If the recovery is slow or halting, liquidity concerns could become solvency problems that lead to even more uncreative destruction.

All of which makes it passing strange that the Fed is so grudging with the terms for its Main Street facility. The program targets businesses from zero to 10,000 employees with up to $2.5 billion in 2019 revenue. Many of these don't qualify for the Paycheck Protection Program that stops at 500 employees and has run out of money in any case. (See nearby.)

Most of these mid-sized companies were in solid condition before the virus hit and had strong balance sheets—in contrast to some of the dogs in packaged Wall Street securities. They are exactly the companies that the Fed and Treasury should want to assist to have any hope of a strong recovery.

Yet the Fed's Main Street facility term sheet last week imposes restrictions for borrowers on dividends, stock buybacks and compensation and says they must "make reasonable efforts to maintain" payroll. As we read the Cares Act, these stipulations aren't required for loans made in the normal course of business through the Fed's 13(3) authority. Our legal sources agree.

The Fed also requires that companies borrowing from the Main Street facility use banks that must retain 5% of any loan on their books. This means banks will insist on their own covenants and approval process that will slow everything down even if banks take the risk of lending. Banks will turn down many willing borrowers, or companies may think all of this is too burdensome to borrow.

Messrs. Hubbard and Scott attribute these obstacles to the Fed's desire not to take on risk that could lead to losses, which is plausible. But the losses will be the Treasury's, not the Fed's, and Treasury has backstopped Main Street with $75 billion. Treasury also has far more under the Cares Act that it can allocate for the Fed. Any Fed losses will pale next to the losses to the economy and society if much of American business is ruined by the coronavirus lockdowns.

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The political risks for the Fed are also greater from such business destruction than they would be from loan losses. The only way for the Fed to maintain its independence is with support from the middle class across the country. Wall Street and the Beltway media won't be enough to hold off populist anger if much of the American economy crumbles. And wait until Donald Trump is heard from.

The Fed invited comment on its Main Street facility through Thursday, so there is still time to adjust its terms. Treasury and the Fed should rewrite those terms to provide immediate and ample liquidity to all comers that were solvent before the pandemic. Otherwise some of us will wonder if Main Street is merely a political sop that the Fed doesn't want to succeed.
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The Financial Times
Henry Paulson: Save globalisation to secure the future
~~The world will be a very dangerous place if we do not fix mu~~ltilateral institutions
HENRY PAULSON
Henry Paulson
April 17, 2020
This article is a part of a series in which the Financial Times asks leading commentators and policymakers what to expect from a post-Covid-19 future

The writer, a former US Treasury secretary, chairs the Paulson Institute

Covid-19 has resulted in more than a deadly pandemic. It has tipped the world economy into its most severe crisis since the Depression.

As the virus's spread slows and governments rebuild, they face another force sweeping in its path: isolationism. The impending battle will pit forces of openness rooted in market principles against those of closure across four dimensions: trade, capital flows, innovation and global institutions.

Allowing an economic iron curtain to descend would imperil the recovery and jeopardise economic and social stability. Individual nations must resist efforts to slash cross-border linkages and global institutions will need to step up and transform.

The world has prospered because of integration. But even before the pandemic, the balance was tilting towards closed economies. Now recession, surging unemployment and China's failure to handle the coronavirus outbreak transparently are emboldening these voices. We should recalibrate while retaining the best features of globalisation. The right policies lie not on an end but on the continuum between openness and closure.

Intense battles are sure to be fought over trade. Multinational companies will ensure that they no longer rely on a single country to source each necessary component. Each country will also need to source some critically important medical products domestically. Taken to an extreme, this could lead to de-integration of a major industry at a time when the US has already levied tariffs on steel and industrial goods on tenuous "national industry at a time when the US has already levied tariffs on steel and industrial goods on tenuous "national security" grounds. Governments should protect their critical supply chains, while also advancing robust trade and investment across all sectors.

The banking industry globally has insufficient capital to absorb the impending large credit losses and to provide the lending needed to help spur recovery. We must assure that capital can flow to businesses that need it most. Such overseas flows will be in the protectionists' crosshairs, but nations should still pursue job-creating foreign investment that promotes recovery by building bridges instead of walls.

Technology decoupling also risks furthering the shift to economic closure. Innovation thrives on disruptive, cross-border collaborations. But the rise of techno-nationalists is the natural outgrowth of a generation of technologies, including artificial intelligence, that are intrinsically multi-use. These innovations will be central to economic success so governments must invest, provide incentives for entrepreneurs and develop standards that protect both national and economic security.

Beijing's emphasis on indigenisation and Washington's on relocating supply chains and sequestering technology suggest that the future unfortunately will belong to the techno-nationalists. But if we go too far by slashing ties and forbidding technical exchanges and joint research, it will impede innovation and potentially world-changing basic research, including on a Covid-19 vaccine and in reducing carbon emissions, which are a ticking time bomb.

Global institutions have a duty and an opportunity to take on these challenges. But they have not shown themselves up to the task. Their past failures are the result of member nations failing to do the hard work to make them effective.

The US can lead by reinvesting in the very international institutions it has largely sought to emasculate. The World Trade Organization has not kept up with today's modern trading world. And the Bretton Woods institutions are underfinanced and over-governed.

When the G20 meets in Saudi Arabia this November, leaders should commit to market principles and complementary action to support economic growth. But that is not nearly enough. A sustainable economic future demands an effective set of global rules for trade, investment, intellectual property and technology standards. Multilateral institutions must also play a larger role helping vulnerable nations avoid human suffering and political instability.

The leading economics in the G20 must also confront risk across a broader range of threats. The fact they were not ready for a very predictable pandemic should be a wake-up call. They must prepare for other obvious risks such as terrorism, cyber warfare, climate change and nuclear proliferation. Now is the time to start developing a framework for global co-ordination. The world will be a very dangerous place if we do not fix the global institutions and establish the treaties and protocols needed to prevent and mitigate future tragedies.

The forces that advocate for closure will resist strengthening multilateral organisations. But that only increases the risks to our citizens. While the near-term prospects of reform seem dim, I am more optimistic that this crisis will ultimately spur co-operation among major nations to begin the hard work of building a more peaceful, sustainable future.

The world has faced more daunting challenges than coronavirus. But the recovery — and the future — can only be secured if major economics pull together. Strategic competitors and adversaries struggle to find common ground even when it is in their self interest. But there will be no lasting recovery if the largest economies, especially the US and China, cannot find a workable strategic framework. The global economic order is not perfect. But it truly is too big, and too essential, to fail.


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The Financial Times
Payment holidays are messing with America's $2.2tn mortgage machine
'Warehoused' loans could go into default before they can be sold
LAURA NOONAN
Laura Noonan
April 17, 2020
The US Federal Reserve made a dramatic move to calm the US home-loan market last month, announcing plans to buy mortgage-backed securities in unlimited amounts to ease tensions caused by the coronavirus pandemic.

Now, another storm is brewing in a more obscure part of the marketplace — so-called warehouse lines of credit, which are used by non-banks to originate loans before selling them to private investors or to government-backed agencies.

Traders, mortgage companies and regulators are scrambling to work out how this process will be affected by a predicted surge in non-payments as the coronavirus outbreak squeezes incomes and pushes unemployment to record levels.

Loans eligible to be bought by government agencies such as Fannie Mae, which make up the vast majority of the $2.2tn-a-year US mortgage market, are typically financed by warehouse lines for just a few weeks, before they are packaged and sold on.

But non-agency loans, which total about $50bn a year, can be warehoused for months on end, while the originator offers more mortgages so that it can bundle them all together. Such loans are a vital part for borrowers looking to fund expensive properties — Fannie and Freddie Mac have a $510,400 cap for loans they guarantee — or for borrowers with low credit scores.

In a normal world, warehoused loans have very low default rates because the mortgages are brand new, and people can typically make their first few months' payments. But this is not a normal world. US officials have told mortgage holders that they can take a 90-day holiday from servicing loans without facing any penalties.

That raises the spectre of warehoused loans going into default before they can be sold — creating problems for both agency and non-agency originators.

"It's not anything . . . until it gets into a programme," said one mortgage trader.

Fannie, Freddie and Ginnie Mae, the big three agencies, traditionally reject loans already in default, so now originators are either selling loans directly to the agencies for cash, meaning they get a lower price, or trying to pool them as quickly as they can.

Originators are "trying to sell these loans as fast as humanly possible to . . . get them off their balance sheets", the trader said.

A person at one of the agencies said they were aware of the problem, and were "working to find out the breadth of the issue and possible solutions".

Originators in the non-agency market are in a trickier spot. "They don't have the option to jam stuff into the government [agencies] or the option to securitise before the first payment is missed," the trader said.

If defaults on non-agency warehoused loans rise, originators are first asked by lenders for extra margin to compensate for a drop in the value of their collateral. In a more extreme situation, where non-payments breach an agreed level, originators can be forced to buy back the mortgages. That can be a very heavy burden for companies already obliged to keep making payments to bondholders if mortgage holders stop paying their loans.

One non-agency industry player, Deephaven of Charlotte, North Carolina, has suspended new applications, blaming "rapid and unpredictable changes" to the marketplace. Citadel Servicing Corporation of Irvine, California, has also put originations on pause.

Some warehouse lenders are pulling up the drawbridge. JPMorgan Chase is no longer offering warehouse funding where the underlying borrower has a credit score of less than 700, a source familiar with the situation told the Financial Times, which essentially takes the bank out of the market for warehouse lines for subprime lenders. Flagstar Bancorp of Troy, Michigan, one of the biggest warehouse lenders, is reducing its funding for non-agency mortgages too.

"The forbearance programmes are creating liquidity issues from servicing advances, as well as a lack of clarity from agencies on deliverability and saleability, of loans in forbearance," Jenn Piepszak, JPMorgan's finance chief, told reporters this week.

One executive at a large warehouse lender said defaults typically meant that non-banks have to offer discounts on the sale of portfolios, which could threaten their ability to repay the warehouse lines. That is if the originator can sell the loans at all. "There are no buyers for non-agency paper," the executive said. "Some scavengers are buying non-agency paper but that's it."

The rubber does not really hit the road until mortgage holders start defaulting. The warehouse line executive said his company was not yet seeing stress among non-agency originators but "if people continue to be out of work it's going to start happening soon".

Payments on May 1 are seen as critical, because payments a month earlier were likely on standing order and went out before household incomes had really taken a hit.

"The non-agency market is screwed," said a second trader, adding that it never really rebounded from the 2008 crash.

"The next thing will be it won't exist," he said. "After two strikes, you're not going to want a third."

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The Financial Times
Coronavirus threatens $500bn hole in US state budgets
Governors beg for aid as tax revenues slump but Congress is deadlocked over assistance
Brendan Greeley in Washington
April 17, 2020
The economic impact of shutting down local economies threatens to blow a $500bn hole in state tax revenues and force savage cuts to spending on education and other public services, unless the federal government steps in with bailout funds.

Even as governors focus on the immediate battle against the pandemic, they are warning that a fiscal crunch is approaching that could eclipse the Great Recession a decade ago and tip some heavily indebted states into financial crisis.

As part of its spending package at the end of March, Congress approved $150bn to help states pay for hospital costs, supplies and training.

But governors say covering the extra spending related to coronavirus does not go nearly far enough, as the collapse in revenues resulting from the virus-related shutdowns will be even more significant.

Democrats on Capitol Hill have made another $150bn in funding for statehouses a central demand for a fourth stimulus package, which is currently being negotiated with the White House.

But the Trump administration and Republican congressional leaders have refused to add the funding, insisting the new legislation focus solely on replenishing a now-empty $350bn fund for loans to small businesses.

State comptrollers are watching expected sales and income taxes drain away. "This event, it is not parallel to any prior event that we've ever had," said Glenn Hegar, state comptroller for Texas. "So many people have been on unemployment so fast. Now what is the ripple effect into other portions of the economy? We just don't know."

Statehouses believe even the $150bn sought by Democrats in Washington will be insufficient. Last week, the National Governors Association asked Congress for another $500bn to make up for the collapse in tax revenue. On Thursday, the governors of three states that will be crucial in the coming presidential election escalated their appeal to President Donald Trump.

"The magnitude of the crushing economic impact this virus has had on our states and residents cannot be overstated," the governors of Wisconsin, Pennsylvania and Michigan wrote in a letter to the president, telling him that without aid, "the damage to our state economies will be exacerbated by the cuts we know we will be forced to make".

A study by the Center on Budget and Policy Priorities released on Tuesday predicted that the sum of state revenue losses could reach $105bn by June, and $290bn for the following fiscal year — far greater than 2010, the worst year of the last recession. The study also predicts another $105bn shortfall in 2022, bringing the total to $500bn over the next three years.

But no one knows yet when, how quickly and with what conditions the lockdowns will be lifted.

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I feel like Jimmy Stewart in It's a Wonderful Life

**Susana Mendoza, Illinois comptroller**

Maryland, the most recent state to update its revenue forecasts, said last week that it would lose $2.8bn just by the end of the fiscal year in June, or almost 15 per cent of the state's annual general fund.

"At the end of the day, I think it could be worse [than the Great Recession]," said Susana Mendoza, comptroller of Illinois. "When have you seen 10 per cent of the entire workforce go dark in the entire country that quickly?"

Unlike the federal government, America's states must balance their budgets, which means that as tax revenues fall during a recession, they have to cut spending. States pay for primary and secondary education in the US, and are a significant source of funds for universities as well. They also pay for healthcare for the poor, state roads, and support cities and counties.

According to a 2019 study by the Pew Charitable Trust, a non-profit organisation, further cuts now would extend a "lost decade" — many states hadn't yet returned to spending levels from before the last recession. State funding for universities is still down 13 per cent, driving up tuition costs. More than half of states haven't returned to their 2007 levels of spending on primary and secondary education. State infrastructure spending as a percentage of GDP is at a 50-year low.

As they try to make plans for the year, states are essentially flying blind.

Sales taxes data for April, the first full month of lockdowns, will not be available for most states until late May, according to Pew's Joshua Goodman. States can get an idea of income taxes from the amounts that are withheld from paychecks, but even then, pay cycles lag by several weeks.

In Texas, Mr Hegar followed restaurant data published by the booking site OpenTable, until the bookings dropped to zero. His office also tracked data on hourly workers published by HomeBase, a scheduling service, and passenger counts from the Transportation Security Administration.

Texas would probably revise down its projections for the year "in the billions of dollars," out of annual tax revenues of about $50bn, he said.

"There's not an awful lot of hard data on what's really going on, or how fast this will decline," said Frank Rainwater, director of South Carolina's board of economic advisers. When the board met as scheduled last week to update its projections for the year, they already knew that BMW had idled its manufacturing plant in the state. They assumed a 20 per cent national decline in GDP for the second quarter, which gave them a $500m loss by June.

The immediate challenge states face is managing cash flow, as they push tax payment deadlines out to the summer to give citizens a break. The Federal Reserve has offered to lend against future tax receipts, but so far only for the next five months.

Many states have spent the last decade building up their rainy day funds, bringing the median reserve well above its 2007 level, but few could last for long. Texas could run for 70 days on its rainy day fund; South Carolina, for 23.
Illinois, according to Ms Mendoza, could run for "30 seconds". The state was paying 12 per cent interest on a backlog of $17bn in unpaid bills when she came into office in late 2016. After a bond deal, she was able to pay it down to $8bn.

Now, she has let the state's creditors know some terms will be extended again. She is prioritising education and day care, pensions and debt service payments, as well as anything that may be reimbursed by federal dollars, such as health insurance for the poor, or the coronavirus response.

For everything else, she says, she is trying to be as open as possible. "I feel like Jimmy Stewart in It's a Wonderful Life," she said. "Because you're having to tell people, I know that the state owes you this money. I know it's your money, but I don't have it all, right?"



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[Problems with your $1,200 government check? Here's what might've gone wrong.]

By Laura Davidson, Bloomberg News

Tribune Content Agency |

Apr 17, 2020 | 10:24 AM

| Washington

Errors are turning up in the Internal Revenue Service's $1,200 payments to households this week, with some people receiving too little, a handful getting more than expected and some seeing their payment go into an unrecognizable bank account.

Many of the millions of people expecting the payments are struggling with an IRS "Where's My Payment" webpage intended to give the status of their funds. Several users said on Twitter their payment information is unavailable, even though they should qualify for the money. Some said the IRS deposited the money into a bank account that isn't theirs.

The #IRS Get My Payment tool is operating at record volumes. So far, 9.8M people got an Economic Impact Payment status and 1.6M provided direct deposit info. In some situations, the app responds: Status Not Available. Learn what this means at https://t.co/z4wFEL6Sb2 pic.twitter.com/3BvNibfZ69
— IRS (@IRSnews) April 15, 2020

The Treasury Department said it is aware of the issues and working to address them. The department has rushed to process 80 million payments in three weeks — about half of the 150 million to 170 million direct deposits and checks being sent to Americans as part of the $2.2 trillion coronavirus package passed in late March.

The IRS has directed users of its webpage to keep trying daily to learn the status of the payment. But the solution is less clear for those who say their funds went into a bank account they don't recognize.

"The IRS deserves high grades for pulling this off at this stage," said Mark Everson, a former IRS commissioner. "But now they have to be extremely careful to make sure security protocols are correct."

It's not clear how widespread the glitches are or whether the cause lies with problems at the IRS or with the end users or their banks. And the situation isn't new — the IRS has an online form for taxpayers whose annual refunds have been sent to the wrong account.

Still, taxpayers are going to get anxious if they don't see their payments, which puts them more at risk of falling victim to scammers, said Everson, now a vice chairman of tax advisory firm AlliantGroup.

Checks sent to old accounts

The IRS says that if a payment goes to a closed account, the bank will reject the deposit and the IRS will send the person a check in the mail. The IRS says it will start mailing payments on April 20 and can process about 5 million checks a week.

People whose payment went astray will be notified where it was sent and given instructions for reporting problems in receiving the money. But those notices won't arrive until about two weeks after the payment was scheduled to appear.

Glitch for TurboTax, H&R Block users

Taxpayers who previously got advance tax refunds from a tax preparer, such as Intuit's TurboTax, Jackson Hewitt or H&R Block, could also face delays. The bank account on file may be reported as closed because it's a temporary account associated with the tax preparer or lender, National Taxpayer Advocate Erin Collins said in a blog post.

Due to IRS stimulus payments beginning to be funded, the bank that issues the Turbo Visa Debit Card is currently experiencing unprecedented volume. We know how important your stimulus money is to you, and we appreciate your patience.
— TurboTax (@turbotax) April 15, 2020

Those taxpayers will get their checks sent to a personal account, if possible, or will get a check in the mail. That could also explain some of the unrecognizable account numbers some taxpayers are seeing.

Banks tapping funds

Some of the millions who have received payments are seeing less than anticipated after the bank garnished some or all of the payment. The law bars the government from garnishing payments if individuals owe back taxes, but it didn't say whether banks could seize payments to cover other debts their customer owes.

Five banking groups said in a letter to Congress that absent a law change or guidance from Treasury, they are required to enforce court-ordered garnishment to pay creditors.

Some banks say they won't seize assets for late fees or below-zero account balances. USAA said in a statement Thursday that it will pause collecting against negative account balances after it had initially garnished some stimulus payments from their account holders. Wells Fargo & Co., JPMorgan Chase & Co. and Citigroup said they're working to ensure that checking-account customers with negative balances still get their full stimulus payments.

More wrinkles to federal money

People in Alabama, Iowa, Louisiana, Missouri, Montana, and Oregon, could face a state tax bill next year on some of their stimulus payment, because of laws that increase state tax liability as federal tax bills are decreased. If people end up being eligible for a bigger payment than the IRS initially sent, because of a change in family size or job change, the state could tax that portion, said Jared Walczak, director of state tax policy at the Tax Foundation.

Additionally, others including international students and relatives of people who died are getting payments they didn't expect. The IRS is relying on tax return data as old as 2018 in some cases.

The IRS hasn't specifically said whether the funds will need to be repaid in either instance, but generally the agency has said payments sent in error won't need to be returned to the IRS.

Still, public policy experts are worried that bureaucracy, a lack of awareness and lack of access to technology will prevent many people from getting their payments.

Blank Social Security checks are run through a printer Feb. 11, 2005, at the U.S. Treasury printing facility in Philadelphia. The IRS says it will start mailing the $1,200 coronavirus relief payments on April 20, 2020, and can process about 5 million checks a week.

Blank Social Security checks are run through a printer Feb. 11, 2005, at the U.S. Treasury printing facility in Philadelphia. The IRS says it will start mailing the $1,200 coronavirus relief payments on April 20, 2020, and can process about 5 million checks a week.(William Thomas Cain/Getty)
The IRS has said recipients of Social Security and Supplemental Security Income won't have to do anything to receive their funds. But if they have dependent children, they must submit information to the agency to get the $500 per child they are owed. Additionally, some people receiving veterans benefits will need to submit their information to the IRS.

The "biggest concern" is that people who don't normally communicate with the IRS will need to take extra steps to get full payments, said Thomas J. Giordano Jr., who heads the Social Security disability practice at law firm Pond Lehocky & Stern. He said that's particularly hard because public libraries and other places that offer access to computers are closed.

"You're talking about the most underprivileged portion of our populace," he said.



Administration
Nevada Appeal
Amodei says Nevada will get $1.25 billion from virus fund

Nevada Appeal Capitol Bureau

Rep. Mark Amodei, R-Nev., says the U.S. Treasury Department is fast tracking the transfer of money from the Coronovirus Relied Fund to give Nevada access to $1.25 billion in funding to offset the costs incurred as a result of the COVID-19 response.

He said the news comes after last week's allocation of $241 million for Nevada hospitals and health care providers and $5 million for administrative costs to cover costs from the surge in unemployment claims.

The Coronavirus Relief Fund was funded with $150 billion from the stimulus package approved by Congress. Monday's announcement will allow state, local and tribal governments to receive money from the fund to help pay for their response costs.

He said the state will control disbursement of those funds.
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Native News Online

Tribal Pressure Mounts Over Trump Administration Sending CARES Act Funds to Alaska Native Corporations

by Levi Rickert / Currents / 17 Apr 2020 Tweet

A letter signed by every major Inter-tribal organization urges the U.S. Department of Treasury to disburse CRF funds "directly and exclusively" to Tribal governments and not shareholder-owned Alaska Native Corporations (ANCs).

Published April 17, 2020

WASHINGTON — Tribal leaders and Indian Country advocates are calling on federal agencies to ensure that an $8 billion Coronavirus Relief Fund (CRF) is paid only to Tribal governments and not for-profit corporations. They're also demanding that Assistant Secretary for Indian Affairs Tara Sweeney recuse herself from the process.

In an extraordinary letter signed by every major Inter-tribal organization in the lower 48 states, more than a dozen national and regional tribal organizations urge the U.S. Department of Treasury to disburse CRF funds "directly and exclusively" to Tribal governments. The letter urges the Treasury not to disburse CRF funds to regional or village Alaska Native Corporations (ANCs), which are owned by shareholders.

Collectively, the 13 organizations represent almost every federally recognized tribe in the lower portion of the United States. The letter in itself is historic in that the 13 organizations have never sent a joint letter to voice collective concerns on any issue impacting Indian Country.

At issue is the Coronavirus Aid, Relief, and Economic Security (CARES) Act provision that designated $8 billion to American Indians tribes to respond to the COVID-19 pandemic and continue to provide essential government services.

Earlier this week, the Treasury decided, after consulting with the Department of Interior, that shareholder-owned ANCs would be eligible to apply for some of the billions earmarked for tribes in the CARES Act. The decision was denounced by tribal leaders, who claimed Congress intended the funds to go to federally recognized tribes, including Alaska Native tribes, rather than for-profit corporations.

In yesterday's letter, which is addressed to Interior Secretary David L. Bernhardt and Treasury Secretary Steven Mnuchin, the 13 inter-tribal organizations write: "The undersigned organizations feel obligated to communicate to Secretary Mnuchin the gravity of this decision. This is not a one-off decision that the Treasury can make with minimal unintended consequences."

The letter explains that recognizing ANC boards of directors as similar to tribal governing bodies "completely misrepresents the breadth and meaning of tribal governance. This is categorically incorrect and diminishes the stature of federally recognized tribal governments and our sacred government-to-government, nation-to-nation, sovereign-to-sovereign relationship."

The letter also accuses the DOI of failing to protect tribal interests and failing to properly communicate the legal nuances and issues to the Treasury.

"It is regrettable that Treasury is in this tenuous situation, but we must implore you to make the right decision, and not to make a decision that could alter or undermine the relationship the United States has with tribal governments," the letter said.

The letter also demands that Sweeney recuse herself from "all actions and decision-making related to ANCs, including the CARES Act funds."

Sweeney, an Alaska Native and former executive at the state's largest ANC, has come under fire this week after some tribal leaders accused her of diverting emergency Tribal Government resources to state-chartered, for-profit corporations owned by Alaska Native shareholders, including Sweeney and her family.

A spokesperson for the DOI denied the allegations, calling them "completely false."

The following organizations signed the letter: the Affiliated Tribes of Northwest Indians, the All Pueblo Council of Governors, the Great Plains Tribal Chairmen's Association, the Inter Tribal Association/Council of Arizona, the Midwest Alliance of Sovereign Tribes, the Rocky Mountain Tribal Leaders Council, the Native American Rights Fund, the USET Sovereignty Protection Fund, the Association on American Indian Affairs, the National Congress of American Indians, the National Indian Education Association, the National Indian Gaming Association and the Native American Finance Officers Association.
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HCP.com
NC StateTreasurer Folwell Announces $2 Billion Received as Part of CARES Act

Published Friday, April 17, 2020 at 8:57 am

Money Received Approximately 24 Hours After Application

Submitted by OSBM

State Treasurer Dale R. Folwell, CPA, and the Financial Operations Division (FOD) of the Department of State Treasurer (DST) announced today that North Carolina has received more than $2 billion from the federal government as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act, as passed by Congress and signed by the President, will provide $150 billion for the Coronavirus Relief Fund including direct payments to states, the District of Columbia, U.S. Territories, and eligible units of local government based on population as provided in the CARES Act.

Office of State Budget and Management (OSBM) along with the Office of the State Controller and staff at DST completed the application on April 14 and the funds were received by the State Bank (DST/FOD) the next day. The money is the first disbursement from the federal government of more than $4 billion slated for North Carolina.

"As keepers of the public purse, we're responsible for receiving money and putting it in interest bearing accounts," said Treasurer Folwell. "We'll process the withdrawal when directed by the legislative and executive branches."

The North Carolina General Assembly (NCGA) will decide how the state's money will be spent as part of legislation expected near the end of the month. Once an agreement has been reached, OSBM will distribute the funds. In the interim, the Investment Management Division at DST will invest the money in a short-term investment fund (STIF) that is high quality, low risk and interest bearing. The money will be held until the NCGA and/or OSBM directs where it will be spent.

DST serves the people of North Carolina through a variety of functions related to the financial health of the state and its citizens. Folwell serves as the state's banker and chief investment officer and is responsible for approximately $200 billion in assets.

The department administers the employee retirement systems for more than 900,000 public workers, along with their 401(k), 457 and 403(b) plans. DST also oversees the State Health Plan, which provides health care coverage to more than 727,000 teachers, state employees, retirees, current and former lawmakers, state university and community college personnel, and their dependents. Fiscal assistance and expertise are provided by the department to local governmental units by aiding them in the sale of local government debt obligations and in maintaining sound budgeting, accounting, and reporting procedures. The department also administers the NC Cash unclaimed property database.
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Mountain Xpress

N.C. receives $2 billion in federal COVID-19 relief

Posted on April 17, 2020 — Community Bulletin

Press release from the N.C. Department of State Treasurer:

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The North Carolina General Assembly (NCGA) will decide how the state's money will be spent as part of legislation expected near the end of the month. Once an agreement has been reached, OSBM will distribute the funds. In the interim, the Investment Management Division at DST will invest the money in a short-term investment fund (STIF) that is high quality, low risk and interest bearing. The money will he held until the NCGA and/or OSBM directs where it will be spent.

DST serves the people of North Carolina through a variety of functions related to the financial health of the state and its citizens. Folwell serves as the state's banker and chief investment officer and is responsible for approximately $200 billion in assets.

The department administers the employee retirement systems for more than 900,000 public workers, along with their 401(k), 457 and 403(b) plans. DST also oversees the State Health Plan, which provides health care coverage to more than 727,000 teachers, state employees, retirees, current and former lawmakers, state university and community college personnel, and their dependents. Fiscal assistance and expertise are provided by the department to local governmental units by aiding them in the sale of local government debt obligations and in maintaining sound budgeting, accounting, and reporting procedures. The department also administers the NC Cash unclaimed property database.
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Courthouse News

Government Health National

Tribes Balk at Inclusion of Alaska Native Corporations in Virus-Relief Fund

April 17, 2020
MEGAN MINEIRO F

WASHINGTON (CN) — Six tribes brought a federal complaint Friday to stop the Trump administration from letting 230 construction companies, military contractors and other for-profit entities in Alaska collect from the $8 billion coronavirus-relief fund meant exclusively for tribal governments.

Known as ANCs, or Alaska Native corporations and villages, these private business corporations "are state-chartered and state-regulated private business corporations," the complaint states, quoting the 1998 Supreme Court ruling Alaska v. Native Village of Venetie Tribal Government.

Noting that they "conduct business worldwide through dozens of subsidiaries," the tribes say ANCs are not tribal governments and are thus ineligible to receive Title V funds under the CARES Act.

Title V of the $2.2 trillion package whose full name is the Coronavirus Aid, Relief, and Economic Security Act laid aside $8 billion for tribes in the fiscal year 2020, apart from the $150 billion meant for state, local and tribal governments.

The tribes that filed suit Friday are represented by the firm Kanji & Katzen, which has offices in Seattle and Ann Arbor, Michigan. Three of the plaintiff tribes — the Chehalis, Tulalip, and the Houlton Band — are from the Lower 48. They are joined by three tribes from Alaska, the Akiak, Asa'carsarmiut and Aleut Community of St.

Paul Island.

In the U.S. Department of the Interior, the Bureau of Indian Affairs is overseen by Tara Sweeney, who is the first Alaska Native to hold the position. The agency released a statement Thursday rejecting the insinuation that Sweeney "has personal motives or that she is attempting to divert funds away from American Indians."

"Her approach has always been focused on inclusiveness, transparency and partnerships," an unnamed spokesperson said. "It is unfortunate that during a time all should be united, there are those who are seeking to divide the American Indian and Alaska Native community and are suggesting to ignore the mandate of Congress and exclude eligible entities as defined by law."

Representatives for Interior and the Treasury Department did not respond to requests for comment on the lawsuit.

Friday's complaint says their concern is double-dipping, "because some ANCs are closely affiliated with federally recognized Alaska Native villages, and many corporate shareholders are tribal members."

Citing "their more modest population, land base, and economic size," the tribes say their share of the relief fund would be considerably less if forced to split with ANCs, whose 12 regional entities alone generated "more than $10.5 billion in revenues in 2018."

"Congress is clear that Title V relief funds are to supplement 'government' budgets, not corporate coffers," the complaint states.

As Native Americans suffer disproportionately from high rates of diabetes, cancer, heart disease and asthma — conditions shown to make contracting the novel coronavirus fatal — the tribes say money from the CARES Act is needed desperately by the 574 federally recognized tribes.

"By way of just a few examples, as of April 15, 2020, the Navajo Nation alone has reported 921 cases and 38 deaths related to Covid-19," the complaint states. "The Pueblo of Zuni has reported 33 cases. And the Cherokee Nation has reported 28 cases with one fatality as of April 9."

The tribes stress that emergency services rolled out in response to the highly contagious disease — including new care clinics, increased testing and meal delivery — have placed "tremendous financial strain" on their budgets and operations.

Revenue "evaporated overnight," the complaint states, as the tribal governments ordered casinos, hotels and gas stations to close to slow the pandemic's spread.

"Plaintiffs are in dire need of these funds to cover the governmental costs resulting from the increased and necessary expenditures associated with the Covid-19 pandemic," the complaint states.

For the Asa'carsarmiut Tribe, the ability to maintain sanitary conditions is at risk with no airline service available to bring in cleaning products. The tribe's small gaming site has been closed, drying up any chance of raising much needed funds.

The Aleut Community of Saint Paul Island is also facing cuts to supply chains after the fishing market collapsed, leaving two-thirds of the 1,554-member tribe out of a job in the isolated community located in the middle of the Bering Sea in Alaska.

"In the past four weeks, due to COVID-19 the community has lost its only passenger airline to bankruptcy, leaving ACSPI isolated and without any means of reaching the 800-mile distant Alaska mainland for necessary health care and other critical needs," the complaint states.
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Other News
The New York Times
China's Economy Shrinks, Ending a Nearly Half-Century of Growth
The contraction comes at a time when the rest of the world needs an economic boost, underscoring how momentous the task of reviving the global economy will be.

By Keith Bradsher
Published April 16, 2020
Updated April 17, 2020, 6:29 a.m. ET

阅读简体中文版閱讀繁體中文版

BEIJING — The coronavirus outbreak has brought China's extraordinary, nearly half-century-long run of growth to an end — a stark reminder of the enormous task ahead for world leaders trying to restart the global economy.

Chinese officials on Friday said that the world's second-largest economy shrank 6.8 percent in the first three months of the year compared with a year ago, ending a streak of untrammeled growth that survived the Tiananmen Square crackdown, the SARS epidemic and even the global financial crisis. The data reflects China's drastic efforts to stamp out the coronavirus, which included shutting down most factories and offices in January and February as the outbreak sickened tens of thousands of people.

The stark numbers make clear how monumental the challenge of getting the global economy back on its feet will be. Since it emerged from abject poverty and isolation more than 40 years ago, China has become perhaps the world's single most important growth engine, one that lifted fortunes during previous times of trouble, like the financial crisis.

Now China is trying to restart its vast, $14 trillion economy, an effort that could give the rest of the world a much-needed shot in the arm. The coronavirus's spread to the United States and Europe, which froze the economies there, has led to forecasts that the world's output could shrink far more this year than it did even during the financial crisis.

That global halt will, conversely, hurt China's efforts to get back on track, creating a difficult economic puzzle for top leaders in Beijing. The pandemic and attempts to contain it have sharply cut the world's appetite for China's goods, which could lead to factory shutdowns and worker furloughs even as the country tries to get back to business.

China has gradually lifted many of its limits on work and travel in recent weeks. But businesspeople across China say that times remain difficult. Families say their incomes have fallen.

"This year is difficult — some have lost their jobs, some cannot find work to do," said Liu Xia, a fruit vendor from a village on the northern outskirts of Beijing. "Those who do go to work and those who are still in business are greatly affected."

The contraction, announced on Friday morning in Beijing by China's National Bureau of Statistics, is the first economic shrinkage acknowledged in official statistics since 1976, when the country was in the final days of the Cultural Revolution, a national spasm of urban violence and torture.

China's historic growth streak was fueled by the creation of an extensive, modern network of highways and railways, the strong entrepreneurship of its people, its skilled work force and a government that was willing to set environmental and labor concerns aside for the sake of ever-greater economic output. But those factors were no match for the coronavirus, which, after it first emerged from the city of Wuhan in late December, ground the country's huge engine of industry to a virtual halt.

Beijing's options are limited. It has so far avoided unfurling a huge spending package like leaders in the United States and Europe have done. Its economy has become too big and complex to easily restart like it did in 2008, when it unveiled a plan to spend more than half a trillion dollars. Years of easy lending have also left local governments and state-run companies mired in debt.

Yet China's leaders face pressure to act. Withering household incomes have caused families to retrench their spending. Han Xiaojuan, a 35-year-old who has a small shop selling jackets and slippers, said many people were only buying necessities these days.

"I've been in this business for more than 10 years in Beijing," Ms. Han said. "This is the worst of times."

China has eased up on its most drastic measures against the epidemic. Last week a stringent lockdown ended in Wuhan, where the outbreak began.

Yet many social distancing measures remain. From restaurants to passenger planes to trains, many seats may no longer be used, which limits sales. Shopping malls and sidewalk shops still have less foot traffic than usual, as many people stay home, wary of infection.

The continued effect of the epidemic showed up in other data released on Friday morning, reflecting the country's economic performance in March. That data, like statistics on imports and exports that were released on Tuesday, showed that the economy has begun to recover but still has a considerable distance to go.

Industrial production slipped 1.1 percent in March compared to a year ago, while retail sales fell 15.8 percent. Investment in fixed assets was down 16.1 percent for the first three months of the year compared with last year.

"Given the continuous spread of the epidemic globally, mounting downward pressure on the world economy and growing uncertainties, we are now facing heightened pressures," said Mao Shengyong, the spokesman of the National Bureau of Statistics, at a news briefing in Beijing on Friday morning.

The next blow for China's economy could come from weakening global demand for its exports.

The Canton Fair is the country's main export event, featuring tens of thousands of exhibitors and hundreds of thousands of buyers from around the world. It was supposed to start on Wednesday of this week and last until early May. Instead, it is slated to be a more modest, online event in mid-June.

Even Chinese businesses with existing overseas customers are finding that many buyers want to postpone or cancel deliveries.

"The delays in orders are occurring everywhere," said Aaron Yang, owner of Arnan Fashion Jewelry, an earrings exporter in Yiwu, in east-central China.

Wu Jianying, the owner of Fang Weimei Toys, a water pistol exporter in Yiwu, said that this should be the busiest time of year for her exports, as retailers in the West prepare for the summer swimming pool season. But retailers have stopped placing orders. Some have even stopped wiring money for existing orders.

"The payments are difficult to collect," she said.

Businesspeople say the near-complete closure of China's borders to limit a potential second wave of infections has hurt export orders.

"A lot of clients wanted to come to China from Africa but can't, because the flights are canceled," said He Liehui, chief executive of Touchroad Group, a Shanghai trading and investment firm that buys minerals and timber from Africa and exports apparel and other manufactured goods there.

Mr. He said there had already been changes within both the domestic and overseas markets. Sales have fallen for more fashionable garments with higher price tags. But sales have actually increased for pajamas and other simple garments that people may want to wear indoors during lockdowns, he said.

"For that, the companies need to make some adjustments" in what they manufacture, he said.

Beijing has closed the country's borders so tightly that even foreign residents of China who have gone overseas are not allowed to return. That has slowed big construction projects and other investments that need technicians and other specialists who cannot re-enter the country, said Cheung Yup Fan, the chairman of the European Chamber of Commerce in the city of Tianjin.

Another worry lies in how many small and medium-sized enterprises in China can survive the current difficulties. Even before the pandemic, many of those businesses had been struggling, as state-owned enterprises with better political connections increasingly monopolized the available loans from the state-controlled banking sector.

As a result, small businesses tend to borrow within informal networks. Now those networks are in trouble, said Sara Hsu, an economist at the State University of New York at New Paltz who specializes in small businesses in China.

"A lot of small and medium enterprises borrow from friends and families, who also have small and medium enterprises," she said. "There's going to be a crunch for all of these borrowers."

China's output for the entire quarter was depressed by the broad suspension of economic activity from late January to late February. SpaceKnow, a commercial satellite imagery business, said northern China's notorious air pollution almost completely vanished in February as businesses shut down and people stopped driving.

Even now, satellite imagery of nighttime lighting in China suggests that the country's industrial base is running at half its usual level, according to SpaceKnow.

"China may have seen the Covid-19 outbreak first and local closures slowed the economy, but now China appears to be feeling the brunt of the slowing global economy," said Jeremy Fand, the company's chief executive.

While Chinese factories have restarted, said Mr. He of Touchroad, finding markets for their goods may prove harder.

"One cause for optimism is that work resumption, and getting back into production, have been going well in

China," he said. But he added, "It's going to be a big impact for the world economy, and some companies will not make it."

Yiwei Wang and Coral Yang contributed research.

Keith Bradsher is the Shanghai bureau chief. He previously served as Hong Kong bureau chief, Detroit bureau chief, Washington correspondent covering international trade and then the U.S. economy, telecommunications reporter in New York and airlines reporter. @KeithBradsher
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The Financial Times
China's economy shrinks for first time in four decades
First-quarter GDP falls 6.8% year on year in wake of coronavirus outbreak
Thomas Hale in Hong Kong, Xinning Liu and Yuan Yang in Beijing
April 17, 2020
China's economy shrank at the start of the year for the first time in more than 40 years after the coronavirus pandemic ended an era of uninterrupted growth dating back to the late 1970s.

Gross domestic product in the first quarter plunged 6.8 per cent year on year, the National Bureau of Statistics said on Friday.

The Chinese government only began reporting quarterly economic growth estimates in 1992 but the last time it officially acknowledged a year-on-year fall in output was for 1976.

The contraction in China, the engine of global growth for the past two decades, is the starkest economic sign of the damage caused by the pandemic that started in Wuhan but has wreaked havoc around the world.
The official data comes in the same week that the IMF warned of the worst global economic outlook since the Great Depression, with output losses this year expected to far exceed those that followed the financial crisis of 2008.

Fixed asset investment in the first quarter fell 16 per cent compared to last year, while total retail sales of consumer goods fell by 16 per cent in March.

Mao Shengyong, spokesperson at the statistics bureau, pointed to "short-term economic costs" but downplayed the long-term impact of coronavirus.

"We cannot say that the fundamentals of China's long-term economic progress have changed because of a short-term shock," he said, adding that average annual growth over the next two years was forecast to be about 5 per cent.

Mr Mao added that the country had "basically achieved" its decades-long target of becoming "moderately prosperous" by 2020. But, he warned in a rare admission of falling short, "the biggest weakness is poverty alleviation".

Stocks across the Asia-Pacific region were up despite the negative economic data, with investors encouraged by signs that some countries were reopening. China's CSI 300 index of Shanghai- and Shenzhen-listed stocks closed 1 per cent higher and Hong Kong's Hang Seng index finished up 1.6 per cent.
China's economy, the world's second largest, was already under pressure before coronavirus hit. Last year, it expanded by 6.1 per cent, its lowest level in almost three decades.

The data published on Friday indicate that growth for the full year is now expected to come in at a far lower level, jeopardising the government's 2010 pledge that it would double the size of the economy by the end of this year.

The decline was also worse than analysts' expectations, with a Reuters poll of economists forecasting that GDP would shrink by 6.5 per cent year on year.

The GDP fall will put pressure on the country's leadership to provide further stimulus to avoid a second quarter decline that would plunge China into a full-blown recession.

The government has already taken measures to support companies by pumping liquidity into the banking system to boost lending to struggling businesses and by introducing tax breaks of Rmb1.6tn ($226bn).

The urban unemployment rate had reached a record high of 6.2 per cent by late February, up from 5.3 per cent in January. The government typically sets an urban job creation target of at least 10m a year.

“Despite the dim GDP numbers, economic activities have been on track for normalisation since early March,” said Chaoping Zhu, global market strategist at JPMorgan Asset Management.

“China hasn’t seen such a deep contraction for a long, long time,” said Iris Pang, ING chief economist for Greater China, adding that for some economies “the damage will be even worse”.

This month, the government eased travel restrictions on Wuhan. Key economic indicators, such as traffic levels in major cities and factory activity, have also shown signs of recovery as the country attempts to return to work.

Additional reporting by Hudson Lockett in Hong Kong

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# Treasury's 2020-04-02 WH Communications Report

| | |
|---|---|
| From: | (b)(6) [redacted]@treasury.gov> |
| Cc: | "Myers, Baylor" <baylor.myers@treasury.gov> |
| Date: | Thu, 02 Apr 2020 19:16:24 -0400 |
| Attachments: | 2020-04-02 WH COMMS REPORT.docx (78.46 kB) |

Team,

Please see attached and below for Treasury's daily Communications Report.

Thank you!

Kind regards,
(b)(6) [redacted]

(b)(6) [redacted] | o: (b)(6) [redacted] | c: (b)(6) [redacted]
Special Assistant | Office of Public Affairs | U.S. Department of the Treasury
1500 Pennsylvania Ave. NW, Washington, D.C. 20220

**U.S. Department of the Treasury's Daily Communications Report**

*April 2, 2020*

**CATEGORIES**

- Border/Immigration
- Foreign Policy/National Security
- General Economy & Jobs
- Infrastructure
- Opioids
- Trade
- Other [Agriculture, Education, Energy etc.]

**BOOKINGS/INTERVIEWS**

- There are no bookings or interviews to report at this time. Updates will be provided as they become available.

**SECRETARY EVENTS AND TRAVEL**

- There are no secretary events or travel to report at this time. Updates will be provided as they become available.

**OTHER SENIOR OFFICIAL EVENTS AND TRAVEL**

- There are no senior official events or travel to report at this time. Updates will be provided as they become available.

**PRESS INQUIRIES**

- There are no press inquiries to report at this time. Updates will be provided as they become available.

**OP-EDS**

- There are no op-eds to report at this time. Updates will be provided as they become available.

**ROLLOUTS**

- There are no rollouts to report at this time. Updates will be provided as they become available.

**NEWSWORTHY/SUBSTANTIAL GRANTS**

- There are no grants to report at this time. Updates will be provided as they become available.

**Afternoon News Roundup**
**April 2, 2020**

**Secretary Steven Mnuchin**

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- Yahoo Finance: **Here's the plan for how $349 billion in small-business loans will be administered**
- The Financial Times: **US rescue plan must be transparent, consistent and fast**
- MinnPost: **Rep. Dean Phillips authored a measure to oversee spending under the $2 trillion coronavirus relief package. Trump has pledged to sidestep it.**
- Forbes: **How Small Businesses Can Get Coronavirus Relief Through The CARES Act**
- CNBC: **Durbin denies Congress is rescuing airline shareholders with $50 billion bailout**
- The Washington Post: **Pelosi announces new select committee to oversee coronavirus response, setting up clash with Trump over $2 trillion law**
- MarketWatch: **Push for coronavirus 'war bonds' makes political sense, but if you're feeling patriotic, long-term Treasurys are better, expert says**
- Detroit Free Press: **5 reasons you might not be happy about stimulus checks**
- CNBC: **Pelosi announces new House committee to oversee Trump administration coronavirus response**
- Politico: **Pelosi forms new select committee to oversee $2 trillion coronavirus relief package**
- Ahram Online: **Filling GERD will begin this rainy season: Ethiopian PM**

**Treasury**

- Reuters: **Southwest Airlines to apply for U.S. government aid as demand craters**
- Reuters: **As U.S. Treasuries supply swells, impact to vary along yield curve**
- The New York Times: **How Jerome Powell's Unconventional Career Path Prepared Him for This Crisis**
- New Business Ethiopia: **Abiy urges Ethiopians to complete Nile Dam united**
- Borkena: **Ethiopian Grand Renaissance Dam will start filling water this year,says PM Abiy Ahmed**
- Middle East Monitor: **Ethiopia: 'We will start filling the Renaissance Dam by autumn'**
- Ethiopia Insight: **Why Ethiopia rejected the U.S.-drafted GERD deal**

**Secretary Steven Mnuchin**

Politico

**Banks warn of chaotic launch of small business lending program**
**They're concerned that the expectations the administration has publicly set are unrealistic.**

By ZACHARY WARMBRODT

Banks are warning that a $350 billion lending program for struggling small businesses won't be ready when it launches Friday because the Trump administration has failed to provide them with the necessary guidelines and set requirements for the loans that are unworkable.

The lenders complain that Treasury Secretary Steven Mnuchin boxed them in with an unrealistic deadline and that the ground rules they've been given for the program, which is intended to deliver rapid aid to a huge number of ailing businesses, could delay the assistance for weeks or longer.

The banks, which will be responsible for processing loan applications and doling out money, are expecting millions of applications from businesses. Some fear a disaster that could dwarf the failed kickoff of the Obamacare enrollment web site in 2013.

"Banks are ready and willing to lend, but they need clear rules of the road and a streamlined process to be able to get funding into the hands of small business owners in the coming days," said Greg Baer, president and CEO of the Bank

Policy Institute, which represents the nation's biggest lenders.

The tensions illustrate the difficulties in store for distributing the record $2 trillion in aid that Congress made available last week in a sweeping economic rescue package. The potential failure to deliver small business aid as promised — one of the first big rollouts from the legislation — could deal a major blow to public confidence as a crippling recession looms.

That urgency was underscored on Thursday, when the Labor Department reported that unemployment claims soared to a record-smashing 6.6 million last week, more than double the previous week, signaling more economic pain from the coronavirus pandemic.

The part of the legislation at issue — known as the "Paycheck Protection Program" — was designed to ramp up government-backed loans to small businesses, which are especially vulnerable to a deep economic slump. Congress tried to make the loans more enticing by allowing the loans to be forgiven if borrowers keep paying their employees.

Yet banks not only have operational and technical questions about how the program will work but also bigger concerns about the degree to which they'll be responsible for verifying borrower information — and then held liable if things go wrong. The industry was subject to billions of dollars of fines and lawsuits after the 2008 financial crisis and doesn't want to repeat the experience.

A senior administration official said the agencies were doing all they could.

"Treasury and [the Small Business Administration], coordinating closely with the White House, are working at record speed to implement the Paycheck Protection Program," the official said. "SBA's top priority is making sure these programs are up and running as fast as possible to provide relief to American workers and businesses."

An issue of paramount concern for banks is the extent to which they'll be expected to vet borrowers before approving loans and distributing funds.

Those worries grew Tuesday after Treasury and the SBA released brief guidelines for lenders participating in the program. The Trump administration said banks would need to verify that a borrower was in operation as of Feb. 15 and had paid employees, while also confirming average monthly payroll costs.

Banks say the verification requirements could lead to substantial delays in issuing loans — a mandate that could create a lag of weeks or more as they establish the necessary procedures. They are seeking greater assurances that they won't be held liable if a borrower obtains a loan after providing misleading information.

Absent greater flexibility, banks see a scenario where the program at launch only works well for their existing small business customers — the ones they know well — while other potential borrowers miss out on the $350 billion.

"Banks are working to get money out the door as quickly as possible," said Consumer Bankers Association spokesperson Nick Simpson. "While the application has been significantly condensed, the verification process the government is requiring will likely take more time than many had originally hoped. Hopefully between now and Friday, we can further optimize the process."

In a memo responding to Treasury on Tuesday, banks said lenders should only be required to confirm that borrowers have completed the loan application in line with its instructions — not validate the information. Borrowers are required to certify the information they provided, and banks should only be expected to pass along that information to the SBA, they said.

Nor do they want to be subject to "unlimited potential liability for things that they cannot control."

"The choice in administering the program is binary: If the primary goal is to make many loans in a short period of time, then the process must be automated, and the lender must be able to rely on a borrower attestation," the banks told Treasury. "If the primary goal is for the loans to be underwritten to ensure on the front end that all program requirements are met, then lenders will need to establish a process — which will necessarily be manual — to ensure that payroll calculations and other requirements are met. This in turn will entail a delay of weeks or months as lenders establish the necessary policies and procedures and train their personnel."

Some banks are worried that the way the Trump administration is structuring the loans may even deter lenders from offering them in the first place.

In a letter Wednesday to Treasury and the SBA, the Independent Community Bankers of America said the 0.5 percent interest rate mandated by the administration was so low that for many banks "it will not be economic or feasible to participate in the program." The rate came as a surprise to banks after Congress decided to allow the rate to go as high as 4 percent.

The trade group, which represents the country's smallest lenders, also argued that the required two-year loan period — which Congress allowed to go as long as 10 years — was unreasonably short for struggling borrowers. Another concern is that the administration has provided little information on how the critical loan forgiveness part of the program will work.

The community bankers group is urging Treasury and the Federal Reserve to immediately create a "liquidity facility" that would provide funding for banks to make the loans and securitize any loan balances that aren't forgiven.

"Taking all of the above concerns into consideration, many banks have already indicated that they will not be able to use the program under the current terms," the group's president, Rebeca Romero Rainey, said in the letter. "Others will only use it for current customers, greatly limiting the purpose and potential of the Program. This would be an unacceptable lost opportunity at a time when we can least afford it."

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Yahoo Finance

**Here's the plan for how $349 billion in small-business loans will be administered**

By Ben Werschkul

On April 3, with much fanfare, the $349 billion "Paycheck Protection Program" will begin to offer loans to small businesses around the country currently facing bankruptcy as the U.S. and other countries fight the global coronavirus pandemic.

"These loans will be forgiven as long as businesses keep paying their workers," President Trump said on Thursday adding, "on Friday, April 3, that's when it begins."

Throughout the week, Trump, Treasury Secretary Steven Mnuchin, senior administration officials, and even first daughter advisor to the president, Ivanka Trump, have been talking up the program and how it will help the economy.

Many questions remain – from exactly how the loan process will work in the age of social distancing to whether the banks will have the guidance they need to administer these loans. There's even a question a whether $349 billion will be enough.

Here's what we know right now. (Further information on the program is available at treasury.gov/cares and sba.gov/coronavirus.)

Who exactly is eligible for these loans
Loans are designed to cover U.S. businesses with 500 or fewer employees. That also includes nonprofits, veterans organizations, tribal business concerns, and sole proprietorships.

Businesses will be required to verify they were operational on Feb. 15 and that they have been negatively impacted by the coronavirus.

The SBA has provided a sample form to give a sense of what information will be needed. The exact application form will be determined by the financial institution actually administering the loan (more on that below).

The business will also need to provide evidence of the size of their payroll. This is key in determining the size of the loan. The loans can be made for up to 2.5 times the average monthly payroll of a business but can't exceed $10 million per business.

The loans are designed to "provide eight weeks of payroll and certain overhead to keep workers employed," said Mnuchin.

Where you go to get them
The biggest change in how these government loans will be administered is that you won't need to go to the government to get them.

Calling the plan an "unprecedented public-private partnership," Small Business Administrator Jovita Carranza said. The "goal is to position lenders as the single point-of-contact for small businesses – the application, loan processing, and disbursement of funds will all be administered at the community level."

The lending partners include any existing SBA lender (which includes thousands of banks), as well as any FDIC-insured institution, federally insured credit union, or Farm Credit System institution that is participating.

In addition, according to a senior administration official, other regulated lenders will be available soon to make loans "as soon as they are approved and enrolled in the program, which will happen rapidly."

Some banks have warned of a chaotic launch to the program given that the Trump administration has only provided limited guidance to banks on how to administer the loans.

"Banks are ready to do everything humanly possible to support U.S. small businesses," Consumer Bankers Association President Richard Hunt said in a statement, adding a note of caution that they are "ramping up an approximately $20 billion annual program to nearly $350 billion in just a few months."

Rep. Maxine Waters (D., CA), Chairwoman of the House Financial Services Committee, sent a letter to administration officials asking that community banks, credit unions, minority depository institutions, and Community Development Financial Institutions all "have the resources they need to participate" in the program.

Trump administration officials say the loans can be processed remotely to adhere to shelter-in-place orders and social distancing guidelines.

The hope is for as simple an application process as possible. The SBA has also promised to post information on its website for businesses to find lenders in their area.

How quickly the money will go out
With a stripped-down application process, officials promise that businesses will see loan approval quickly – perhaps even on the same day they apply.

The only requirement for lending institutions is that they verify the tax ID number with the Small Business Administration to ensure that a business has not already received a loan.

Officials repeatedly stressed that officials in Washington will not be making the actual decision on whether or not to grant the loan; that will be up to the lending institution.

If all goes well, "that loan is immediately booked," one official said. "Speed is the operative word," the SBA's Carranza said.

What happens if they run out of money?
The total funds available – $349 billion – may be actually used up quickly.

Banks are expecting millions of applications and, according to a senior administration official, the way that loans are going to be disbursed is "on a first come, first served basis."

Mnuchin has said that if the billions get used up, he will go back to Congress to ask for more money.

Businesses will also have access to another pool of money in a different part of the stimulus bill. The Federal Reserve and Treasury are set to stand up a $500 billion "big credit facility" as part of the economic recovery that will also provide funds – mostly in the form of loans – to businesses of varying sizes.

What the money can they be used for
If they want the loan to be forgiven, businesses participating in the Paycheck Protection Program will need to spend the money primarily on workers. Paying rent, interest on their mortgages, utilities, or other overhead costs are also acceptable for a portion of the money received.

"The loans will be forgiven as long as the funds are used to keep employees on the payroll and for certain other expenses," Mnuchin said.

If businesses don't maintain certain employment levels (based on who they had on the payroll on Feb. 15) then there is a provision where the amount forgiven will be reduced. When the time comes to ask for forgiveness, officials say businesses will be required to submit documentation showing how they spent the loan money.

If the businesses follow the rules, according to administration officials, the entire loan will be forgiven, making it effectively a grant.

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The Financial Times
**US rescue plan must be transparent, consistent and fast**
**Taxpayers ought to receive a share of the upside after big business recovers**

Gillian Tett

The numbers just keep getting more shocking. Last week, the US set a record for new jobless claims with 3.4m; on Thursday the Department of Labor said that another 6.6m had lost their employment.

Can the new $2tn Coronavirus Aid, Relief and Economic Security Act stem this shocking tide?
A first test comes on Friday when part of the act swings into action. Under the Paycheck Protection Plan, businesses with less than 500 staff will be able to apply for $350bn in loans, and 75 per cent of the total will be forgiven for companies that retain their staff.

A cynic might argue that this wave of cash — and acronyms — is too little, too late. In 2019, only half of America's small businesses had cash on hand to cover more than two weeks of costs, and those in poor neighbourhoods had less. Many have already folded or fired staff as a result of the pandemic.

But late or not, PPP has three merits. One is the focus on swift aid to workers. "I very much want people to sign up for this quickly," the Treasury secretary Steven Mnuchin said on Wednesday, predicting the funds could "cover about 50 per cent of the payroll of the private enterprises" in the US.

Second, Mr Mnuchin is willing to double down on this effort — if it works. "I have heard this will be so popular we will run out [of money]. If that is the case we will go back for more," he said.

Third, the design is relatively sensible, given the time constraints. Technically, it is being run by the Small Business Administration. But this lent just $28bn in the 2019 fiscal year.

So, Mr Mnuchin's team is asking private sector banks to dispense the cash instead, for substantial fees. They will use an admirably clear, two-page form that even a politician could understand. This promises to give applicants cash to cover 2.5 times monthly payroll costs, up to $10m, as long as they are US taxpayers. If 75 per cent is spent on salaries, the "loan" becomes a free grant.

This is not without risks. The Treasury is not asking the banks to conduct credit surveillance, so some fraud is likely. And since the funds will come from the government, the Treasury must create swift credit lines and legal protection for the lending banks or they will not participate.
The US already suffers from a lamentably inefficient payments system. Mike Corbat, head of Citi, says bankers "are working round the clock" to prepare, there are alarming reports of a lack of readiness.

Even with the caveats, PPP deserves a cheer. It is probably no more costly to pay workers via companies than through unemployment insurance. And keeping them in place should make it easier to restart economic activity when Covid-19 ebbs.

The really big worry, however, is around the rescue package for bigger companies. Some $500bn has been earmarked for companies with more than 500 staff that have been devastated by the pandemic, including airlines and cargo groups. The bailouts will be partly implemented by boutique investment banks. Details remain scant.

To have any chance of success, the structure should include three things. First, "the overwhelming priority [must be] the protection of employees and not shareholders or bondholders," as Larry Summers, former Treasury secretary, said on Wednesday.

Second, taxpayers must enjoy some of the economic upside after a recovery. Rescue funds should be offered as an equity-like instrument, warrant or even super-senior debt. "If Boeing was to receive support without the government taking an equity claim it would be inappropriate," argues Mr Summers.

Third, there must be simplicity, consistency and clarity. The Tarp programme created to inject capital into the big banks during the 2008 crisis delivered this, after a false start. Henry Paulson, Treasury secretary at the time, "basically said to the banks here is your contract and sign it," recalls Gary Cohn, who was at Goldman Sachs in 2008. While Mr Cohn "hated" this heavy-handed approach, he says that "in hindsight it was the right thing to do — the more uniformity and less negotiation, the easier it is to get the money out".

It is alarmingly unclear whether Mr Mnuchin will heed those principles. Powerful corporate executives with close ties to President Donald Trump are begging for individual dollops of aid (including, outrageously, deep-pocketed private equity groups). The Treasury secretary must find the courage to resist piecemeal or sweetheart deals.

PPP has a chance of success because it is consistent, clear, speedy and worker-focused. To counter the spiralling job losses, aid to big business must display the same principles — despite the unseemly lobbying under way.

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MinnPost

**Rep. Dean Phillips authored a measure to oversee spending under the $2 trillion coronavirus relief package. Trump has pledged to sidestep it.**

By Gabe Schneider

The last federal coronavirus relief bill, coming in at $2.2 trillion, is the largest stimulus bill in U.S. history. Rep. Dean Phillips wanted to make sure the money gets used in the way it's intended.

That's why Phillips wrote a bill, The COVID-19 Congressional Oversight Panel (COP) Act, that was included in the final 880 page legislative package that landed on the President Donald Trump's desk. Phillips' bill creates a Special Inspector General for Pandemic Recovery (SIGPR) to audit spending under the relief program and a congressional oversight panel.

But even as Trump signed the overall bill, he suggested that the oversight provisions authored by Phillips could be sidestepped by the White House.

"I do not understand, and my administration will not treat this provision as permitting the SIGPR to issue reports to the Congress without the presidential supervision required," the president's signing statement reads. Put in a different way, the White House concluded that the special inspector general's reports would be filtered through the White House first, potentially delaying Congress' access to oversight information indefinitely.

"I'm disappointed," Phillips said in an interview on Wednesday afternoon. "He sure wasted no time trying to challenge what most of us Democrats and Republicans in the House and Senate believe are important accountability mechanisms and oversight of the most massive distribution of tax payer dollars in human history."

How the bill is supposed to work

The SIGPR position in Phillips' legislation mirrors the special inspector general created to oversee 2008's Wall Street bailout: the Troubled Asset Relief Program (commonly known as TARP).

Appointed by the president with consent from the Senate, the inspector general's authority is broad: They can audit and investigate the sale of loans, loan guarantees, and investments made by the Secretary of Treasury in accordance with the bill. They can also issue subpoenas, as well as seek arrests and warrants. The office must submit reports to Congress quarterly. The office must also report back when any information is unreasonably denied.

Senate Democrats argue that contrary to the president's signing statement, the position was created to submit reports to Congress "without delay."

The second component, the congressional oversight panel, is responsible for overseeing the larger corporate bailout doled out by the Treasury and the Federal Reserve, reviewing loans, loans, guarantees, and investments.Unlike the SIGPR, the panel would have no authority to issue subpoenas. TARP also had a congressional oversight panel, which was notably chaired by of now-Sen. Elizabeth Warren (D-MA).

The language in the bill calls for the new panel to have of five members: one appointed by the Speaker of the House, one appointed by the Minority Leader of the House, one appointed by the Senate Majority Leader, one appointed by the Senate Minority Leader, and a Chair appointed by both the Speaker of the House and the Senate Majority Leader, with consultation from both minority leaders.

Watching intently

Prominent government oversight advocates were incensed by the president's signing statement.

Rebecca Jones, policy counsel at the Project on Government Oversight, said on Twitter: "Taxpayers should be furious about this … What if the statement said: "I don't understand these stimulus checks. I don't recognize them and so Treasury won't issue?"

On Tuesday, U.S. Sen. Sherrod Brown (D-OH), the Ranking Member of the U.S. Senate Committee on Banking, Housing, Urban Affairs, was the lead author of a letter to Treasury Secretary Steve Mnuchin. Mnuchin was responsible for negotiating the Senate bill for Republicans and is also responsible for overseeing much of the bailout. In the letter, Senators requested Mnuchin take the inspector general position seriously.

"This oversight authority was critical for gaining support for your request for over $500 billion to aid struggling companies, states, municipalities, and other troubled entities. Provision of these funds was conditioned on the SIGPR's creation," the letter reads. "As such, the SIGPR's unfettered operation is not only a legal necessity, but also a condition you personally agreed to – SIGPR's structure is your structure, and it imperative that you defend it."

On Fox News, Mnuchin said that the signing statement did not violate and does not compromise transparency: "There's constitutional issues and we're going to have full transparency and the way this works is we have full transparency and reporting what we're doing to the American public."

Phillips disagrees. If anything, he said, the oversight built into the legislation is not partisan and conservatives should have a vested interest in ensuring that oversight works as written. "I would argue that conservatives throughout the country who keep a very close eye in how the federal government appropriates and employs taxpayer dollars will be as loud as any constituency in the demand for that oversight."

Phillips also said that, although the president issued the signing statement, it's not clear if he'll go through with it. Should Congress need to, he said, they will respond.

"Even though the statement was issued, and was issued quickly, at this stage, no line has been crossed," Phillips said.

"But we will be watching intently and act accordingly."

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Forbes

## How Small Businesses Can Get Coronavirus Relief Through The CARES Act

Michelle Lambright Black, Founder of CreditWriter.com and HerCreditMatters.com, is a leading credit expert and personal finance writer with nearly two decades of experience in the credit industry.

Segments of the U.S. economy have nearly come to a halt in recent weeks as government officials have issued stay-at-home orders to minimize the spread of the coronavirus.

While meant to protect Americans' health, these directives have crippled many small businesses. Companies have also laid off workers, leading to record unemployment claims. More than 6.6 million Americans sought unemployment benefits in the fourth week of March alone.

To alleviate the economic impact of the coronavirus on both individuals and businesses, Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27. The legislation provides economic assistance to small businesses, including:

- The Paycheck Protection Program
- The expanded U.S. Small Business Administration (SBA) Economic Injury Disaster Loan program
- Updated business tax provisions

Additionally, there is a provision to send recovery checks of up to $1,200 to many taxpayers, which Congress hopes recipients will inject into the economy. Another section of the CARES Act creates a temporary Pandemic Unemployment Assistance Program that will run through Dec. 31, 2020.

Take note that while the act has been signed into law, some government websites may not have been updated yet to reflect the programs below. Here's what small businesses need to know.

The Paycheck Protection Program

One of the biggest lifelines to small businesses the CARES Act offers is the Paycheck Protection Program, which consists of $350 billion in government-backed loans to help companies maintain their payrolls through June 2020. Eligible companies can apply to borrow up to 2.5 times their average eligible monthly payroll costs, up to $10 million, and interest rates on the loans will not exceed 4%. Depending on how much a business borrows and how it uses the funding, all of the loan—or a portion of it—might be forgiven.

What Businesses Are Eligible?

The program is designed for companies and nonprofit organizations with fewer than 500 workers, which includes full-time, part-time and other types of employees. Certain businesses with up to 1,500 workers are eligible, too, according to the U.S. Chamber of Commerce. People who are self-employed, sole proprietors, freelancers, contract or gig economy workers can also apply. Companies must have been operational on Feb. 15, 2020 to be eligible.

The program is flexible and generous compared to other SBA loan offerings: The loans do not require a personal guarantee or collateral, and applicants will not be asked if they were denied credit previously.

How Much Can You Borrow?

Companies should divide their payroll costs over the past year by 12 to determine their average monthly payroll, then multiply by 2.5 to find the maximum they can borrow, up to $10 million. Wages beyond $100,000 are excluded, as are payroll taxes, railroad retirement taxes, income taxes and compensation for workers who live outside the United States. Part-time employees and contractors are included in the payroll calculation.

If Company A paid $300,000 in eligible payroll to its workers and another $60,000 to contractors over the past 12 months, the average monthly payroll would be $30,000. So Company A could apply for a loan of up to $75,000.

How Does Paycheck Protection Program Loan Forgiveness Work?

Businesses that maintain their payroll levels—by paying workers at their normal rates for at least eight weeks after the loan is originated—will be eligible for forgiveness.

You can get loan funds forgiven if they were used to pay qualifying payroll costs, mortgage interest, rent or utility payments over the eight-week period. In the example above, if Company A received a $75,000 loan, and its payroll and qualifying expenses were higher than the amount borrowed, the total amount would be forgiven.

The amount forgiven will be reduced if a business reduces the number of full-time employees or reduces wages for employees earning $100,000 or less by more than 25%, based on the previous year's numbers. Businesses have until June 30 to reinstate employee numbers or salaries that changed between Feb. 15 and April 26 and maintain eligibility for loan forgiveness.

How to Apply for a Paycheck Protection Program Loan

Normally, SBA-backed loans are handled by a network of banks the organization works with, known as SBA-approved lenders. But while the SBA will still guarantee the loans, more banks will be able to issue Paycheck Protection Program loans.

Existing SBA lenders can start accepting applications from small businesses and sole proprietors on April 3, according to the Treasury Department, and from independent contractors and self-employed workers on April 10. New lenders can start making loans as soon as they've been enrolled in the Paycheck Protection Program. An online application, which must be submitted to a participating lender, is now available on the U.S. Department of the Treasury website.

Payback terms will be determined during the application process, and the interest rate cannot exceed 4%. Payments on Paycheck Protection Program loans will be deferred for six months.

While application guidelines are still being finalized, business owners will likely need to have proof of how long their companies have been in operation, where their businesses are located and documentation showing payroll expenses and revenue.

U.S. Rep. Anthony Gonzalez (R-Ohio) recommended to business owners during a webinar Tuesday that they be proactive with their banks and ask what documents they'll need to provide before starting the application. U.S. Secretary of the Treasury Steven T. Mnuchin anticipates the first loans will be distributed by the end of the first week of April, Gonzalez said.

Expansion of the SBA's Economic Injury Disaster Loan Program

The CARES Act also introduced an expansion of the SBA Economic Injury Disaster Loan (EIDL) Program. The goal of the expansion is to offer financial support to more businesses experiencing reduced revenue due to the pandemic.

Historically, the SBA has offered disaster relief assistance to businesses, homeowners and renters in specific areas where federally declared disasters occurred. However, due to COVID-19, companies in all 50 states, Washington, D.C. and U.S. territories can apply for a disaster loan. They also can receive a $10,000 advance on the loan.

The EIDL program provides working capital to small businesses via low-interest loans in amounts of up to $2 million. Businesses pay an interest rate of 3.75%, while nonprofits will pay 2.75%. Loan terms can last up to 30 years, and are determined case by case.

Businesses can apply online for a disaster loan and the $10,000 advance. The SBA has simplified processing requirements for the application.

How Does the $10,000 Loan Advance Work?

Companies that have applied for a disaster assistance loan due to COVID-19 can request the $10,000 advance to help cover costs. If the loan application is approved, the SBA must distribute the advance within three days. Applicants are not required to repay the advance, even if they are subsequently denied an EIDL.

Those who receive an EIDL before the Paycheck Protection Program becomes available can refinance it into a loan through the Paycheck Protection Program in the future. Doing so might make the funds eligible for forgiveness. Even if the disaster loan is refinanced, the advance does not need to be repaid.

If a company receives a disaster loan, it can also borrow through the Paycheck Protection Program. However, the loan funds received must be used to pay for different expenses. If an EIDL was used to cover wages in April, for instance, then money derived from the Paycheck Protection Program cannot be used to cover payroll for those same employees.

Updated Business Tax Provisions

The CARES Act also makes changes to some tax policies affecting small businesses. These include:

Employee Retention Credit

Employers whose operations were fully or partially suspended due to a shutdown order, or whose gross receipts declined by more than 50% when compared to the same quarter a year ago, are eligible for a refundable tax credit. The 50% tax credit applies to wages paid to workers during the pandemic, up to $10,000. It is available for wages paid from March 13 to Dec. 31, 2020.

Deferred Payment of Employer Payroll Taxes

Employers who do not receive forgiveness on a Paycheck Protection Program loan can delay payment of payroll taxes. This covers the employer share of the Social Security tax. Those who are self-employed can defer the payment of the employer share, too. The deferred tax payments must be paid back over a two-year period: Half by Dec. 31, 2021, and the remainder by Dec. 31, 2022.

Recovery Rebate Checks and Pandemic Unemployment Assistance

The recovery rebate checks slated to be sent to U.S. taxpayers and the enhanced unemployment benefits under the CARES Act won't impact small businesses directly. But they could play a role in improving the overall economy and give small-business owners additional personal cash flow.

Payments to Individuals

Most Americans will receive economic impact payments of up to $1,200. Married couples who file jointly will be eligible for up to $2,400. Families will receive $500 per qualifying child that is 16 or younger. If you haven't filed your 2019 tax return, the government will use your 2018 adjusted gross income to determine your payment.

The checks will be lower for single taxpayers who earn more than $75,000 in adjusted gross income and $150,000 for joint filers. Single filers earning $99,000 or more, and joint filers without children earning $198,000 or more, won't receive a payment. For those who are eligible, taxpayers who filed in 2018 or 2019 will receive the money using direct deposit information contained in their tax returns.

Pandemic Unemployment Assistance

Many more individuals will qualify for unemployment assistance under the CARES Act. Those who are self-employed, are independent contractors or who have a limited work history will be eligible to receive benefits if they are unable to work as a result of the COVID-19 crisis.

Unemployment benefits have been extended to run through Dec. 31, 2020. The CARES Act also provides the unemployed with an additional $600 per week payment until July 31, 2020, paid for by the federal government. Furloughed workers are also eligible for unemployment benefits.

What's on the Horizon?

Small-business owners may be able to benefit from additional support from states and the federal government in the coming weeks and months. Regularly check Forbes' list of small business relief programs, plus resources provided online by the U.S. Department of the Treasury and the SBA, for ongoing updates.

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CNBC

**Durbin denies Congress is rescuing airline shareholders with $50 billion bailout**

KEY POINTS

-Sen. Dick Durbin told CNBC that airline shareholders are not getting relief from a $50 billion industry bailout passed last week as part of a $2 trillion coronavirus stimulus bill.
-He said lawmakers attached "strings" to what companies can do with the taxpayer money they receive.
-The Democratic whip said he wants to pass more federal response money as the crisis evolves.

The second-ranking Senate Democrat on Thursday denied that Congress rescued airline shareholders by passing a $50 billion industry bailout last week.

Lawmakers approved the taxpayer aid as part of a $2 trillion coronavirus relief package, the largest emergency spending plan in U.S. history designed to limit the economic destruction from the coronavirus pandemic. Commercial airlines have seen a dramatic drop in customers as the outbreak proliferates.

Pressed in a CNBC interview about whether elected officials put the concerns of airline shareholders over small businesses, Sen. Dick Durbin of Illinois said corporate stakeholders did not get preferential treatment. The Senate minority whip, whose state is home to United Airlines' headquarters, said he is "worried about the workers, the pilots, the flight attendants, the people in charge of maintenance."

"We've attached a lot of strings in terms of how this money's going to be spent and how these airlines are going to conduct their business after we see an end to this," Durbin told "Squawk Box."

"To say that we're rescuing shareholders — you know these stock prices are taking a beating and I don't think there's any rescue that's come through for these shareholders yet," he continued.

The $2 trillion stimulus package creates a $500 billion fund to help severely distressed businesses. Within that fund, $50 billion in aid is earmarked for passenger carriers, half in direct payments and the other half in loans and guarantees.

The law stipulates the companies have to use the grants exclusively for employee wages, salaries and benefits. They also have to temporarily stop stock buybacks and dividend payments to receive aid.

The legislation sets aside $8 billion for cargo carriers, half in direct payments and the other half in loans. It also provides $1 billion to $3 billion for the health costs of airline contract caterers.

But the structure of loans to airline carriers has yet to be determined, and airlines have until Friday to submit their proposals to the Treasury Department. Treasury Secretary Steven Mnuchin and others in the Trump administration have repeatedly said they want the government to make money off any aid to airlines, and that could be through equity stakes.

Members of Durbin's party have questioned the wisdom of the airline aid. They worry the bill did too much to boost struggling corporations but not enough to help Americans scrambling to cover bills after losing their jobs.

Airline stocks have taken a drubbing during the coronavirus crisis. Shares of industry titans United, Delta and American had plunged 58%, 49% and 43%, respectively, in the past month ahead of Thursday's stock market open.

While the companies' shares climbed in the days leading up to passage of the relief bill, they tailed off again in trading early this week.

Lawmakers have started to look ahead to another coronavirus response bill after the stimulus package, the third piece of emergency legislation approved during the pandemic. COVID-19 cases in the U.S. have topped 200,000, and roughly 10 million people filed new jobless claims in the past two weeks as businesses across the country shutter.

Durbin unequivocally called for a new bill Thursday, even as Republican leaders in the chamber say they want to wait to see how effective the last rescue bill is.

"I'm prepared to vote for more, period. No ifs, ands or buts about it," he said.

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The Washington Post

**Pelosi announces new select committee to oversee coronavirus response, setting up clash with Trump over $2 trillion law**

**Move comes after Trump sought to limit powers of new inspector general**

By Erica Werner and Paul Kane

April 2 at 12:45 PM

House Speaker Nancy Pelosi announced the creation of a new select committee Thursday with subpoena powers to scrutinize the Trump administration's response to the coronavirus pandemic, and its management of the new $2 trillion economic rescue law.

"Where there's money there's also frequently mischief," Pelosi (D-Calif.) said as she announced the creation of the special bipartisan panel she said would be focused on rooting out waste, fraud and abuse.

Pelosi's announcement comes amid growing clashes between congressional Democrats and the Trump administration about oversight of the new rescue legislation and a $500 billion fund controlled by the Treasury Department. President Trump has to appoint a new inspector general to oversee that fund but has already signaled opposition to the scope of that person's mandate.

[Coronavirus live updates]

Pelosi told reporters on a conference call that her new committee would be modeled after the World War II-era committee run by then-Sen. Harry Truman (D-Mo.), whose role in investigating the implementation of billions of dollars in defense contracts eventually led to his elevation to vice president.

She said that this new committee needed to serve as an everyday watchdog of the more than $2 trillion already allocated to fight the novel coronavirus and the virtual lockdown it has placed on the economy.

The House Select Committee on the Coronavirus, as Pelosi called it, will be chaired by Rep. James E. Clyburn (D-S.C.), who is the No. 3 Democratic leader as majority whip. No further details were provided about how many lawmakers would serve on the panel.

The new $2 trillion coronavirus spending law, enacted on Friday, included several oversight mechanisms but some Democrats are already expressing concern that Trump could try and minimize their scope.

The law established a new special inspector general to oversee the Treasury fund, a separate commission appointed by Congress also empowered to monitor that fund, and a Pandemic Response Accountability Committee, comprised of existing inspectors general from multiple agencies, to oversee the entire federal response to the coronavirus.

Republicans voiced immediate skepticism about Pelosi's move to stand up a new select committee.

"This seems really redundant," House Minority Leader Kevin McCarthy (R-Calif.) told reporters on a call following Pelosi's announcement.

McCarthy also expressed "concerns" about how the committee would be created since the House is on a long recess and no one knows when they are coming back given health concerns from the coronavirus. Several lawmakers have tested positive.

[Senate Democrats urge White House to quickly nominate new inspector general for coronavirus programs]

She said the new committee will have the full investigative authorities of any congressional oversight committee. "It's no use having a committee unless you have subpoena power," Pelosi said.

The select committee would supplement oversight mechanisms that Democrats pushed to include in the $2 trillion rescue package signed into law on Friday. Some experts are already questioning how effective those mechanisms can be.

Democrats have already called on Trump to quickly nominate a new inspector general tasked with overseeing how Treasury makes loans and loan guarantees as part of the $500 billion program. This process could take months, though, as the person must be nominated by the White House and confirmed by the Senate, which is not in session because of coronavirus fears.

Trump has already suggested he may try to block one of the inspector general's most important tools: the ability to alert Congress if the executive branch is denying requests for information.

"There's a bunch of oversight provisions [in last week's $2 trillion law], and they are not as muscular as one might want," said Adam J. Levitin, a professor at Georgetown University Law who played a key oversight role during the financial crisis bailout programs of 2008, and also consulted with Democrats on the oversight language in the new bill.

As Congress and the Trump administration negotiated the vast rescue bill, one comment from Trump unnerved Democrats perhaps more than any other, when he told reporters: "I'll be the oversight."

"Democrats were never going to let President Trump be the oversight," said Senate Minority Leader Charles E. Schumer (D-N.Y.). "It's why we put in multiple layers of robust oversight, accountability and transparency, and we're going to do everything we can to see that they are enforced."

But with just days to cobble together an enormous relief package, lawmakers modeled three new oversight mechanisms off of programs they had used in the past. This included the creation of a new inspector general, which was also created to monitor the $700 billion Troubled Asset Relief Program during the 2008 financial crisis and a congressionally appointed commission to monitor the program and produce monthly reports.

A third oversight piece -- a Pandemic Response Accountability Committee, comprised of existing inspectors general from multiple agencies -- will oversee the entire federal response to the coronavirus, including but not limited to the federal spending under the three pieces of coronavirus legislation enacted so far, and with a mandate to examine any future legislation.

Republicans and the Trump administration agreed to the provisions, although at lower funding levels than Democrats sought. In the case of the oversight of the Treasury fund, the provisions were among the last items agreed to as Schumer, Treasury Secretary Steven Mnuchin and Majority Leader Mitch McConnell (R-Ky.) exchanged offers during late nights at the Capitol last week.

Democrats also wrote in provisions requiring swift public disclosure of loans and prohibitions on loans going to any Trump organization business.

"We were fighting for major guardrails including limits involving the Trump family, so if you ask me about how we went from virtually nothing to what we got, I would tell you I think there was real progress," said Sen. Ron Wyden (D-Ore.), top Democrat on the Finance Committee. "There's obviously a lot more to do."

The limits of the oversight scheme in the legislation became apparent as soon as Trump signed it into law, when he issued a signing statement disputing the authority of the new inspector general to notify Congress if the executive branch was not providing requested information. Trump suggested he would not necessarily allow such notifications to occur. The signing statement also disputed a requirement for members of the Pandemic Response Accountability Committee to consult with Congress before hiring staff.

Neil M. Barofsky, who served as the first inspector general for TARP, said that for him, it was crucial to have the ability to notify Congress when an executive branch agency was failing to cooperate with a request for information. Such a notification -- or more often, the threat of one -- was the one real tool he had to force Treasury Department officials or others to produce information they were reluctant to divulge.

If Trump follows through on his signing statement and blocks the special inspector general from notifying Congress of resistance from the executive branch, "that potentially will hamstring the ability of the IG to be effective," Barofsky said.

"If they have no recourse … that could be very problematic," he said.

Pelosi's decision to create a special congressional committee will give lawmakers more access to information, as well as subpoena powers if they believe the White House isn't being forthcoming with key details.

The experience of TARP also made clear the importance of who was in key roles. Barofsky had an outspoken and activist approach, as did the chair of TARP's version of the Congressional Oversight Commission, Elizabeth Warren. Warren was tapped for the panel by then-Senate Democratic Leader Harry Reid (Nev.), and was elected by fellow members to chair it. The structure of the coronavirus Congressional Oversight Commission, however, is slightly different, specifying that it will be chaired by the member selected jointly by McConnell and Pelosi. It may be difficult for the two of them to agree on a selection, and then it might not be a person who is outspoken in either direction.

"There are a lot of things the administration could do to try to frustrate oversight, starting with the special IG for pandemic recovery efforts," said Levitin, who had served as special counsel to Warren's oversight panel. "Will the president put forth a nomination? How fast will he act? And will he put forward someone who is likely to take a close look at things or twiddle his or her thumbs?"

The administration has not said when or if Trump will nominate someone for the job, and who that person might be. A senior administration official, speaking on condition of anonymity to discuss internal deliberations, said the administration is focused on the immediate demands of getting money out the door to individuals and businesses who need it.

Another senior administration official said Trump is deeply skeptical of inspectors general and saw the move to add the provision to the relief package as a way to undercut or hurt him and his administration. He believes the inspector general could look for ways to criticize him and work with the Democrats, said the official, who also spoke on the condition of anonymity to describe the president's views.

The special inspector general for TARP is still in action more than a decade later, with an annual budget of more than $20 million and around 85 employees, said Christy Goldsmith Romero, the person who is now in that role. The agency continues to conduct audits and prosecutions and last year recovered nearly $900 million.

"Overall, during a crisis situation having a special IG at least for TARP helped gain the confidence of the American people and the markets, which was super important," Romero said.

However, the special inspector general for the coronavirus does not have such an open-ended mandate: The office will terminate five years after enactment of the law.

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MarketWatch

**Push for coronavirus 'war bonds' makes political sense, but if you're feeling patriotic, long-term Treasurys are better, expert says**

By Jonathan Nicholson

**The 'Patriot Bonds' released after 9-11 didn't make much of a splash**

With U.S. borrowing costs at historic lows and people feeling a patriotic urge to do something in the war against a viral outbreak, the hot idea swirling around Washington is coronavirus savings bonds.

But it's not clear that the concept would be the most effective for the government, according to at least one economist.

What may make the most sense are longer-dated Treasury securities, the financial instruments traded by Wall Street firms, that could be sold by the billions of dollars at a time. Selling Treasury bonds that won't mature for several decades would allow the Treasury to lock in the low interest rates the government pays now and match them with long-term needs in infrastructure and elsewhere.

Indeed, Trump has fanned the speculation with occasional tweets noting how low interest rates are now. In a Tuesday tweet on the issue, Trump said, "With interest rates for the United States being at ZERO, this is the time to do our decades long awaited Infrastructure Bill." Federal-funds rates stand at a range between 0% and 0.25% after the Federal Reserve took emergency steps, twice slashing rates by a half-a-percentage point in March.

But what appears to be gathering momentum recently, pushed in part by conservative radio host Hugh Hewitt, are Main Street-targeted Treasury savings bonds, like the ones your grandparents might have given you as a childhood birthday gift. With maximum individual annual purchases capped at $10,000, those would probably raise much less money. And the last time the idea was tried, after Sept. 11, it barely made a ripple.

"It's unclear what the takeup would be," said Lou Crandall, chief economist with analytics company Wrightson ICAP LLC.

Hewitt floated the idea in a Washington Post op-ed, likening it to World War II savings bond drives and victory gardens.

"Citizens want to help. In many ways, we need to contribute," Hewitt wrote.

In Hewitt's vision, savings bond proceeds would be used for building hospitals, stockpiling medical equipment and boosting drugmaking capacity. "Prepare not just for the potential mutation of this virus into a deadlier form — as happened with the 1918 flu, by the way — but also for the next pandemic," he wrote.

Senate Majority Leader Mitch McConnell (R-Ky.) didn't shoot the notion down when he was on Hewitt's show, calling it "an interesting idea."

Sen. Dan Sullivan (R-Alaska) on Wednesday said, "Even this issue being floated about war bonds, things like a virus bond, where all Americans are going to have a role to play —if we could do things like that, I think there is a lot of bipartisan support."

CNBC host Jim Cramer tried to get Treasury Secretary Steven Mnuchin to embrace the idea in an interview Wednesday, saying Americans want a chance to buy "a specifically labeled bond that would help small business" recover.

While Mnuchin was noncommittal, he said the business lending programs put in place by the stimulus law enacted last Friday would already help on that front. "That should create a lot of liquidity and a lot of help for small businesses and American workers," he said.

A similar effort to sell savings bonds in the wake of the Sept. 11, 2001, terrorist attacks didn't make much of a splash. So-called "Patriot Bonds" were announced on Dec. 11, 2001, three months after the attacks. They were Series EE savings bonds, the run-of-the-mill bonds bought by the public, except they had the words "Patriot Bond" inscribed on them.

The bonds were discontinued in December 2011, when the Treasury stopped selling paper bonds at banks and financial institutions.

Unlike in World War II, savings bonds face tougher competition as a place to put money now. "U.S savers already have extensive options and there's a path dependency or there's just inertia" that makes changing those habits hard, Crandall said. "It's a powerful force."

If the government wanted more money, it would issue long-term Treasury bonds to be traded, instead. Series EE savings bonds outstanding at the end of February totaled $75.7 billion. In contrast, the amount of outstanding 30-year Treasury bonds was $2.414 trillion.

But going the long Treasury bond route has its own pitfalls, Crandall said. The Fed and the Treasury are more focused now on keeping the short-term bill sector —Treasury securities that mature in one year or less — functioning amid a global squeeze for the securities as a haven. Historically, Treasury has also tried to avoid looking like it was trying to time the market in timing its debt sales.

"In the short run, you don't want to upset the apple cart," Crandall said. "To launch a new instrument would just be a distraction to the dealer community during this particular period. But as we go farther into the summer, it may very well be a debate we have."

Issuing say 50- or 100-year COVID-19 Treasury bonds would provide only a fraction of the amount of borrowing Treasury will need for the stimulus and other recovery measures. But, noting the Treasury Department's proximity to the White House and President Trump, Crandall said that may not matter, in the end.

"It would certainly appeal to one audience a block over from the Treasury Building, so you can't rule it out," he said.

The yield on 10-year Treasury notes T JBMUSD10Y, 0.621%rose slightly to 0.610% on reports of a truce in the oil market between Russia and Saudi Arabia. The yield on the 30-year TMUBMUSD30Y, 1.257%was up slightly to 1.265%.

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Detroit Free Press

**5 reasons you might not be happy about stimulus checks**

By Susan Tompor,

What's not to like about a stimulus check?

How can you grumble about $1,200 or more that could tide you over during the economic slump while the much of the country shuts down to engage in social distancing and combat the spread of the coronavirus?

Maybe the stimulus money can help you buy groceries, pay for medicine, be able to pay some bills while you're temporarily out of work.

As helpful as the money will be for many people, though, it's not making everyone happy. Here are five things some people don't like:

1. Too much confusion for the elderly or poor

First, some good news. In a key development, the U.S. Treasury Department and the Internal Revenue Service late on April 1 announced that Social Security beneficiaries who are not typically required to file tax returns will see payments for the stimulus automatically deposited into their bank accounts.

They do not have to file any new forms. They do not need to do anything.

We did not reach this point, though, without massive confusion. Just two days earlier, on March 30, the IRS issued an official release that claimed that some new simple form would need to be filed by some older consumers and others.

The new form was to be rolled out soon. OK, now it won't be.

Many people will be rightfully confused. Low-income taxpayers, senior citizens, Social Security recipients who live mainly on those benefits, some veterans and individuals with disabilities often do not make enough money to be required to file a tax return. So they were at risk of needing to file a simple form.

Many Democrats in Washington and advocates for the poor had been rightfully upset and concerned that millions of vulnerable people could end up with nothing here if they had to file some new form.

Michigan's Debbie Stabenow and Gary Peters were among a group of U.S. senators who sent a letter to Treasury Secretary Steven Mnuchin on April 1 outlining concerns about the added burden this requirement would place on retirees and others, especially given that volunteer tax sites are closed during the coronavirus epidemic.

The problem: If we're in the middle of a broad-based shut down where you're encouraged to stay home for your health, you might not find help to fill out any form.

Janet Holtzblatt, senior fellow at the Urban-Brookings Tax Policy Center, told me that the IRS statement March 30 was a surprise for many who thought that no new form would be required.

"Among low-income people — either Social Security beneficiaries or not — some people will not file even a simple return to claim the payment," she said, "possibly because they do not understand the process, they cannot get assistance because the IRS tax assistance services and volunteer tax preparation sites have been closed due to the outbreak, or they just don't know they are eligible for assistance."

Now, it appears that a bad idea is dead in its tracks. Even so, some confusion could remain. As of early Thursday, April 2, the IRS had not completely taken its earlier statement about the new 'simple tax return" off its site. It listed a short sentence at the top of that statement to indicate that you'd need to click here for new information for seniors, retirees on April 1, 2020.

The IRS also offered this update: "The IRS will use the information on the Form SSA-1099 or Form RRB-1099 to generate Economic Impact Payments to recipients of benefits reflected in the Form SSA-1099 or Form RRB-1099 who are not required to file a tax return and did not file a return for 2018 or 2019. This includes senior citizens, Social Security recipients and railroad retirees who are not otherwise required to file a tax return."

The IRS added: "Since the IRS would not have information regarding any dependents for these people, each person would receive $1,200 per person, without the additional amount for any dependents at this time."

2. Everyone won't get their money by late April

While many people are likely to receive stimulus money beginning the week of April 20, many issues could create delays for some individuals.

What if, for example, the IRS doesn't have your direct deposit information? You're going to have to wait. The IRS said Thursday: Taxpayers who have "previously filed but not provided direct deposit information to the IRS will be able to provide their banking information online to a newly designed secure portal on IRS.gov in mid-April."

Pay attention to www.irs.gov/coronavirus.

If the IRS does not have a taxpayer's direct deposit information, a check will be mailed to the address on file.

Watch your bank account to see if any money is directly deposited into it around the week of April 20 or later.

The amount is up to $1,200 each for individuals or up to $2,400 for married couples. Parents also receive $500 for each qualifying child under age 17.

You can expect to receive the full amount if you're a single person with an adjusted gross income of up to $75,000 or if you're a married couple filing a joint return and have an adjusted gross income of up to $150,000.

Some filers who make more could receive a reduced stimulus payment. The size of the check would be reduced by $5 for each $100 above those $75,000 and $150,000 thresholds.

You get nothing if you're single and your income is more than $99,000 and $198,000 for married couples filing a joint return with no children.

The good news: The Treasury Department and the IRS say stimulus money will be distributed automatically, with no action required for most people.

3. Money could be grabbed to cover old debt

Could a debt collector end up with your stimulus stash, if it's directly deposited into your account?

It remained a real concern Thursday, according to Lauren Saunders, associate director of the National Consumer Law Center. She said the Treasury Department needs to take action to make sure that stimulus payments aren't taken out of bank accounts by debt collectors.

On the one hand, the Treasury Department wants to move the money quickly into the hands of consumers who are facing financial hardships during the coronavirus pandemic. Direct deposit makes sense.

But Saunders noted that direct deposit can make it easier on debt collectors who may be dealing with old credit card bills and the like. The debt collector sues you and gets a judgment against you. The debt collector then presents the bank with garnishment orders.

Given that people have suffered a sudden loss of income, she said, many desperately need stimulus payments for their everyday survival.

She noted that Treasury could tap into a simple mechanism to protect stimulus payments from debt collectors, much like it is able to protect Social Security and other federal benefits from garnishment.

The Coronavirus Aid, Relief, and Economic Security Act protects stimulus payments from being reduced to pay certain debts owed to federal and state governments, such as federal student loan debt or past due income tax bills.

But the act does not specifically address garnishment or bank offsets for other debts. Instead, it gives Treasury the authority to issue rules and guidance.

By addressing such concerns early on, Saunders said, people would be able to provide direct deposit information to the Treasury Department and not be afraid of losing money to debt collectors. She says they wouldn't request a paper check instead.

4. You could get hounded by scammers.

Everybody — especially those who are overworked here or isolated at home — must realize that the crooks are out to get us.

The IRS on Thursday warned us to expect a surge of phony calls and email phishing attempts about the Coronavirus, or COVID-19.

"The IRS isn't going to call you asking to verify or provide your financial information so you can get an economic impact payment or your refund faster," said IRS Commissioner Chuck Rettig in a statement.

Don't click on any attachments. Don't react to any surprise emails that appear to be coming from the IRS.

Fraudulent websites and social media posts also will try to get , money or personal information.

"The IRS and its Criminal Investigation Division have seen a wave of new and evolving phishing schemes against taxpayers," according to the IRS alert.

Don't give your bank account information to anyone offering to "help" you submit information to the IRS or a new web-based system, either.

No one from the IRS or any other agency is going to reach out to you by phone, email, text, Facebook or in-person to deal with stimulus checks. No one.

5. Go to college? You may not get any money.

Many college students lost jobs on campus as dorms closed down and classrooms were shuttered during stay-home orders across most of the country.

College instructors switched to Zoom or other online only methods of teaching. But many students who might have picked up cash working at a local bar or restaurant in a college town lost jobs.

Yet if you're a dependent on your parent's tax return — as many college students are even if they'e in the late teens and early 20s — you're not getting a stimulus payment.

The Tax Policy Center estimates that about nine out of 10 households will get some stimulus money but not everyone will get the full amount. And some people will not get anything at all. For example, immigrants who don't have Social Security numbers will not be eligible for checks.
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CNBC

**Pelosi announces new House committee to oversee Trump administration coronavirus response**

KEY POINTS
-House Speaker Nancy Pelosi announced a House select committee on the coronavirus pandemic.
-The panel, to be led by Majority Whip James Clyburn, will oversee the Trump administration's handling of the $2 trillion relief package passed last week.

House Speaker Nancy Pelosi on Thursday announced a new House select committee to oversee the Trump administration's response to the coronavirus pandemic.

On a conference call with reporters, the California Democrat said House Majority Whip James Clyburn, D-S.C., will lead the panel. Pelosi said the committee, which will include Democrats and Republicans, will oversee the Trump administration's handling of the $2 trillion relief package passed last week and the government's ongoing response to the crisis.

"We face a deadly virus and a battered economy with millions of Americans suddenly out of work," Pelosi said. "Congress has taken an important step in leading this crisis by passing three bills with over $2 trillion in emergency relief. We need to ensure those dollars are spent carefully and effectively."

The speaker said the committee "will root out waste, fraud and abuse" and "protect against price-gouging, profiteering and political favoritism." It will also try to ensure the U.S. response to the outbreak is "based on the best possible science" and the advice of leading health experts, Pelosi said.

In response to Pelosi's announcement, White House spokesman Steven Groves said President Donald Trump and the White House coronavirus task force "are committing 100% of their time, energy, and resources to ending the current crisis." He added that "any attempt to politicize the crisis even before it has ended is dangerous."

On a conference call with reporters Thursday, House Minority Leader Kevin McCarthy, R-Calif., called the panel redundant because of the oversight mechanisms built into the stimulus.

The Treasury Department did not immediately respond to CNBC's request to comment on the committee's formation.

Pelosi announced the panel's creation on a day the Labor Department reported that a staggering 6.6 million people filed unemployment claims last week as the outbreak ravages the economy. It brings the two-week total to about 10 million, an unprecedented figure as business grinds to a halt to slow COVID-19's spread around the country.

The U.S. has more than 216,000 cases of the disease, the most in the world, according to data compiled by Johns Hopkins University. At least 5,137 deaths have been linked to COVID-19 nationwide.

Congress will not return to Washington until April 20 at the earliest as the pandemic takes a dire toll. Pelosi has called to move forward with another relief bill shortly after lawmakers come back to the Capitol, though Senate Majority Leader Mitch McConnell has said he wants to first see how effective the earlier stimulus money is before making a decision.

The federal government faces a complicated task in quickly doling out the money appropriated to distressed individuals, small businesses, states and corporations. It will execute or help to oversee an estimated $300 billion in direct payments to households, $350 billion in loans to small firms, $500 billion in grants and loans for big business, states and municipalities, and the state distribution of an extra $600 per week in unemployment insurance for workers displaced by the virus.

The half-trillion dollar pool of taxpayer money sparked the most concern among Democrats as lawmakers crafted the relief bill. Pelosi at one point called it a "slush fund."

Congress eventually added an inspector general and congressional oversight posts to monitor how Treasury Secretary Steven Mnuchin uses the money. The law also includes limits on stock buybacks, dividends and executive compensation for companies that receive taxpayer bailout money.

Even so, some Democrats have argued the legislation did not go far enough to ensure corporations would not disproportionately benefit from the government relief.

Since the bill passed, Democrats have also pushed the administration to help states expedite unemployment insurance as reports indicate their systems have struggled to keep up with the flood of applicants.

Trump has repeatedly decried Democratic oversight of his administration since the party regained control of the House in January 2019.

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Politico

**Pelosi forms new select committee to oversee $2 trillion coronavirus relief package**
**"Where there's money there's also frequently mischief," she says.**

By HEATHER CAYGLE, KYLE CHENEY and MELANIE ZANONA

Speaker Nancy Pelosi on Thursday announced the formation of a special bipartisan House committee to oversee the Trump administration's distribution of more than $2 trillion in coronavirus relief funds over the next several months.

The committee is Pelosi's most aggressive effort yet to streamline the House's efforts to hold President Donald Trump accountable for his implementation of the massive coronavirus response law, as well as to ensure that recipients of the historic taxpayer bailout use funds the way Congress intended.

"Congress has taken an important step in meeting this crisis by passing three bills with over $2 trillion in emergency relief. We need to ensure those dollars are spent carefully and effectively," Pelosi told reporters in a press call Thursday.

Pelosi said the committee would not only oversee the three bills Congress has passed so far to address the pandemic but also any future legislation related to the virus. Pelosi has been pushing to move ahead quickly with a fourth coronavirus response package, an idea she again pitched Thursday, noting the record high 6.6 million-plus unemployment claims reported earlier in the day.

"The panel will root out waste, fraud, and abuse and will protect against price gouging, profiteering, and political favoritism," Pelosi said.

"Where there's money there's also frequently mischief," the California Democrat added, saying, "We want to make sure there are not exploiters out there."

A slew of House committee chairs — from Oversight to Financial Services to Homeland Security to Intelligence — had indicated they wanted a piece of the sprawling investigations that are expected to unfold. The appointment of a select committee may help corral that energy and keep other committees focused on their day-to-day work. It will also ensure Pelosi has a tight grip on oversight decisions related to coronavirus, since the Democrats on the panel will be entirely members of her choosing.

House Majority Whip Jim Clyburn (D-S.C.), the chamber's No. 3 Democrat, will lead the panel, Pelosi said.

In addition, the panel will have a broader purview than some of the other oversight mechanisms Congress included in the new law to ensure the trillions in taxpayer relief funds are not misused by administrative officials or industries seeking the desperately needed aid.

But the effort is already running into a wall of resistance from top Republicans, who trashed the panel as unnecessary and raised concerns it would be used as a political weapon.

House Minority Leader Kevin McCarthy (R-Calif.) said the House already has multiple committees with jurisdiction over the issue and pointed out that lawmakers also tucked several oversight mechanisms into the rescue package.

The other investigative levers include a five-member congressional "Oversight Commission" that will be appointed by House and Senate leaders, charged with overseeing Treasury Secretary Steven Mnuchin's handling of a $500 billion fund meant to shore up industries, businesses and local governments damaged by coronavirus.

A newly created "special inspector general" inside the Treasury Department will also oversee the $500 billion fund. And a broader, more powerful committee of two dozen federal inspectors general, led by Pentagon watchdog Glenn Fine, will monitor the entirety of the $2 trillion law.

"Does the speaker not trust the [House] Oversight Committee?" McCarthy told reporters on a conference call Thursday.

Rep. Greg Walden of Oregon, the top Republican on the House Energy and Commerce Committee, echoed a similar sentiment, calling the select committee a "mistake," "costly," and "duplicative."

It's unclear whether Republicans would allow Democrats to stand up the committee via unanimous consent. But McCarthy mentioned to reporters that there needs to be a floor vote on the panel, which he highlighted as another issue, given that lawmakers are away from the Capitol until at least April 20.

McCarthy said he missed a call from Pelosi Thursday morning, but plans to connect with her in the afternoon or evening.

Some House Democrats have also called for a panel modeled after the 9/11 Commission to do a comprehensive review of the origins of the coronavirus outbreak in the United States and whether government failures contributed to the crisis. Pelosi emphasized that her select committee would be meant to provide a real-time check on the implementation of the law and would not be a substitute for a such a commission that might be established later.

"This select committee is about the here and now," Pelosi said. "Is there a need for an after action review? Absolutely ... But I don't want to wait for that because we are in the action now."

Pelosi's announcement comes days after Trump vowed to ignore certain oversight provisions written into the massive rescue package signed into law last week. He reiterated his administration's position that congressional mandates on reports to Congress can be unconstitutional and left unclear whether he'll comply with some of the oversight requirements that convinced many Democrats to sign onto the measure.
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Ahram Online

**Filling GERD will begin this rainy season: Ethiopian PM**

Ethiopia's Prime Minister Abiy Ahmed announced on Wednesday that his country will be starting the filling of the Grand Ethiopian Renaissance Dam (GERD) this coming rainy season as the construction of the dam is progressing well, according to Ethiopia's state news agency ENA.

Ethiopian officials had earlier said the process will take place during the July and August wet season.

Abiy made the remarks on the ninth anniversary of the start of construction on the GERD, which commenced in 2011.

The Ethiopian prime minister added that "Ethiopia faces two challenges, namely the outbreak of coronavirus and the completion of the dam."

"The dam is a valuable resource the public treasures most," he said, noting that the government, in collaboration with the public, will complete the dam and fight the virus relentlessly.

"The reason why we put huge emphasis on this dam is because it is a symbol of our sovereig[illegible] and unity," he stressed.

Tensions have been building between Egypt and Ethiopia over some technical details regarding the operation and filling of the dam.

Ethiopia hopes that the massive $4.8 billion project on the Blue Nile will allow it to become Africa's largest power exporter.

Egypt, which is downstream from the dam, fears that the project will diminish its share of Nile water, on which it is almost entirely reliant for its fresh water.

The US stepped in to host negotiations in November after the three countries announced that talks had reached a dead-end, and after Egypt asked for an international mediator.

However, the three countries were expected to sign a final deal on the GERD in late February, when the last meeting was scheduled to be held, but Ethiopia skipped the meetings, citing incomplete domestic discussions.

Egypt signed the deal and called on Ethiopia and Sudan to do the same.

Egypt has accused Ethiopia of "deliberately" impeding the course of negotiations, and the US Department of Treasury Secretary Steven Mnuchin said following the 28 February meeting that "the final testing and filling should not take place without an agreement."

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**Treasury**

Reuters

Southwest Airlines to apply for U.S. government aid as demand craters

Tracy Rucinski

Southwest Airlines Co (LUV.N) said on Thursday it intends to apply for U.S. government aid to help it ride out the sharp drop in travel demand caused by the massive lockdowns because of the coronavirus pandemic.

"We still don't know the severity of this situation. We still don't know how long it will last," Southwest Chief Executive Gary Kelly said in a video message.

Half of $50 billion in available aid for U.S. airlines is in the form of grants that would cover employee payroll through Sept. 30. The deadline to send applications to the U.S. Treasury department for the grants is Friday at 5:00pm ET.

"We have a team focused on that as we speak," Kelly said.

The grants are meant to protect jobs for the next six months and help airlines weather the downturn until demand begins to recover.

The other major U.S. carriers have also said they intend to apply for the grants, though the industry has pushed back on a condition that allows the U.S. Treasury to demand warrants or equity in exchange for the cash.

A group of unions representing more than 100,000 flight attendants warned on Wednesday that if the airlines were required to pay back the grants in full with an equity position of $25 billion, that would give the government the equivalent of a 40% stake in airlines in exchange for keeping workers on the payroll for six months.

It "effectively renders the payroll grants a poison pill that will cost us our jobs," the letter said.

Airlines have also continued to shore up liquidity on their own, with Southwest saying on Thursday it had drawn down $2.33 billion in credit and had $3.33 billion outstanding as of April 1, under the credit agreement. (bit.ly/2R2K6pO)

Airlines around the world are also seeking government aid to help them stay afloat, even as they roll out layoffs and capacity cuts.

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Reuters

As U.S. Treasuries supply swells, impact to vary along yield curve

Karen Brettell, Ross Kerber

(Reuters) - Bond investors are beginning to absorb a mushrooming supply of Treasury securities issued to pay for the new coronavirus stimulus plan, but how seamlessly the new debt is digested may depend on whether it is short or longer-term.

President Donald Trump last Friday signed into law a $2.2 trillion aid package, the largest ever, that includes sending checks to Americans with lower incomes, expanding unemployment benefits and rushing billions of dollars to medical providers on the front lines of the pandemic.

The Treasury has ramped up sales of short-term Treasury bills to finance this spending, and this is expected to continue. Longer-term, auctions sizes across the Treasury curve will need to increase, while the government is also expected to turn to new products and maturities to help increase demand for its debt.

"I think there are a lot of changes coming to the issuance calendar," said Gennadiy Goldberg, an interest rate strategist at TD Securities in New York.

The surge in issuance could provide some relief to short-term debt investors after bill yields turned negative, but risks sending yields on longer-dated debt higher and steepening the yield curve.

"On the front-end it's actually going to be a positive because bill rates have been trading negative and the more supply you get, the more that's going to bring it back into positive territory," said Subadra Rajappa, head of U.S. interest rate strategy at Societe Generale in New York.

Rajappa said that for longer-dated debt, "my concern is more, once we get past the near-term, how the market's going to react to this glut of supply, and if there is going to be a snap back to higher yields in a short period of time."

Higher long-term rates can burden the economy by making it more expensive for the government, companies and consumers to borrow.

Analysts at Wells Fargo on Tuesday forecast that net Treasury debt is likely to jump by $1.4 trillion in the second quarter, and by $2.8 trillion this year.

MOVING OUT THE CURVE

The government is expected to concentrate the bulk of its issuance in shorter-term paper, which should draw strong demand as long as the high demand for low-risk assets persists.

The Treasury Department has announced $330 billion in cash management bills in the past week - short-term securities issued to help it manage its immediate funding needs, sold in addition to regularly scheduled bill sales.

That could help ease stresses for money market fund managers that invest only in government debt, who have started to turn away new investments as demand for low-risk assets has surged and short-term Treasury bills turned negative.

Negative yields mean that an investor pays the government to hold the debt, making it difficult to cover fund expenses and generate returns.

Assets in money funds that invest only in U.S. government debt jumped to $3.50 trillion in the week ending March 31, from $2.65 trillion on Feb. 25, according to data by iMoneyNet.

The government will also need to increase the size of its longer-dated debt auctions over time. These increases are likely to be announced at the quarterly refunding on May 6, though they could come sooner.

On Thursday the Treasury modestly increased the size of next week's coupon auctions, adding $2 billion to its three-year sale and $1 billion each to its 10-year and 30-year auctions, compared with last month.

In addition to increases in auction sizes, analysts expect a number of new products to be launched, with new 4-year notes, 20-year bonds and floating-rate notes linked to the Secured Overnight Financing Rate (SOFR) among the most likely.

Federal Reserve bond purchases may be key to how well increases in longer-dated debt are absorbed by the markets.

The Fed has increased the size of its purchases in the past month in an effort to ease stresses in the Treasury market, which suffered from broad liquidity problems as investors rushed to sell assets across the board and raise cash.

The Fed's bond holdings jumped to a record $5.25 trillion on March 25, from $4.16 trillion on Feb. 26.

However, the Fed may not keep buying at that pace if market functioning returns to normal. This could be particularly so if the economy bounces back quickly once the virus is brought under control.

"If markets stabilize, they're probably not going to continue to buy securities," said Tom di Galoma, managing director at Seaport Global Holdings in New York. "I think it's going to cause some temporary log-jams, no doubt. You'll be caught between increased supply and the Fed buying securities."

Some of the probability of higher long-dated yields may already be priced into the Treasury yield curve, which has steepened since the beginning of March. The spread between two-year and 10-year notes US2US10=TWEB is now 38 basis points, up from a low of 2 basis points reached on March 9, though below the two-year high of 77 basis points hit on March 18.

"There will be pockets where it won't get absorbed, but mostly it will. That is why we have a positively-sloped yield curve despite how bad things are," said Andrew Richman, managing director of fixed income at Truist/SunTrust Advisory Services.

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The New York Times

**How Jerome Powell's Unconventional Career Path Prepared Him for This Crisis**
**His winding career path now seems to be a strength, not a weakness.**

By Neil Irwin

When Jerome Powell was nominated to lead the Federal Reserve in late 2017, there was some tut-tutting about his seemingly unusual background for the job.

Some articles noted that he would be the first Fed chair without formal economic training since a notoriously inept Carter-era Fed chair, G. William Miller. Mr. Powell had a distinguished résumé, but also a winding career path that took him from corporate law to Wall Street deal making to public service. His predecessors, by contrast, were world-caliber experts in labor markets (Janet Yellen), monetary policy (Ben Bernanke) or economic forecasting (Alan Greenspan).

But now, as the world's most powerful central bank faces perhaps the gravest economic crisis of modern times, Mr. Powell's varied experiences appear to be a strength, not a weakness, with his areas of knowledge uncannily well suited to the woes confronting the world economy.

The challenge isn't really about diagnosing the problem. There is little disagreement on what is happening: A pandemic is necessitating the shutdowns of large swaths of economic activity.

The Fed is not trying to project exactly how high the unemployment rate will rise or how low the G.D.P. numbers will fall. It's trying to act swiftly and creatively to devise programs that can pump trillions of dollars into the economy.

Mr. Powell and his Fed colleagues, along with their counterparts at the Treasury Department, are essentially trying to ensure that however bad things get, American business is in position to return to functioning rapidly once the public health crisis subsides. The idea is that millions of unemployed Americans will have jobs to go back to when that day comes.

To do that, you need someone who understands the minutiae of how the Fed works and the legal details of its authorities. You want someone who understands the problems facing business and what might solve them, and who has the deft political touch to collaborate with the Treasury Department and Congress to carry out that mission.

Mr. Powell spent six years as a governor at the Fed focused on the not-very-sexy details, and is a lawyer by training. He worked in financial markets and in overseeing corporate buyouts in the private equity industry. And he worked at the Treasury Department in the early 1990s and has carefully cultivated relationships on Capitol Hill.

The situation has unfolded so rapidly that you also need someone who can push an often cautious Fed bureaucracy to act on a speed and scale commensurate with the crisis. Former colleagues describe Mr. Powell as a crisp decision maker.

"It's a unique situation, and Jay has the right attributes for dealing with it," said Nellie Liang, who worked closely with Mr. Powell on financial stability issues as a Fed staffer and now is a senior fellow at the Brookings Institution. "He's a person who can size up a situation very quickly and be decisive. I think he's really well suited for this situation."

In the space of just three weeks starting in late February, the Fed cut interest rates to zero, relaunched its program of bond buying on a mass scale, and initiated programs to support lending to all sorts of entities — sometimes more than one a day. It was as if actions that were spread out over 18 months during the 2008 financial crisis were squeezed into a single month.

"It's clear that he saw that this was a serious risk early, and scrambled the staff to start doing some serious work, because they've been able to roll out a lot of stuff very quickly," said William English, a former senior Fed staff member now at the Yale School of Management. "I credit that to Jay. I think his understanding of markets helped him to realize that this needed very serious attention early."

The Fed's era of mass-scale support for lending across all corners of the economy is only beginning. Mr. Powell essentially promised Congress and the Treasury Department that they could count on the Fed to help finance a gigantic lending program. The $2 trillion rescue legislation Congress passed last week includes $454 billion that can be paired with 10 times as much money from the Fed to support trillions in lending.

"He told me, 'Think big,' because the interest rates are low,'" House Speaker Nancy Pelosi said of Mr. Powell in an interview with PBS NewsHour last week.

None of this assures success. The economic crisis the United States faces has no modern precedent. The central bank is already facing tough questions about why it hasn't done more to support lending to state and local governments, which are facing a fiscal crisis. And while it announced a "Main Street Business Lending Program" on March 23, aimed at small and midsize businesses, it is not yet up and running, and there are big open questions about how it might work.

In its rush, the Fed will face tough questions of where to draw the lines. For example, the emergency lending authority invoked for many of the new programs requires that lending must be "secured to the satisfaction" of the Fed, meaning expectations for repayment.

Depending on how risky the loans turn out to be and how prolonged the economic damage, the Fed could err either by making the programs too restrictive to sufficiently support growth, or so lax that the Fed violates the law.

And with trillions of dollars sloshing around, the central bank will face remarkable pressures from every would-be borrower to get its share. Mr. Powell will need to handle the delicate politics of those decisions and also create fair, transparent processes to decide exactly what types of lending the Fed will and won't do.

"The best the Fed can do is set very clear parameters," Mr. English said. "You have a program, it covers this set of entities, with this level of risk tolerance."

All of those types of decisions are hard, and require judgment from someone who understands the intersection of the legalities, the politics, the financial markets and the corporate world.

Mr. Bernanke, the Fed chair when the global financial crisis erupted in 2008, was a scholar of economic history who had studied how financial panics could create economic catastrophe.

That background wasn't the reason he was appointed to the job. But it allowed him to understand the peril that faced the world economy more quickly than most, and to persuade his colleagues to take extraordinary actions that prevented a slide to an even worse global depression.

Now, the biggest decisions are not so much about assessing the economic problem but about executing potential solutions. And for the second time in a dozen years, the United States central bank has a leader whose background, by sheer luck, seems a match for the moment.

For better or worse, Mr. Powell will probably be one of the most consequential central bankers in American history, as he deploys trillions of dollars in unprecedented ways. The question for the economy is whether his long and winding career path will enable him to get it right.

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New Business Ethiopia

**Abiy urges Ethiopians to complete Nile Dam united**

Prime Minister Abiy Ahmed of Ethiopia todays urges all Ethiopians to unite and complete the Great Ethiopian Renaissance Dam (GERD), his country is building on the Nile River.

He urged all the citizens of Ethiopia to continue their financial contribution to complete the over 70 percent completed construction of GERD, which is set to begin filling water in the coming rainy season starting July. In his message entitled, 'We will prevent coronavirus and complete the dam', Prime Minister Abiy indicated that GERD is one of the precious wealth of Ethiopia. "The reason we give due emphasis for GERD is because it is symbol of our sovereignty and, it is also a bondage that tied us together. We will complete the construction and start filling water in the coming rainy season," he said.

He noted that GERD is not only the project Ethiopians have invest in by contributing money from their shortage (daily subsistence), but it is also a project that Ethiopians have shown the world their capacity to achieve great things. Prime Minister Abiy made the statement in commemoration of the ninth anniversary of the launching of GERD construction. He urged all Ethiopians to unite for preventing coronavirus spread and to the completion of GERD.

When completed Ethiopia's over $4.5 billion GERD will be the biggest hydroelectric power dam in Africa generating about 6,000 megawatts of electricity. meanwhile, one of the lower Nile river stream country, Egypt, which has been benefiting a lot from the river, has not been happy about GERD. It has been expressing its concern that GERD will reduce the water volume Egypt used to get from the Nile River.

Though negotiations among the major Nile riparian countries, Ethiopia, Sudan and Egypt has been going on for about a decade, so far no final deal is reached. The recent negation in Washington D. C. has also failed after Ethiopia refused to sign the deal reportedly 'drafted by the United Sates Government favoring Egypt'.

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Borkena

**Ethiopian Grand Renaissance Dam will start filling water this year,says PM Abiy Ahmed**

**Ethiopian Grand Renaissance Dam is a symbol of sovereignty ; will be completed and start filling water during the coming rainy season , says PM Abiy Ahmed**

Ethiopian Prime Minister Abiy Ahmed said that the Grand Ethiopian Renaissance Dam would start filling water during the rainy season this year, which is about two or so months away.

He said so in a message he conveyed to Ethiopians on the occasion of the ninth anniversary of the launch of the GERD Project.

"As we commemorate the ninth anniversary of the project at this critical time, we are facing two major challenges. One is the Corona epidemic. The other one is issues relating to the Grand Renaissance Dam itself," he said.

Ethiopia's policy focus for a long time now has been reducing poverty in the country, transforming the economy by way of developing the manufacturing sector for which energy supply is a key factor. The country's existing capacity for much-needed energy supply is weak. More than 65 percent of Ethiopia's 110 million population does not have access to electricity.

It was with that in mind that the Ethiopian government came up with the Grand Ethiopian Renaissance Dam project nine years ago. And the project has got a good reception among Ethiopians. Much of the finance needed for the project was mobilized locally through a bond sale and voluntary donation. Millions of Ethiopians have contributed to it financially, which is an added layer of sense of ownership.

"The Great Ethiopian Renaissance Dam is not just one that we paid for from the meager household income we have. It is also a project through which we demonstrated our capability to make things happen," Abiy Ahmed noted in his message.

Moreover, he said that "We have high regard for the dam. Because it is the symbol of our sovereignty, it is also a bond that binds Ethiopians together. The construction would be completed during the coming rainy season. And we will start filling the water."

However, he pointed out that the outbreak of the Coronavirus epidemic has significantly impacted the project as the government has to also focus on preventing the spread of it. And he called upon Ethiopians that the fight against COVID 19 should not obstruct Ethiopia's effort to complete the dam. He seems to be interested in making the resource mobilization effort a double aged-sword. The theme of the message he conveyed is, "We will reverse the spread of Coronavirus; we will complete building the dam."

According to Ethiopia's Minister of Water, Irrigation and Energy in Ethiopia, Seleshi Bekele, the dam is 72.4 percent completed. He also said that the government has put in place a robust Coronavirus prevention measure for those who are working on the national project.

US-brokered negotiation on the filling and operation of the dam ended without agreement. Ethiopia did not attend the last round of the talks, which was in Washington DC in late February, which prompted the United States to issue a command like a statement warning Ethiopia no to start filling the same without signing an agreement with Egypt and Sudan. Ethiopia rejected the US statement as inappropriate and disappointing. Currently, the negotiation is stalled.

Sudanese Prime Minister, Abdalla Hamdok, is reportedly interested in approaching both Ethiopia and Egypt to resume the talks.

In the weeks following the failure of the Washington negotiation, Egypt launched a diplomatic campaign in the Gulf countries and Europe while escalating rhetoric about possible military action. In early March 2020, Egypt mobilized members of the Arab League countries against Ethiopia. Members, except Sudan, signed a position statement that condemned Ethiopia. The next day Ethiopia announced that it rejects the statement from the Arab League.

In mid-March, Ethiopia responded by launching a diplomatic campaign to Nile riparian countries. While Egypt wants Ethiopia to adhere to what it calls "historical right" over the Nile River, Ethiopia's position is rooted in fair use of the water among all riparian countries.

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Middle East Monitor

## Ethiopia: 'We will start filling the Renaissance Dam by autumn'

Ethiopian Prime Minister Abiy Ahmed announced the start of the filling of the Renaissance Dam by next autumn, although no agreement has yet been reached with Egypt after Ethiopia's withdrawal from the Washington talks.

This was indicated in a statement by the Ethiopian prime minister's office, on the occasion of the ninth anniversary of the announcement of the dam construction in April 2011.

"Despite the challenges caused by the coronavirus pandemic, we expect to see the filling process at the Renaissance Dam for water storage in the early fall," announced prime minister Ahmed on Wednesday.

The rainy season in Ethiopia starts in June and continues until September.

He added: "If the Ethiopians work together, they will overcome the coronavirus and finish building the Renaissance Dam."

Ethiopian Minister of Irrigation Seleche Baqli disclosed that his country had already completed 72.4 per cent of construction work.

He added that his country aims to build the dam to take advantage of its natural right over the Nile, stressing that Ethiopia has no intention of harming the downstream countries.

The US administration made efforts to mediate between Egypt, Ethiopia and Sudan, to contain the escalating tension between the three countries over the Renaissance Dam. After hosting rounds of negotiations, the different parties produced a final draft agreement that was expected to be signed in the presence of the World Bank.

US mediation failed after Addis Ababa announced its objection to the draft final agreement on the Renaissance Dam crisis, after Khartoum submitted observations to the US team on the draft, and only Egypt signed the agreement.

Following objection to the draft agreement, the Ethiopian withdrawal from participation in the final signature was a severe blow to the negotiations.

Ambiguity prevailed on the issue, as the final agreement was not signed by the end of February, after years of negotiations.

Ethiopian withdrawal

On 29 February, the Egyptian Ministry of Foreign Affairs announced in a statement its decision to participate in the talks and sign the agreement, calling on Ethiopia and Sudan to adhere to the same approach, noting: "Egypt is eager for Sudan and Ethiopia to follow suit in accepting this agreement and signing it themselves as soon as possible, viewing the agreement as fair and balanced and reaching the common interests of all three countries."

Egypt expressed its regret for Ethiopia's "unjustified" absence from this meeting at this decisive stage of the negotiations.

For nine years, the dam project has been causing disputes, especially between Ethiopia and Egypt. Cairo is concerned about the potential negative impact of the dam on the flow of its annual share of the Nile River water, amounting to 55.5 billion cubic metres, while Sudan obtains 18.5 billion.

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Ethiopia Insight

**Why Ethiopia rejected the U.S.-drafted GERD deal**

The proposed drought-mitigation mechanisms were seen by Ethiopian negotiators as designed to protect Egypt's contested share of Nile waters.

Ethiopia Insight explains the details that informed this position.

After some progress in the Grand Ethiopian Renaissance Dam (GERD) negotiations since the U.S. Treasury and World Bank got involved in November, the process foundered on drought-mitigation demands that Ethiopia categorically rejected.

These relate both to the filling stage of the dam, which Ethiopia says will take five to seven years, and the long-term operation phase. Ethiopians say the negotiation for long-term operation became about water sharing, which should not have been part of the agenda. Rather they wanted discussions only on the reservoir operation that is restricted to the dam's inflows and outflows. But, after the last round of talks had run their course, the Ethiopian view was that Egypt and the U.S. proposed an un-amendable plan for permanent operation, which amounted to a "water-allocation" arrangement that effectively protects Egypt's claimed 55.5 billion cubic meters (bcm) annual share of Nile waters.

Aspects of the proposed agreement identify releases from the GERD without considering the inflow. Whatever the amount of water flowing in, Ethiopia is expected to release some amount under the pretext of drought mitigation. This has clear similarities with a water-sharing agreement that does not alter along with rainfall that fluctuates from year-to-year. Ethiopia wants the amount released to be based on inflow into the reservoir minus evaporation and local use, without specifying figures in advance.

According to experts from Addis Ababa, the way the issue has been dealt with does not amount to drought mitigation; rather, it is mitigation of water shortage in Egypt and Sudan. Egypt prefers to call it drought for two reasons, they say. First, it wants to use this to accuse Ethiopia of causing artificial drought in Egypt. Second, it transfers the responsibility for mitigation to Ethiopia. Otherwise, how can drought happen in the middle of the desert, the experts ask. If it was called water shortage instead, responsibility for mitigation would lie on all the three countries, with Egypt taking its fair share of responsibility.

Therefore the starting premise for the approach, negotiators from Addis claim, is that Ethiopia is obliged to mitigate downstream shortages, with no corresponding obligation on those countries to assist by, for example, applying water-saving technology, planting less water-consuming crops, or shifting their economies from agriculture to the industrial and service sectors. Furthermore, the agreement obliges Ethiopia to release the so-called 'natural flow'; thus ignoring Ethiopia's future upstream water uses for water supply, filling hydropower dams, or irrigation.

## Background details

GERD's reservoir's capacity is 74 bcm with water level at 640 meters above sea level (masl). The average flow of the Blue Nile at its entry to GERD is assumed to be 49 bcm a year. Of the 74 bcm, around 15 bcm, which is at a height of slightly less than 595 masl, is 'dead storage', meaning that it will stay in the reservoir as it represents the dam's 'minimum operating level' for the 13 turbines. This will be impounded over the first two years, with an added 3.4 bcm to act as a buffer, according to the Ethiopian plan.

The 25 bcm of storage above 625 masl is for annual releases to generate electricity, while the 25 bcm between the minimum operating level and 625 masl is an emergency drought reserve. Each year during operation in around September, after filling during the rainy season, the upper 25 bcm will be used to generate power, as will any inflow in excess of 25 bcm.

The initial Ethiopian plan, however, is to impound 4.9 bcm in the first year of filling to test the first two turbines. In the second year, another 13.5 bcm is needed to test the remaining turbines. Therefore, the volume stored after two years is 18.4 bcm. After this first two years of filling, Ethiopia's plan is to release a minimum of 31 bcm/year. This is the average annual flow of the Blue Nile Between 1979 and 1987, which were prolonged drought years during which the High Aswan Dam did not reach shutdown level, and Egypt was not significantly affected by water shortages.

According to Ethiopian negotiators, Egypt accepts that Ethiopia will impound from between 5 to 12 bcm in both the first two years. Assuming an average flow of the Blue Nile, this means releasing between 37 to 44 bcm downstream each year. However, from the third year, the U.S.-drafted agreement, which Egypt signed, proposes that drought-mitigation mechanisms kick-in. These are based on the suggested drought-mitigation mechanism for long-term operation.

## Drought mitigation

There are three drought-mitigation schemes proposed in the agreement for long-term operation.

### Mitigation (1): Annual Drought

If the annual inflow at GERD is less than 37 bcm, Ethiopia is to provide additional releases from GERD that depend on the storage in the GERD reservoir above 603 meters above sea level (masl). The releases would range between 0 to 14 bcm a year.

For example, if the incoming flow is a historically recorded low of 20 bcm and GERD is at 625 masl, then Ethiopia would release 20+14 = 34 bcm/yr. If the annual flow is 20 bcm and reservoir was lower at 615 masl, then the release would be 20+9 = 29 bcm/year. Other required releases based on existing reservoir volume and the river's flow would be proportional to those examples.

According to Ethiopian critics of the deal, this means GERD electricity generation proportionally drops, and Ethiopia may have difficulty in filling the reservoir again. Also, if an upstream development occurs leading to, say, an extra 5 bcm annual withdrawal, then this hydrological condition (less than 37 bcm/year inflow to GERD) would occur fairly frequently.

### Mitigation (2): Four-Year Drought

If the average annual release from the GERD over the preceding four hydrological years is less than 39 bcm, then GERD would release all the water stored above 603 masl—this could be at least 50 bcm, which is the volume stored between 603-640 masl—over the following four hydrological years, regardless of the hydrology during those years. These Four-Year Drought releases are excluding each Annual Drought release detailed in Mitigation (1).

This means that in the four years after a Four-Year Drought, to keep above the 39 bcm Four-Year Drought threshold each year, and assuming the reservoir starts at 625 masl, Ethiopia would annually release 39 bcm + 6.25 bcm Four-Year Drought release (25 bcm/4 years) + 1.5 bcm lost to evaporation = 46.75 bcm/year. Again, this does not account for any upstream developments that would lead to withdrawals.

The minimum annual release threshold therefore effectively moves from 37 bcm under the Mitigation (1) Annual Drought scenario to 46.5 bcm/year when the implications of the long-term drought-mitigation mechanisms are calculated—although that amount increases the more the reservoir volume starts above 625 masl. This also holds true for the third scenario.

Mitigation (3): Five-Year Drought

If the average annual release from the GERD over the preceding five hydrological years is less than 40 bcm, the reservoir would release all the storage above 603 meters (again, this could be at least 50 bcm) over the following five hydrological years, independent of the future hydrology. The average Five-Year Drought mitigation excludes the Annual Drought release.

Mitigation (3) means that in the years after a Five-Year Drought period, to keep above the Five-Year Drought threshold for the year, GERD would annually release 40 bcm+ 5 bcm for Five-Year Drought release (25 bcm/5 years) + 1.5 evaporation = 46.5 bcm/year. This is assuming the reservoir starts at 625 masl and without accounting for any future withdrawals upstream of GERD. If it starts at higher than 625 masl, more water would have to be released from the reservoir.

One of Ethiopian negotiators' main gripes is the interplay between the mitigation schemes, particularly the Four-Year and Five-Year drought scenarios. The use of the term "preceding" year is important. If Ethiopia releases less than 39 bcm on average during the four years and comes under the Four-Year Drought mitigation, and the fifth year makes the cumulative average less than 40BCM (as any additional flow that may come will be used to pay what it 'owes' under the Four-Year Drought mitigation and does not count towards annual releases), Ethiopia will have to release all the water above 603 over the next five years.

So, for example, if Ethiopia released less than 39 bcm on average during the first four years, it is expected to release 40 bcm plus one quarter of the amount stored above 603 masl over the next four years. If this mitigation-release amount is assumed to be 10 bcm, and the river's annual flow is the average 49 bcm, the annual release from the GERD—excluding the mitigation release—would be 39 bcm, taking Ethiopia into the Five-Year Drought mitigation scenario.

If such a situation occurs, Ethiopia would have two choices, the negotiators say. The first would be to store more water to create a higher head for power generation, and so move from one penalty scheme to another; or, release more stored water for mitigation, potentially risking the reservoir dipping below the minimum operating level.

Ethiopian negotiators say these conditions show that the Egypt-U.S. draft agreement is basically to help secure the 1959 agreement, which allocated 55.5 bcm of the Nile's waters to Egypt, by ensuring that almost the average 'natural' Blue Nile flow (49bcm/year) will continue downstream forever. This is why Ethiopia rejected the deal.

Compounding the claimed injustice, Egypt/U.S. added a clause stating that future developments upstream of the GERD may be undertaken without prejudice to this agreement—even though Ethiopia does not have any share of water in the agreement—in accordance with the applicable principles of international law of equitable and reasonable utilization, of not causing significant harm, and of cooperation.

Even in the filling period, in the end, Egypt introduced a concept, and the U.S./WB incorporated it, which constrains GERD. Egypt is willing to allow 5 to 12 bcm annual retention in GERD during the first two years of filling, but afterwards, Ethiopia must release what it has stored to mitigate in the event of the occurrence of the three types of drought described above. The only modification is that rather than releasing the 100 percent of storage above 603 masl, it has to let go 62.5percent (15.63 bcm if the total is 25 bcm) of the storage above 603 masl.

The way forward

Ultimately, as far as the Ethiopian experts are concerned, these conditions mean GERD's purpose is highly compromised by reducing the maximum power it can produce and by limiting its storage. For one thing, they complain, the dam above 625 masl (25 bcm) may after some time stand empty for good.

Ethiopia, therefore, for all the reasons stated above, sees this text as biased towards Egypt and Sudan. As a result, it has lost faith in the U.S.-led process. Technically, it sees the way forward as delinking filling with long-term operation—but that will likely be a hard sell in Cairo, which wants the existing agreement to be signed by Sudan and Ethiopia.

Ethiopia, however, says long-term operation can be arranged after a water and benefit-sharing agreement is done via the Cooperative Framework Agreement. In the meantime, after the GERD filling is completed, in case drought hydrology occurs, at the end of September (the end of the rainy period) Ethiopia says that in the spirit of cooperation it would provide an annual operation plan for that year, which the three countries would then discuss.

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**U.S. Department of the Treasury's Daily Communications Report**

*April 2, 2020*

**CATEGORIES**

- Border/Immigration
- Foreign Policy/National Security
- General Economy & Jobs
- Infrastructure
- Opioids
- Trade
- Other [Agriculture, Education, Energy etc.]

**BOOKINGS/INTERVIEWS**

- There are no bookings or interviews to report at this time. Updates will be provided as they become available.

**SECRETARY EVENTS AND TRAVEL**

- There are no secretary events or travel to report at this time. Updates will be provided as they become available.

**OTHER SENIOR OFFICIAL EVENTS AND TRAVEL**

- There are no senior official events or travel to report at this time. Updates will be provided as they become available.

**PRESS INQUIRIES**

- There are no press inquiries to report at this time. Updates will be provided as they become available.

**OP-EDS**

- There are no op-eds to report at this time. Updates will be provided as they become available.

**ROLLOUTS**

- There are no rollouts to report at this time. Updates will be provided as they become available.

**NEWSWORTHY/SUBSTANTIAL GRANTS**

- There are no grants to report at this time. Updates will be provided as they become available.

**Afternoon News Roundup**
**April 2, 2020**

**Secretary Steven Mnuchin**

- Politico: **Banks warn of chaotic launch of small business lending program**
- Yahoo Finance: **Here's the plan for how $349 billion in small-business loans will be administered**
- The Financial Times: **US rescue plan must be transparent, consistent and fast**
- MinnPost: **Rep. Dean Phillips authored a measure to oversee spending under the $2 trillion coronavirus relief package. Trump has pledged to sidestep it.**
- Forbes: **How Small Businesses Can Get Coronavirus Relief Through The CARES Act**
- CNBC: **Durbin denies Congress is rescuing airline shareholders with $50 billion bailout**
- The Washington Post: **Pelosi announces new select committee to oversee coronavirus response, setting up clash with Trump over $2 trillion law**
- MarketWatch: **Push for coronavirus 'war bonds' makes political sense, but if you're feeling patriotic, long-term Treasurys are better, expert says**
- Detroit Free Press: **5 reasons you might not be happy about stimulus checks**
- CNBC: **Pelosi announces new House committee to oversee Trump administration coronavirus response**
- Politico: **Pelosi forms new select committee to oversee $2 trillion coronavirus relief package**
- Ahram Online: **Filling GERD will begin this rainy season: Ethiopian PM**

**Treasury**

- Reuters: **Southwest Airlines to apply for U.S. government aid as demand craters**
- Reuters: **As U.S. Treasuries supply swells, impact to vary along yield curve**
- The New York Times: **How Jerome Powell's Unconventional Career Path Prepared Him for This Crisis**
- New Business Ethiopia: **Abiy urges Ethiopians to complete Nile Dam united**
- Borkena: **Ethiopian Grand Renaissance Dam will start filling water this year,says PM Abiy Ahmed**
- Middle East Monitor: **Ethiopia: 'We will start filling the Renaissance Dam by autumn'**
- Ethiopia Insight: **Why Ethiopia rejected the U.S.-drafted GERD deal**

**Secretary Steven Mnuchin**

Politico

**Banks warn of chaotic launch of small business lending program**
**They're concerned that the expectations the administration has publicly set are unrealistic.**

By ZACHARY WARMBRODT

Banks are warning that a $350 billion lending program for struggling small businesses won't be ready when it launches Friday because the Trump administration has failed to provide them with the necessary guidelines and set requirements for the loans that are unworkable.

The lenders complain that Treasury Secretary Steven Mnuchin boxed them in with an unrealistic deadline and that the ground rules they've been given for the program, which is intended to deliver rapid aid to a huge number of ailing businesses, could delay the assistance for weeks or longer.

The banks, which will be responsible for processing loan applications and doling out money, are expecting millions of applications from businesses. Some fear a disaster that could dwarf the failed kickoff of the Obamacare enrollment web site in 2013.

"Banks are ready and willing to lend, but they need clear rules of the road and a streamlined process to be able to get funding into the hands of small business owners in the coming days," said Greg Baer, president and CEO of the Bank Policy Institute, which represents the nation's biggest lenders.

The tensions illustrate the difficulties in store for distributing the record $2 trillion in aid that Congress made available last week in a sweeping economic rescue package. The potential failure to deliver small business aid as promised — one of the first big rollouts from the legislation — could deal a major blow to public confidence as a crippling recession looms.

That urgency was underscored on Thursday, when the Labor Department reported that unemployment claims soared to a record-smashing 6.6 million last week, more than double the previous week, signaling more economic pain from the coronavirus pandemic.

The part of the legislation at issue — known as the "Paycheck Protection Program" — was designed to ramp up government-backed loans to small businesses, which are especially vulnerable to a deep economic slump. Congress tried to make the loans more enticing by allowing the loans to be forgiven if borrowers keep paying their employees.

Yet banks not only have operational and technical questions about how the program will work but also bigger concerns about the degree to which they'll be responsible for verifying borrower information — and then held liable if things go wrong. The industry was subject to billions of dollars of fines and lawsuits after the 2008 financial crisis and doesn't want to repeat the experience.

A senior administration official said the agencies were doing all they could.

"Treasury and [the Small Business Administration], coordinating closely with the White House, are working at record speed to implement the Paycheck Protection Program," the official said. "SBA's top priority is making sure these programs are up and running as fast as possible to provide relief to American workers and businesses."

An issue of paramount concern for banks is the extent to which they'll be expected to vet borrowers before approving loans and distributing funds.

Those worries grew Tuesday after Treasury and the SBA released brief guidelines for lenders participating in the program. The Trump administration said banks would need to verify that a borrower was in operation as of Feb. 15 and had paid employees, while also confirming average monthly payroll costs.

Banks say the verification requirements could lead to substantial delays in issuing loans — a mandate that could create a lag of weeks or more as they establish the necessary procedures. They are seeking greater assurances that they won't be held liable if a borrower obtains a loan after providing misleading information.

Absent greater flexibility, banks see a scenario where the program at launch only works well for their existing small business customers — the ones they know well — while other potential borrowers miss out on the $350 billion.

"Banks are working to get money out the door as quickly as possible," said Consumer Bankers Association spokesperson Nick Simpson. "While the application has been significantly condensed, the verification process the government is requiring will likely take more time than many had originally hoped. Hopefully between now and Friday, we can further optimize the process."

In a memo responding to Treasury on Tuesday, banks said lenders should only be required to confirm that borrowers have completed the loan application in line with its instructions — not validate the information. Borrowers are required to certify the information they provided, and banks should only be expected to pass along that information to the SBA, they said.

Nor do they want to be subject to "unlimited potential liability for things that they cannot control."

"The choice in administering the program is binary: If the primary goal is to make many loans in a short period of time, then the process must be automated, and the lender must be able to rely on a borrower attestation," the banks told Treasury. "If the primary goal is for the loans to be underwritten to ensure on the front end that all program requirements are met, then lenders will need to establish a process — which will necessarily be manual — to ensure that payroll calculations and other requirements are met. This in turn will entail a delay of weeks or months as lenders establish the necessary policies and procedures and train their personnel."

Some banks are worried that the way the Trump administration is structuring the loans may even deter lenders from offering them in the first place.

In a letter Wednesday to Treasury and the SBA, the Independent Community Bankers of America said the 0.5 percent interest rate mandated by the administration was so low that for many banks "it will not be economic or feasible to participate in the program." The rate came as a surprise to banks after Congress decided to allow the rate to go as high as 4 percent.

The trade group, which represents the country's smallest lenders, also argued that the required two-year loan period — which Congress allowed to go as long as 10 years — was unreasonably short for struggling borrowers. Another concern is that the administration has provided little information on how the critical loan forgiveness part of the program will work.

The community bankers group is urging Treasury and the Federal Reserve to immediately create a "liquidity facility" that would provide funding for banks to make the loans and securitize any loan balances that aren't forgiven.

"Taking all of the above concerns into consideration, many banks have already indicated that they will not be able to use the program under the current terms," the group's president, Rebeca Romero Rainey, said in the letter. "Others will only use it for current customers, greatly limiting the purpose and potential of the Program. This would be an unacceptable lost opportunity at a time when we can least afford it."

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Yahoo Finance

## Here's the plan for how $349 billion in small-business loans will be administered

By Ben Werschkul

On April 3, with much fanfare, the $349 billion "Paycheck Protection Program" will begin to offer loans to small businesses around the country currently facing bankruptcy as the U.S. and other countries fight the global coronavirus pandemic.

"These loans will be forgiven as long as businesses keep paying their workers," President Trump said on Thursday adding, "on Friday, April 3, that's when it begins."

Throughout the week, Trump, Treasury Secretary Steven Mnuchin, senior administration officials, and even first daughter advisor to the president, Ivanka Trump, have been talking up the program and how it will help the economy.

Many questions remain – from exactly how the loan process will work in the age of social distancing to whether the banks will have the guidance they need to administer these loans. There's even a question a whether $349 billion will be enough.

Here's what we know right now. (Further information on the program is available at treasury.gov/cares and sba.gov/coronavirus.)

Who exactly is eligible for these loans
Loans are designed to cover U.S. businesses with 500 or fewer employees. That also includes nonprofits, veterans organizations, tribal business concerns, and sole proprietorships.

Businesses will be required to verify they were operational on Feb. 15 and that they have been negatively impacted by the coronavirus.

The SBA has provided a sample form to give a sense of what information will be needed. The exact application form will be determined by the financial institution actually administering the loan (more on that below).

The business will also need to provide evidence of the size of their payroll. This is key in determining the size of the loan. The loans can be made for up to 2.5 times the average monthly payroll of a business but can't exceed $10 million per business.

The loans are designed to "provide eight weeks of payroll and certain overhead to keep workers employed," said Mnuchin.

Where you go to get them
The biggest change in how these government loans will be administered is that you won't need to go to the government to get them.

Calling the plan an "unprecedented public-private partnership," Small Business Administrator Jovita Carranza said. The "goal is to position lenders as the single point-of-contact for small businesses – the application, loan processing, and disbursement of funds will all be administered at the community level."

The lending partners include any existing SBA lender (which includes thousands of banks), as well as any FDIC-insured institution, federally insured credit union, or Farm Credit System institution that is participating.

In addition, according to a senior administration official, other regulated lenders will be available soon to make loans "as soon as they are approved and enrolled in the program, which will happen rapidly."

Some banks have warned of a chaotic launch to the program given that the Trump administration has only provided limited guidance to banks on how to administer the loans.

"Banks are ready to do everything humanly possible to support U.S. small businesses," Consumer Bankers Association President Richard Hunt said in a statement, adding a note of caution that they are "ramping up an approximately $20 billion annual program to nearly $350 billion in just a few months."

Rep. Maxine Waters (D., CA), Chairwoman of the House Financial Services Committee, sent a letter to administration officials asking that community banks, credit unions, minority depository institutions, and Community Development Financial Institutions all "have the resources they need to participate" in the program.

Trump administration officials say the loans can be processed remotely to adhere to shelter-in-place orders and social distancing guidelines.

The hope is for as simple an application process as possible. The SBA has also promised to post information on its website for businesses to find lenders in their area.

How quickly the money will go out
With a stripped-down application process, officials promise that businesses will see loan approval quickly – perhaps even on the same day they apply.

The only requirement for lending institutions is that they verify the tax ID number with the Small Business Administration to ensure that a business has not already received a loan.

Officials repeatedly stressed that officials in Washington will not be making the actual decision on whether or not to grant the loan; that will be up to the lending institution.

If all goes well, "that loan is immediately booked," one official said. "Speed is the operative word," the SBA's Carranza said.

What happens if they run out of money?

The total funds available – $349 billion – may be actually used up quickly.

Banks are expecting millions of applications and, according to a senior administration official, the way that loans are going to be disbursed is "on a first come, first served basis."

Mnuchin has said that if the billions get used up, he will go back to Congress to ask for more money.

Businesses will also have access to another pool of money in a different part of the stimulus bill. The Federal Reserve and Treasury are set to stand up a $500 billion "big credit facility" as part of the economic recovery that will also provide funds – mostly in the form of loans – to businesses of varying sizes.

What the money can they be used for
If they want the loan to be forgiven, businesses participating in the Paycheck Protection Program will need to spend the money primarily on workers. Paying rent, interest on their mortgages, utilities, or other overhead costs are also acceptable for a portion of the money received.

"The loans will be forgiven as long as the funds are used to keep employees on the payroll and for certain other expenses," Mnuchin said.

If businesses don't maintain certain employment levels (based on who they had on the payroll on Feb. 15) then there is a provision where the amount forgiven will he reduced. When the time comes to ask for forgiveness, officials say businesses will be required to submit documentation showing bow they spent the loan money.

If the businesses follow the rules, according to administration officials, the entire loan will be forgiven, making it effectively a grant.

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The Financial Times

[US rescue plan must be transparent, consistent and fast
Taxpayers ought to receive a share of the upside after big business recovers]

Gillian Tett

The numbers just keep getting more shocking. Last week, the US set a record for new jobless claims with 3.4m; on Thursday the Department of Labor said that another 6.6m had lost their employment.

Can the new $2tn Coronavirus Aid, Relief and Economic Security Act stem this shocking tide? A first test comes on Friday when part of the act swings into action. Under the Paycheck Protection Plan, businesses with less than 500 staff will be able to apply for $350bn in loans, and 75 per cent of the total will be forgiven for companies that retain their staff.

A cynic might argue that this wave of cash — and acronyms — is too little, too late. In 2019, only half of America's small businesses had cash on hand to cover more than two weeks of costs, and those in poor neighbourhoods had less. Many have already folded or fired staff as a result of the pandemic.

But late or not, PPP has three merits. One is the focus on swift aid to workers. "I very much want people to sign up for this quickly," the Treasury secretary Steven Mnuchin said on Wednesday, predicting the funds could "cover about 50 per cent of the payroll of the private enterprises" in the US.

Second, Mr Mnuchin is willing to double down on this effort — if it works. "I have heard this will be so popular we will run out [of money]. If that is the case we will go back for more," he said.

Third, the design is relatively sensible, given the time constraints. Technically, it is being run by the Small Business Administration. But this lent just $28bn in the 2019 fiscal year.

So, Mr Mnuchin's team is asking private sector banks to dispense the cash instead, for substantial fees. They will use an admirably clear, two-page form that even a politician could understand. This promises to give applicants cash to cover 2.5 times monthly payroll costs, up to $10m, as long as they are US taxpayers. If 75 per cent is spent on salaries, the "loan" becomes a free grant.

This is not without risks. The Treasury is not asking the banks to conduct credit surveillance, so some fraud is likely. And since the funds will come from the government, the Treasury must create swift credit lines and legal protection for the lending banks or they will not participate. The US already suffers from a lamentably inefficient payments system. Mike Corbat, head of Citi, says bankers "are working round the clock" to prepare, there are alarming reports of a lack of readiness.

Even with the caveats, PPP deserves a cheer. It is probably no more costly to pay workers via companies than througb unemployment insurance. And keeping them in place should make it easier to restart economic activity when Covid-19 ebbs.

The really big worry, however, is around the rescue package for bigger companies. Some $500bn has been earmarked for companies with more than 500 staff that have been devastated hy the pandemic, including airlines and cargo groups. The bailouts will be partly implemented by boutique investment banks. Details remain scant.

To have any chance of success, the structure should include three things. First, "the overwhelming priority [must be] the protection of employees and not shareholders or bondholders," as Larry Summers, former Treasury secretary, said on Wednesday.

Second, taxpayers must enjoy some of the economic upside after a recovery. Rescue funds should be offered as an equity-like instrument, warrant or even super-senior debt. "If Boeing was to receive support without the government taking an equity claim it would be inappropriate," argues Mr Summers.

Third, there must be simplicity, consistency and clarity. The Tarp programme created to inject capital into the big banks during the 2008 crisis delivered this, after a false start. Henry Paulson, Treasury secretary at the time, "basically said to the banks here is your contract and sign it," recalls Gary Cohn, who was at Goldman Sachs in 2008. While Mr Cohn "hated" this heavy-handed approach, he says that "in hindsight it was the right thing to do — the more uniformity and less negotiation, the easier it is to get the money out".

It is alarmingly unclear whether Mr Mnuchin will heed those principles. Powerful corporate executives with close ties to President Donald Trump are begging for individual dollops of aid (including, outrageously, deep-pocketed private equity groups). The Treasury secretary must find the courage to resist piecemeal or sweetheart deals.

PPP has a chance of success because it is consistent, clear, speedy and worker-focused. To counter the spiralling joh losses, aid to big business must display the same principles — despite the unseemly lobbying under way.

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MinnPost

**Rep. Dean Phillips authored a measure to oversee spending under the $2 trillion coronavirus relief package. Trump has pledged to sidestep it.**

By Gabe Schneider

The last federal coronavirus relief bill, coming in at $2.2 trillion, is the largest stimulus bill in U.S. history. Rep. Dean Phillips wanted to make sure tbe money gets used in the way it's intended.

That's why Phillips wrote a bill, The COVID-19 Congressional Oversight Panel (COP) Act, that was included in the final 880 page legislative package that landed on the President Donald Trump's desk. Phillips' bill creates a Special Inspector General for Pandemic Recovery (SIGPR) to audit spending under the relief program and a congressional oversight panel.

But even as Trump signed the overall bill, he suggested that the oversight provisions authored by Phillips could be sidestepped by the White House.

"I do not understand, and my administration will not treat this provision as permitting the SIGPR to issue reports to the Congress without the presidential supervision required," the president's signing statement reads. Put in a different way, the White House concluded that the special inspector general's reports would be filtered through the White House first, potentially delaying Congress' access to oversight information indefinitely.

"I'm disappointed," Phillips said in an interview on Wednesday afternoon. "He sure wasted no time trying to challenge what most of us Democrats and Republicans in the House and Senate believe are important accountability mechanisms and oversight of the most massive distribution of tax payer dollars in human history."

How the bill is supposed to work

The SIGPR position in Phillips' legislation mirrors the special inspector general created to oversee 2008's Wall Street bailout: the Troubled Asset Relief Program (commonly known as TARP).

Appointed by the president with consent from the Senate, the inspector general's authority is broad: They can audit and investigate the sale of loans, loan guarantees, and investments made by the Secretary of Treasury in accordance with the bill. They can also issue subpoenas, as well as seek arrests and warrants. The office must submit reports to Congress quarterly. The office must also report back when any information is unreasonably denied.

Senate Democrats argue that contrary to the president's signing statement, the position was created to submit reports to Congress "without delay."

The second component, the congressional oversight panel, is responsible for overseeing the larger corporate bailout doled out by the Treasury and the Federal Reserve, reviewing loans, loans, guarantees, and investments.Unlike the SIGPR, the panel would have no authority to issue subpoenas. TARP also had a congressional oversight panel, which was notably chaired by of now-Sen. Elizabeth Warren (D-MA).

The language in the bill calls for the new panel to have of five members: one appointed by the Speaker of the House, one appointed by tbe Minority Leader of the House, one appointed by the Senate Majority Leader, one appointed by the Senate Minority Leader, and a Chair appointed by both the Speaker of the House and the Senate Majority Leader, with consultation from both minority leaders.

Watching intently

Prominent government oversight advocates were incensed by the president's signing statement.

Rebecca Jones, policy counsel at the Project on Government Oversight, said on Twitter: "Taxpayers should be furious about this … What if the statement said: "I don't understand these stimulus checks. I don't recognize them and so Treasury won't issue?"

On Tuesday, U.S. Sen. Sherrod Brown (D-OH), the Ranking Member of the U.S. Senate Committee on Banking, Housing, Urban Affairs, was the lead author of a letter to Treasury Secretary Steve Mnuchin. Mnuchin was responsible for negotiating the Senate bill for Republicans and is also responsible for overseeing much of the bailout. In the letter, Senators requested Mnuchin take the inspector general position seriously.

"This oversight authority was critical for gaining support for your request for over $500 billion to aid struggling companies, states, municipalities, and other troubled entities. Provision of these funds was conditioned on the SIGPR's creation," the letter reads. "As such, the SIGPR's unfettered operation is not only a legal necessity, but also a condition you personally agreed to – SIGPR's structure is your structure, and it imperative that you defend it."

On Fox News, Mnuchin said that the signing statement did not violate and does not compromise transparency: "There's constitutional issues and we're going to have full transparency and the way this works is we have full transparency and reporting what we're doing to the American public."

Phillips disagrees. If anything, he said, the oversight built into the legislation is not partisan and conservatives should have a vested interest in ensuring that oversight works as written. "I would argue that conservatives throughout the country who keep a very close eye in how the federal government appropriates and employs taxpayer dollars will be as loud as any constituency in the demand for that oversight."

Phillips also said that, although the president issued the signing statement, it's not clear if he'll go through with it. Should Congress need to, he said, they will respond.

“Even though the statement was issued, and was issued quickly, at this stage, no line has been crossed,” Phillips said.

“But we will be watching intently and act accordingly.”

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Forbes

## How Small Businesses Can Get Coronavirus Relief Through The CARES Act

Michelle Lambright Black, Founder of CreditWriter.com and HerCreditMatters.com, is a leading credit expert and personal finance writer with nearly two decades of experience in the credit industry.

Segments of the U.S. economy have nearly come to a halt in recent weeks as government officials have issued stay-at-home orders to minimize the spread of the coronavirus.

While meant to protect Americans' health, these directives have crippled many small businesses. Companies have also laid off workers, leading to record unemployment claims. More than 6.6 million Americans sought unemployment benefits in the fourth week of March alone.

To alleviate the economic impact of the coronavirus on both individuals and businesses, Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27. The legislation provides economic assistance to small businesses, including:

•The Paycheck Protection Program
•The expanded U.S. Small Business Administration (SBA) Economic Injury Disaster Loan program
•Updated business tax provisions

Additionally, there is a provision to send recovery checks of up to $1,200 to many taxpayers, which Congress hopes recipients will inject into the economy. Another section of the CARES Act creates a temporary Pandemic Unemployment Assistance Program that will run through Dec. 31, 2020.

Take note that while tbe act has been signed into law, some government websites may not have been updated yet to reflect the programs below. Here's what small businesses need to know.

The Paycheck Protection Program

One of the biggest lifelines to small businesses the CARES Act offers is the Paycheck Protection Program, which consists of $350 billion in government-backed loans to help companies maintain their payrolls througb June 2020. Eligible companies can apply to borrow up to 2.5 times their average eligible monthly payroll costs, up to $10 million, and interest rates on the loans will not exceed 4%. Depending on how much a business borrows and how it uses the funding, all of the loan—or a portion of it—might be forgiven.

What Businesses Are Eligible?

The program is designed for companies and nonprofit organizations with fewer than 500 workers, which includes full-time, part-time and other types of employees. Certain businesses with up to 1,500 workers are eligible, too, according to the U.S. Chamber of Commerce. People who are self-employed, sole proprietors, freelancers, contract or gig economy workers can also apply. Companies must have been operational on Feb. 15, 2020 to be eligible.

The program is flexible and generous compared to other SBA loan offerings: The loans do not require a personal guarantee or collateral, and applicants will not be asked if they were denied credit previously.

How Much Can You Borrow?

Companies should divide their payroll costs over the past year by 12 to determine their average monthly payroll, then multiply by 2.5 to find the maximum they can borrow, up to $10 million. Wages beyond $100,000 are excluded, as are payroll taxes, railroad retirement taxes, income taxes and compensation for workers who live outside the United States. Part-time employees and contractors are included in the payroll calculation.

If Company A paid $300,000 in eligible payroll to its workers and another $60,000 to contractors over the past 12 months, the average monthly payroll would be $30,000. So Company A could apply for a loan of up to $75,000.

How Does Paycheck Protection Program Loan Forgiveness Work?

Businesses that maintain their payroll levels—by paying workers at their normal rates for at least eight weeks after the loan is originated—will be eligible for forgiveness.

You can get loan funds forgiven if they were used to pay qualifying payroll costs, mortgage interest, rent or utility payments over the eight-week period. In the example above, if Company A received a $75,000 loan, and its payroll and qualifying expenses were higher than the amount borrowed, the total amount would be forgiven.

The amount forgiven will be reduced if a business reduces the number of full-time employees or reduces wages for employees earning $100,000 or less by more than 25%, based on the previous year's numbers. Businesses have until June 30 to reinstate employee numbers or salaries that changed between Feb. 15 and April 26 and maintain eligibility for loan forgiveness.

How to Apply for a Paycheck Protection Program Loan

Normally, SBA-backed loans are handled by a network of banks the organization works with, known as SBA-approved lenders. But while the SBA will still guarantee the loans, more banks will be able to issue Paycheck Protection Program loans.

Existing SBA lenders can start accepting applications from small businesses and sole proprietors on April 3, according to the Treasury Department, and from independent contractors and self-employed workers on April 10. New lenders can start making loans as soon as they've been enrolled in the Paycheck Protection Program. An online application, which must be submitted to a participating lender, is now available on the U.S. Department of the Treasury website.

Payback terms will be determined during the application process, and the interest rate cannot exceed 4%. Payments on Paycheck Protection Program loans will be deferred for six months.

While application guidelines are still being finalized, business owners will likely need to have proof of how long their companies have been in operation, where their businesses are located and documentation showing payroll expenses and revenue.

U.S. Rep. Anthony Gonzalez (R-Ohio) recommended to business owners during a webinar Tuesday that they be proactive witb their banks and ask what documents they'll need to provide before starting the application. U.S. Secretary of the Treasury Steven T. Mnuchin anticipates the first loans will be distributed by the end of the first week of April, Gonzalez said.

Expansion of the SBA's Economic Injury Disaster Loan Program

The CARES Act also introduced an expansion of the SBA Economic Injury Disaster Loan (EIDL) Program. The goal of the expansion is to offer financial support to more businesses experiencing reduced revenue due to the pandemic.

Historically, the SBA has offered disaster relief assistance to businesses, homeowners and renters in specific areas where federally declared disasters occurred. However, due to COVID-19, companies in all 50 states, Washington, D.C. and U.S. territories can apply for a disaster loan. They also can receive a $10,000 advance on the loan.

The EIDL program provides working capital to small businesses via low-interest loans in amounts of up to $2 million. Businesses pay an interest rate of 3.75%, while nonprofits will pay 2.75%. Loan terms can last up to 30 years, and are determined case by case.

Businesses can apply online for a disaster loan and the $10,000 advance. The SBA has simplified processing requirements for the application.

How Does the $10,000 Loan Advance Work?

Companies that have applied for a disaster assistance loan due to COVID-19 can request the $10,000 advance to help cover costs. If the loan application is approved, the SBA must distribute the advance within three days. Applicants are not required to repay the advance, even if they are subsequently denied an EIDL.

Those who receive an EIDL before the Paycheek Protection Program becomes available can refinance it into a loan through the Paycheck Protection Program in the future. Doing so might make the funds eligible for forgiveness. Even if the disaster loan is refinanced, the advance does not need to be repaid.

If a company reeeives a disaster loan, it can also borrow through the Paycheek Protection Program. However, the loan funds received must be used to pay for different expenses. If an EIDL was used to cover wages in April, for instance, then money derived from the Paycheck Protection Program cannot be used to cover payroll for those same employees.

## Updated Business Tax Provisions

The CARES Act also makes changes to some tax policies affecting small businesses. These include:

### Employee Retention Credit

Employers whose operations were fully or partially suspended due to a shutdown order, or whose gross receipts declined by more than 50% when compared to the same quarter a year ago, are eligible for a refundable tax credit. The 50% tax credit applies to wages paid to workers during the pandemic, up to $10,000. It is available for wages paid from March 13 to Dec. 31, 2020.

### Deferred Payment of Employer Payroll Taxes

Employers who do not receive forgiveness on a Paycheck Protection Program loan can delay payment of payroll taxes. This covers the employer share of the Social Security tax. Those who are self-employed can defer the payment of the employer share, too. The deferred tax payments must be paid back over a two-year period: Half by Dec. 31, 2021, and the remainder by Dec. 31, 2022.

## Recovery Rebate Checks and Pandemic Unemployment Assistance

The recovery rebate checks slated to be sent to U.S. taxpayers and the enhanced unemployment benefits under the CARES Act won't impact small businesses directly. But they could play a role in improving the overall economy and give small-business owners additional personal cash flow.

### Payments to Individuals

Most Americans will receive economic impact payments of up to $1,200. Married couples who file jointly will be eligible for up to $2,400. Families will receive $500 per qualifying child that is 16 or younger. If you haven't filed your 2019 tax return, the government will use your 2018 adjusted gross income to determine your payment.

The checks will be lower for single taxpayers who earn more than $75,000 in adjusted gross income and $150,000 for joint filers. Single filers earning $99,000 or more, and joint filers without children earning $198,000 or more, won't receive a payment. For those who are eligible, taxpayers who filed in 2018 or 2019 will receive the money using direct deposit information contained in their tax returns.

### Pandemic Unemployment Assistance

Many more individuals will qualify for unemployment assistance under the CARES Act. Those who are self-employed, are independent contractors or who have a limited work history will be eligible to receive benefits if they are unable to work as a result of the COVID-19 crisis.

Unemployment benefits have been extended to run through Dec. 31, 2020. The CARES Act also provides the unemployed with an additional $600 per week payment until July 31, 2020, paid for by the federal government. Furloughed workers are also eligible for unemployment benefits.

What's on the Horizon?

Small-business owners may be able to benefit from additional support from states and the federal government in the coming weeks and months. Regularly check Forbes' list of small business relief programs, plus resources provided online by the U.S. Department of the Treasury and tbe SBA, for ongoing updates.

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CNBC

Durbin denies Congress is rescuing airline shareholders with $50 billion bailout

KEY POINTS
-Sen. Dick Durbin told CNBC that airline shareholders are not getting relief from a $50 billion industry bailout passed last week as part of a $2 trillion coronavirus stimulus bill.
-He said lawmakers attached "strings" to what companies can do with the taxpayer money they receive.
-The Democratic whip said he wants to pass more federal response money as the crisis evolves.

The second-ranking Senate Democrat on Thursday denied that Congress rescued airline shareholders by passing a $50 billion industry bailout last week.

Lawmakers approved the taxpayer aid as part of a $2 trillion coronavirus relief package, the largest emergency spending plan in U.S. history designed to limit the economic destruction from the coronavirus pandemic. Commercial airlines have seen a dramatic drop in customers as the outbreak proliferates.

Pressed in a CNBC interview about whether elected officials put the concerns of airline shareholders over small businesses, Sen. Dick Durbin of Illinois said corporate stakeholders did not get preferential treatment. The Senate minority whip, whose state is home to United Airlines' headquarters, said he is "worried about the workers, the pilots, the flight attendants, the people in charge of maintenance."

"We've attached a lot of strings in terms of how this money's going to be spent and how these airlines are going to conduct their business after we see an end to this," Durbin told "Squawk Box."

"To say that we're rescuing shareholders — you know these stock prices are taking a beating and I don't think there's any rescue that's come through for these shareholders yet," he continued.

The $2 trillion stimulus package creates a $500 billion fund to help severely distressed businesses. Within that fund, $50 billion in aid is earmarked for passenger carriers, half in direct payments and the other half in loans and guarantees.

The law stipulates the companies have to use the grants exclusively for employee wages, salaries and benefits. They also have to temporarily stop stock buybacks and dividend payments to receive aid.

The legislation sets aside $8 billion for cargo carriers, half in direct payments and the other half in loans. It also provides $1 billion to $3 billion for the health costs of airline contract caterers.

But the structure of loans to airline carriers has yet to be determined, and airlines have until Friday to submit their proposals to the Treasury Department. Treasury Secretary Steven Mnuchin and others in the Trump administration have repeatedly said they want the government to make money off any aid to airlines, and that could be through equity stakes.

Members of Durbin's party have questioned the wisdom of the airline aid. They worry the bill did too much to boost struggling corporations but not enough to help Americans scrambling to cover bills after losing their jobs.

Airline stocks have taken a drubbing during the coronavirus crisis. Shares of industry titans United, Delta and American had plunged 58%, 49% and 43%, respectively, in the past month ahead of Thursday's stock market open.

While the companies' shares climbed in the days leading up to passage of the relief bill, they tailed off again in trading early this week.

Lawmakers have started to look ahead to another coronavirus response bill after the stimulus package, the third piece of emergency legislation approved during the pandemic. COVID-19 cases in the U.S. have topped 200,000, and roughly 10 million people filed new jobless claims in the past two weeks as businesses across the country shutter.

Durbin unequivocally called for a new bill Thursday, even as Republican leaders in the chamber say they want to wait to see how effective the last rescue bill is.

"I'm prepared to vote for more, period. No ifs, ands or buts about it," he said.

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The Washington Post

## Pelosi announces new select committee to oversee coronavirus response, setting up clash with Trump over $2 trillion law

### Move comes after Trump sought to limit powers of new inspector general

By Erica Werner and Paul Kane

April 2 at 12:45 PM
House Speaker Nancy Pelosi announced the creation of a new select committee Thursday with subpoena powers to scrutinize the Trump administration's response to the coronavirus pandemic, and its management of the new $2 trillion economic rescue law.

"Where there's money there's also frequently mischief," Pelosi (D-Calif.) said as she announced the creation of the special bipartisan panel she said would be focused on rooting out waste, fraud and abuse.

Pelosi's announcement comes amid growing clashes between congressional Democrats and the Trump administration about oversight of the new rescue legislation and a $500 billion fund controlled by the Treasury Department. President Trump has to appoint a new inspector general to oversee that fund but has already signaled opposition to the scope of that person's mandate.

[Coronavirus live updates]

Pelosi told reporters on a conference call that her new committee would be modeled after the World War II-era committee run by then-Sen. Harry Truman (D-Mo.), whose role in investigating the implementation of billions of dollars in defense contracts eventually led to his elevation to vice president.

She said that this new committee needed to serve as an everyday watchdog of the more than $2 trillion already allocated to fight the novel coronavirus and the virtual lockdown it has placed on the economy.

The House Select Committee on the Coronavirus, as Pelosi called it, will be chaired by Rep. James E. Clyburn (D-S.C.), who is the No. 3 Democratic leader as majority whip. No further details were provided about how many lawmakers would serve on the panel.

The new $2 trillion coronavirus spending law, enacted on Friday, included several oversight mechanisms but some Democrats are already expressing concern that Trump could try and minimize their scope.

The law established a new special inspector general to oversee the Treasury fund, a separate commission appointed by Congress also empowered to monitor that fund, and a Pandemic Response Accountability Committee, comprised of existing inspectors general from multiple agencies, to oversee the entire federal response to the coronavirus.

Republicans voiced immediate skepticism about Pelosi's move to stand up a new select committee.

"This seems really redundant," House Minority Leader Kevin McCarthy (R-Calif.) told reporters on a call following Pelosi's announcement.

McCarthy also expressed "concerns" about how the committee would be created since the House is on a long recess and no one knows when they are coming back given health concerns from the coronavirus. Several lawmakers have tested positive.

[Senate Democrats urge White House to quickly nominate new inspector general for coronavirus programs]

She said the new committee will have the full investigative authorities of any congressional oversight committee. "It's no use having a committee unless you have subpoena power," Pelosi said.

The select committee would supplement oversight mechanisms that Democrats pushed to include in the $2 trillion rescue package signed into law on Friday. Some experts are already questioning how effective those mechanisms can be.

Democrats have already called on Trump to quickly nominate a new inspector general tasked with overseeing how Treasury makes loans and loan guarantees as part of the $500 billion program. This process could take months, though, as the person must be nominated by the White House and confirmed by the Senate, which is not in session because of coronavirus fears.

Trump has already suggested he may try to block one of the inspector general's most important tools: the ability to alert Congress if the executive branch is denying requests for information.

"There's a bunch of oversight provisions [in last week's $2 trillion law], and they are not as muscular as one might want," said Adam J. Levitin, a professor at Georgetown University Law who played a key oversight role during the financial crisis bailout programs of 2008, and also consulted with Democrats on the oversight language in the new bill.

As Congress and the Trump administration negotiated the vast rescue bill, one comment from Trump unnerved Democrats perhaps more than any other, when he told reporters: "I'll be the oversight."

"Democrats were never going to let President Trump be the oversight," said Senate Minority Leader Charles E. Schumer (D-N.Y.). "It's why we put in multiple layers of robust oversight, accountability and transparency, and we're going to do everything we can to see that they are enforced."

But with just days to cobble together an enormous relief package, lawmakers modeled three new oversight mechanisms off of programs they had used in the past. This included the creation of a new inspector general, which was also created to monitor the $700 billion Troubled Asset Relief Program during the 2008 financial crisis and a congressionally appointed commission to monitor the program and produce monthly reports.

A third oversight piece -- a Pandemic Response Accountability Committee, comprised of existing inspectors general from multiple agencies -- will oversee the entire federal response to the coronavirus, including but not limited to the federal spending under the three pieces of coronavirus legislation enacted so far, and with a mandate to examine any future legislation.

Republicans and the Trump administration agreed to the provisions, although at lower funding levels than Democrats sought. In the case of the oversight of the Treasury fund, the provisions were among the last items agreed to as Schumer, Treasury Secretary Steven Mnuchin and Majority Leader Mitch McConnell (R-Ky.) exchanged offers during late nights at the Capitol last week.

Democrats also wrote in provisions requiring swift public disclosure of loans and prohibitions on loans going to any Trump organization business.

"We were fighting for major guardrails including limits involving the Trump family, so if you ask me about how we went from virtually nothing to what we got, I would tell you I think there was real progress," said Sen. Ron Wyden (D-Ore.), top Democrat on the Finance Committee. "There's obviously a lot more to do."

The limits of the oversight scheme in the legislation became apparent as soon as Trump signed it into law, when he issued a signing statement disputing the authority of the new inspector general to notify Congress if the executive branch was not providing requested information. Trump suggested he would not necessarily allow such notifications to occur. The signing statement also disputed a requirement for members of the Pandemic Response Accountability Committee to consult with Congress before hiring staff.

Neil M. Barofsky, who served as the first inspector general for TARP, said that for him, it was crucial to have the ability to notify Congress when an executive branch agency was failing to cooperate with a request for information. Such a notification -- or more often, the threat of one -- was the one real tool he had to force Treasury Department officials or others to produce information they were reluctant to divulge.

If Trump follows through on his signing statement and blocks the special inspector general from notifying Congress of resistance from the executive branch, "that potentially will hamstring the ability of the IG to be effective," Barofsky said.

"If they have no recourse … that could be very problematic," he said.

Pelosi's decision to create a special congressional committee will give lawmakers more access to information, as well as subpoena powers if they believe the White House isn't being forthcoming with key details.

The experience of TARP also made clear the importance of who was in key roles. Barofsky had an outspoken and activist approach, as did the chair of TARP's version of the Congressional Oversight Commission, Elizabeth Warren. Warren was tapped for the panel by then-Senate Democratic Leader Harry Reid (Nev.), and was elected by fellow members to chair it. The structure of the coronavirus Congressional Oversight Commission, however, is slightly different, specifying that it will be chaired by the member selected jointly by McConnell and Pelosi. It may be difficult for the two of them to agree on a selection, and then it might not be a person who is outspoken in either direction.

"There are a lot of things the administration could do to try to frustrate oversight, starting with the special IG for pandemic recovery efforts," said Levitin, who had served as special counsel to Warren's oversight panel. "Will the president put forth a nomination? How fast will he act? And will he put forward someone who is likely to take a close look at things or twiddle his or her thumbs?"

The administration has not said when or if Trump will nominate someone for the job, and who that person might be. A senior administration official, speaking on condition of anonymity to discuss internal deliberations, said the administration is focused on the immediate demands of getting money out the door to individuals and businesses who need it.

Another senior administration official said Trump is deeply skeptical of inspectors general and saw the move to add the provision to the relief package as a way to undercut or hurt him and his administration. He believes the inspector general could look for ways to criticize him and work with the Democrats, said the official, who also spoke on the condition of anonymity to describe the president's views.

The special inspector general for TARP is still in action more than a decade later, with an annual budget of more than $20 million and around 85 employees, said Christy Goldsmith Romero, the person who is now in that role. The agency continues to conduct audits and prosecutions and last year recovered nearly $900 million.

"Overall, during a crisis situation having a special IG at least for TARP helped gain the confidence of the American people and the markets, which was super important," Romero said.

However, the special inspector general for the coronavirus does not have such an open-ended mandate: The office will terminate five years after enactment of the law.

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MarketWatch

## Push for coronavirus 'war bonds' makes political sense, but if you're feeling patriotic, long-term Treasurys are better, expert says

By Jonathan Nicholson

**The 'Patriot Bonds' released after 9-11 didn't make much of a splash**

With U.S. borrowing costs at historic lows and people feeling a patriotic urge to do something in the war against a viral outbreak, the hot idea swirling around Washington is coronavirus savings bonds.

But it's not clear that the concept would be the most effective for the government, according to at least one economist.

What may make the most sense are longer-dated Treasury securities, the financial instruments traded by Wall Street firms, that could be sold by the billions of dollars at a time. Selling Treasury bonds that won't mature for several decades would allow the Treasury to lock in the low interest rates the government pays now and match them with long-term needs in infrastructure and elsewhere.

Indeed, Trump has fanned the speculation with occasional tweets noting how low interest rates are now. In a Tuesday tweet on the issue, Trump said, "With interest rates for the United States being at ZERO, this is the time to do our decades long awaited Infrastructure Bill." Federal-funds rates stand at a range between 0% and 0.25% after the Federal Reserve took emergency steps, twice slashing rates by a half-a-percentage point in March.

But what appears to be gathering momentum recently, pushed in part by conservative radio host Hugh Hewitt, are Main Street-targeted Treasury savings bonds, like the ones your grandparents might have given you as a childhood birthday gift. With maximum individual annual purchases capped at $10,000, those would probably raise much less money. And the last time the idea was tried, after Sept. 11, it barely made a ripple.

"It's unclear what the takeup would be," said Lou Crandall, chief economist with analytics company Wrightson ICAP LLC.

Hewitt floated the idea in a Washington Post op-ed, likening it to World War II savings bond drives and victory gardens.

"Citizens want to help. In many ways, we need to contribute," Hewitt wrote.

In Hewitt's vision, savings bond proceeds would be used for building hospitals, stockpiling medical equipment and boosting drugmaking capacity. "Prepare not just for the potential mutation of this virus into a deadlier form — as happened with the 1918 flu, by the way — but also for the next pandemic," he wrote.

Senate Majority Leader Mitch McConnell (R-Ky.) didn't shoot the notion down when he was on Hewitt's show, calling it "an interesting idea."

Sen. Dan Sullivan (R-Alaska) on Wednesday said, "Even this issue being floated about war bonds, things like a virus bond, where all Americans are going to have a role to play —if we could do things like that, I think there is a lot of bipartisan support."

CNBC host Jim Cramer tried to get Treasury Secretary Steven Mnuchin to embrace the idea in an interview Wednesday, saying Americans want a chance to buy "a specifically labeled bond that would help small business" recover.

While Mnuchin was noncommittal, he said the business lending programs put in place by the stimulus law enacted last Friday would already help on that front. "That should create a lot of liquidity and a lot of help for small businesses and American workers," he said.

A similar effort to sell savings bonds in the wake of the Sept. 11, 2001, terrorist attacks didn't make much of a splash. So-called "Patriot Bonds" were announced on Dec. 11, 2001, three months after the attacks. They were Series EE savings bonds, the run-of-the-mill bonds bought by the public, except they had the words "Patriot Bond" inscribed on them.

The bonds were discontinued in December 2011, when the Treasury stopped selling paper bonds at banks and financial institutions.

Unlike in World War II, savings bonds face tougher competition as a place to put money now. "U.S savers already have extensive options and there's a path dependency or there's just inertia" that makes changing those habits hard, Crandall said. "It's a powerful force."

If the government wanted more money, it would issue long-term Treasury bonds to be traded, instead. Series EE savings bonds outstanding at the end of February totaled $75.7 billion. In contrast, the amount of outstanding 30-year Treasury bonds was $2.414 trillion.

But going the long Treasury bond route has its own pitfalls, Crandall said. The Fed and the Treasury are more focused now on keeping the short-term bill sector —Treasury securities that mature in one year or less — functioning amid a global squeeze for the securities as a haven. Historically, Treasury has also tried to avoid looking like it was trying to time the market in timing its debt sales.

"In the short run, you don't want to upset the apple cart," Crandall said. "To launch a new instrument would just be a distraction to the dealer community during this particular period. But as we go farther into the summer, it may very well be a debate we have."

Issuing say 50- or 100-year COVID-19 Treasury bonds would provide only a fraction of the amount of borrowing Treasury will need for the stimulus and other recovery measures. But, noting tbe Treasury Department's proximity to the White House and President Trump, Crandall said that may not matter, in the end.

“It would certainly appeal to one audience a block over from the Treasury Building, so you can’t rule it out,” he said.

The yield on 10-year Treasury notes TMUBMUSD10Y, 0.621%rose slightly to 0.610% on reports of a truce in the oil market between Russia and Saudi Arabia. The yield on the 30-year TMUBMUSD30Y, 1.257%was up slightly to 1.265%.

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Detroit Free Press

5 reasons you might not be happy about stimulus checks

By Susan Tompor,

What's not to like about a stimulus check?

How can you grumble about $1,200 or more that could tide you over during the economic slump while the much of the country shuts down to engage in social distancing and combat the spread of the coronavirus?

Maybe the stimulus money can help you buy groceries, pay for medicine, be able to pay some bills while you're temporarily out of work.

As helpful as the money will be for many people, though, it's not making everyone happy. Here are five things some people don't like:

1. Too much confusion for the elderly or poor

First, some good news. In a key development, the U.S. Treasury Department and the Internal Revenue Service late on April 1 announced that Social Security beneficiaries who are not typically required to file tax returns will see payments for the stimulus automatically deposited into their bank accounts.

They do not have to file any new forms. They do not need to do anything.

We did not reach this point, though, without massive confusion. Just two days earlier, on March 30, the IRS issued an official release that claimed that some new simple form would need to be filed by some older consumers and others.

The new form was to be rolled out soon. OK, now it won't be.

Many people will be rightfully confused. Low-income taxpayers, senior citizens, Social Security recipients who live mainly on those benefits, some veterans and individuals with disabilities often do not make enough money to be required to file a tax return. So they were at risk of needing to file a simple form.

Many Democrats in Washington and advocates for the poor had been rightfully upset and concerned that millions of vulnerable people could end up with nothing here if they had to file some new form.

Michigan's Debbie Stabenow and Gary Peters were among a group of U.S. senators who sent a letter to Treasury Secretary Steven Mnuchin on April 1 outlining concerns about the added burden this requirement would place on retirees and others, especially given that volunteer tax sites are closed during the coronavirus epidemic.

The problem: If we're in the middle of a broad-based shut down where you're encouraged to stay home for your health, you might not find help to fill out any form.

Janet Holtzblatt, senior fellow at the Urban-Brookings Tax Policy Center, told me that the IRS statement March 30 was a surprise for many who thought that no new form would be required.

"Among low-income people — either Social Security beneficiaries or not — some people will not file even a simple return to claim the payment," she said, "possibly because they do not understand the process, they cannot get assistance because the IRS tax assistance services and volunteer tax preparation sites have been closed due to the outbreak, or they just don't know they are eligible for assistance."

Now, it appears that a bad idea is dead in its tracks. Even so, some confusion could remain. As of early Thursday, April 2, the IRS had not completely taken its earlier statement about the new 'simple tax return" off its site. It listed a short sentence at the top of that statement to indicate that you'd need to click here for new information for seniors, retirees on April 1, 2020.

The IRS also offered this update: "The IRS will use the information on the Form SSA-1099 or Form RRB-1099 to generate Economic Impact Payments to recipients of benefits reflected in the Form SSA-1099 or Form RRB-1099 who are not required to file a tax return and did not file a return for 2018 or 2019. This includes senior citizens, Social Security recipients and railroad retirees who are not otherwise required to file a tax return."

The IRS added: "Since the IRS would not have information regarding any dependents for these people, each person would receive $1,200 per person, without the additional amount for any dependents at this time."

2. Everyone won't get their money by late April

While many people are likely to receive stimulus money beginning the week of April 20, many issues could create delays for some individuals.

What if, for example, the IRS doesn't have your direct deposit information? You're going to have to wait. The IRS said Thursday: Taxpayers who have "previously filed but not provided direct deposit information to the IRS will be able to provide their banking information online to a newly designed secure portal on IRS.gov in mid-April."

Pay attention to www.irs.gov/coronavirus.

If the IRS does not have a taxpayer's direct deposit information, a check will be mailed to the address on file.

Watch your bank account to see if any money is directly deposited into it around the week of April 20 or later.

The amount is up to $1,200 each for individuals or up to $2,400 for married couples. Parents also receive $500 for each qualifying child under age 17.

You can expect to receive the full amount if you're a single person with an adjusted gross income of up to $75,000 or if you're a married couple filing a joint return and have an adjusted gross income of up to $150,000.

Some filers who make more could receive a reduced stimulus payment. The size of the check would be reduced by $5 for each $100 above those $75,000 and $150,000 thresholds.

You get nothing if you're single and your income is more than $99,000 and $198,000 for married couples filing a joint return with no children.

The good news: The Treasury Department and the IRS say stimulus money will be distributed automatically, with no action required for most people.

3. Money could be grabbed to cover old debt

Could a debt collector end up with your stimulus stash, if it's directly deposited into your account?

It remained a real concern Thursday, according to Lauren Saunders, associate director of the National Consumer Law Center. She said the Treasury Department needs to take action to make sure that stimulus payments aren't taken out of bank accounts by debt collectors.

On the one hand, the Treasury Department wants to move the money quickly into the hands of consumers who are facing financial hardships during the coronavirus pandemic. Direct deposit makes sense.

But Saunders noted that direct deposit can make it easier on debt collectors who may be dealing with old credit card bills and the like. The debt collector sues you and gets a judgment against you. The debt collector then presents the bank with garnishment orders.

Given that people have suffered a sudden loss of income, she said, many desperately need stimulus payments for their everyday survival.

She noted that Treasury could tap into a simple mechanism to protect stimulus payments from debt collectors, much like it is able to protect Social Security and other federal benefits from garnishment.

The Coronavirus Aid, Relief, and Economic Security Act protects stimulus payments from being reduced to pay certain debts owed to federal and state governments, such as federal student loan debt or past due income tax bills.

But the act does not specifically address garnishment or bank offsets for other debts. Instead, it gives Treasury the authority to issue rules and guidance.

By addressing such concerns early on, Saunders said, people would be able to provide direct deposit information to the Treasury Department and not be afraid of losing money to debt collectors. She says they wouldn't request a paper check instead.

4. You could get hounded by scammers.

Everybody — especially those who are overworked here or isolated at home — must realize that the crooks are out to get us.

The IRS on Thursday warned us to expect a surge of phony calls and email phishing attempts about the Coronavirus, or COVID-19.

"The IRS isn't going to call you asking to verify or provide your financial information so you can get an economic impact payment or your refund faster," said IRS Commissioner Chuck Rettig in a statement.

Don't click on any attachments. Don't react to any surprise emails that appear to be coming from the IRS.

Fraudulent websites and social media posts also will try to get , money or personal information.

"The IRS and its Criminal Investigation Division have seen a wave of new and evolving phishing schemes against taxpayers," according to the IRS alert.

Don't give your bank account information to anyone offering to "help" you submit information to the IRS or a new web-based system, either.

No one from the IRS or any other agency is going to reach out to you by phone, email, text, Facebook or in-person to deal with stimulus checks. No one.

5. Go to college? You may not get any money.

Many college students lost jobs on campus as dorms closed down and classrooms were shuttered during stay-home orders across most of the country.

College instructors switched to Zoom or other online only methods of teaching. But many students who might have picked up cash working at a local bar or restaurant in a college town lost jobs.

Yet if you're a dependent on your parent's tax return — as many college students are even if they'e in the late teens and early 20s — you're not getting a stimulus payment.

The Tax Policy Center estimates that about nine out of 10 households will get some stimulus money but not everyone will get the full amount. And some people will not get anything at all. For example, immigrants who don't have Social Security numbers will not be eligible for checks.

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CNBC

## Pelosi announces new House committee to oversee Trump administration coronavirus response

KEY POINTS
-House Speaker Nancy Pelosi announced a House select committee on the coronavirus pandemic.
-The panel, to be led by Majority Whip James Clyburn, will oversee the Trump administration's handling of the $2 trillion relief package passed last week.

House Speaker Nancy Pelosi on Thursday announced a new House select committee to oversee the Trump administration's response to the coronavirus pandemic.

On a conference call with reporters, the California Democrat said House Majority Whip James Clyburn, D-S.C., will lead the panel. Pelosi said the committee, which will include Democrats and Republicans, will oversee the Trump administration's handling of the $2 trillion relief package passed last week and the government's ongoing response to the crisis.

"We face a deadly virus and a battered economy with millions of Americans suddenly out of work," Pelosi said. "Congress has taken an important step in leading this crisis by passing three bills with over $2 trillion in emergency relief. We need to ensure those dollars are spent carefully and effectively."

The speaker said the committee "will root out waste, fraud and abuse" and "protect against price-gouging, profiteering and political favoritism." It will also try to ensure the U.S. response to the outbreak is "based on the best possible science" and the advice of leading health experts, Pelosi said.

In response to Pelosi's announcement, White House spokesman Steven Groves said President Donald Trump and the White House coronavirus task force "are committing 100% of their time, energy, and resources to ending the current crisis." He added that "any attempt to politicize the crisis even before it has ended is dangerous."

On a conference call with reporters Thursday, House Minority Leader Kevin McCarthy, R-Calif., called the panel redundant because of the oversight mechanisms built into the stimulus.

The Treasury Department did not immediately respond to CNBC's request to comment on the committee's formation.

Pelosi announced the panel's creation on a day the Labor Department reported that a staggering 6.6 million people filed unemployment claims last week as the outbreak ravages the economy. It brings the two-week total to about 10 million, an unprecedented figure as business grinds to a halt to slow COVID-19's spread around the country.

The U.S. has more than 216,000 cases of the disease, the most in the world, according to data compiled by Johns Hopkins University. At least 5,137 deaths have been linked to COVID-19 nationwide.

Congress will not return to Washington until April 20 at the earliest as the pandemic takes a dire toll. Pelosi has called to move forward with another relief bill shortly after lawmakers come back to the Capitol, though Senate Majority Leader Mitch McConnell has said he wants to first see how effective the earlier stimulus money is before making a decision.

The federal government faces a complicated task in quickly doling out the money appropriated to distressed individuals, small businesses, states and corporations. It will execute or help to oversee an estimated $300 billion in direct payments to households, $350 billion in loans to small firms, $500 billion in grants and loans for big business, states and municipalities, and the state distribution of an extra $600 per week in unemployment insurance for workers displaced by the virus.

The half-trillion dollar pool of taxpayer money sparked the most concern among Democrats as lawmakers crafted the relief bill. Pelosi at one point called it a "slush fund."

Congress eventually added an inspector general and congressional oversight posts to monitor how Treasury Secretary Steven Mnuchin uses the money. The law also includes limits on stock buybacks, dividends and executive compensation for companies that receive taxpayer bailout money.

Even so, some Democrats have argued the legislation did not go far enough to ensure corporations would not disproportionately benefit from the government relief.

Since the bill passed, Democrats have also pushed the administration to help states expedite unemployment insurance as reports indicate their systems have struggled to keep up with the flood of applicants.

Trump has repeatedly decried Democratic oversight of his administration since the party regained control of the House in January 2019.

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Politico

## Pelosi forms new select committee to oversee $2 trillion coronavirus relief package
"Where there's money there's also frequently mischief," she says.

By HEATHER CAYGLE, KYLE CHENEY and MELANIE ZANONA

Speaker Nancy Pelosi on Thursday announced the formation of a special bipartisan House committee to oversee the Trump administration's distribution of more than $2 trillion in coronavirus relief funds over the next several months.

The committee is Pelosi's most aggressive effort yet to streamline the House's efforts to hold President Donald Trump accountable for his implementation of the massive coronavirus response law, as well as to ensure that recipients of the historic taxpayer bailout use funds the way Congress intended.

"Congress has taken an important step in meeting this crisis by passing three bills with over $2 trillion in emergency relief. We need to ensure those dollars are spent carefully and effectively," Pelosi told reporters in a press call Thursday.

Pelosi said the committee would not only oversee the three bills Congress has passed so far to address the pandemic but also any future legislation related to the virus. Pelosi has been pushing to move ahead quickly with a fourth coronavirus response package, an idea she again pitched Thursday, noting the record high 6.6 million-plus unemployment claims reported earlier in the day.

"The panel will root out waste, fraud, and abuse and will protect against price gouging, profiteering, and political favoritism," Pelosi said.

"Where there's money there's also frequently mischief," the California Democrat added, saying, "We want to make sure there are not exploiters out there."

A slew of House committee chairs — from Oversight to Financial Services to Homeland Security to Intelligence — had indicated they wanted a piece of the sprawling investigations that are expected to unfold. The appointment of a select committee may help corral that energy and keep other committees focused on their day-to-day work. It will also ensure Pelosi has a tight grip on oversight decisions related to coronavirus, since the Democrats on the panel will be entirely members of her choosing.

House Majority Whip Jim Clyburn (D-S.C.), the chamber's No. 3 Democrat, will lead the panel, Pelosi said.

In addition, the panel will have a broader purview than some of the other oversight mechanisms Congress included in the new law to ensure the trillions in taxpayer relief funds are not misused by administrative officials or industries seeking the desperately needed aid.

But the effort is already running into a wall of resistance from top Republicans, who trashed the panel as unnecessary and raised concerns it would be used as a political weapon.

House Minority Leader Kevin McCarthy (R-Calif.) said the House already has multiple committees with jurisdiction over the issue and pointed out that lawmakers also tucked several oversight mechanisms into the rescue package.

The other investigative levers include a five-member congressional "Oversight Commission" that will be appointed by House and Senate leaders, charged with overseeing Treasury Secretary Steven Mnuchin's handling of a $500 billion fund meant to shore up industries, businesses and local governments damaged by coronavirus.

A newly created "special inspector general" inside the Treasury Department will also oversee the $500 billion fund. And a broader, more powerful committee of two dozen federal inspectors general, led by Pentagon watchdog Glenn Fine, will monitor the entirety of the $2 trillion law.

"Does the speaker not trust the [House] Oversight Committee?" McCartby told reporters on a conference call Thursday.

Rep. Greg Walden of Oregon, the top Republican on the House Energy and Commerce Committee, echoed a similar sentiment, calling the select committee a "mistake," "costly," and "duplicative."

It's unclear whether Republicans would allow Democrats to stand up the committee via unanimous consent. But McCarthy mentioned to reporters that there needs to be a floor vote on the panel, which he highlighted as another issue, given that lawmakers are away from the Capitol until at least April 20.

McCarthy said he missed a call from Pelosi Thursday morning, but plans to connect with her in the afternoon or evening.

Some House Democrats have also called for a panel modeled after the 9/11 Commission to do a comprehensive review of the origins of the coronavirus outbreak in the United States and whether government failures contributed to the crisis. Pelosi emphasized that her select committee would be meant to provide a real-time check on the implementation of the law and would not be a substitute for a such a commission that might be established later.

"This select committee is about the here and now," Pelosi said. "Is there a need for an after action review? Absolutely ... But I don't want to wait for that because we are in the action now."

Pelosi's announcement comes days after Trump vowed to ignore certain oversight provisions written into the massive rescue package signed into law last week. He reiterated his administration's position that congressional mandates on reports to Congress can be unconstitutional and left unclear whether he'll comply with some of the oversight requirements that convinced many Democrats to sign onto the measure.
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Ahram Online

**Filling GERD will begin this rainy season: Ethiopian PM**

Ethiopia's Prime Minister Abiy Ahmed announced on Wednesday that his country will be starting the filling of the Grand Ethiopian Renaissance Dam (GERD) this coming rainy season as the construction of the dam is progressing well, according to Ethiopia's state news agency ENA.

Ethiopian officials had earlier said the process will take place during the July and August wet season.

Abiy made the remarks on the ninth anniversary of the start of construction on the GERD, which commenced in 2011.

The Ethiopian prime minister added that "Ethiopia faces two challenges, namely the outbreak of coronavirus and the completion of the dam."

"The dam is a valuable resource the public treasures most," he said, noting that the government, in collaboration with the public, will complete the dam and fight the virus relentlessly.

"The reason why we put huge emphasis on this dam is because it is a symbol of our sovereignty and unity," he stressed.

Tensions have been building between Egypt and Ethiopia over some technical details regarding the operation and filling of the dam.

Ethiopia hopes that the massive $4.8 billion project on the Blue Nile will allow it to become Africa's largest power exporter.

Egypt, which is downstream from the dam, fears that the project will diminish its share of Nile water, on which it is almost entirely reliant for its fresh water.

The US stepped in to host negotiations in November after the three countries announced that talks had reached a dead-end, and after Egypt asked for an international mediator.

However, the three countries were expected to sign a final deal on the GERD in late February, when the last meeting was scheduled to be held, but Ethiopia skipped the meetings, citing incomplete domestic discussions.

Egypt signed the deal and called on Ethiopia and Sudan to do the same.

Egypt has accused Ethiopia of "deliberately" impeding the course of negotiations, and the US Department of Treasury Secretary Steven Mnuchin said following the 28 February meeting that "the final testing and filling should not take place without an agreement."

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**Treasury**

Reuters

[Southwest Airlines to apply for U.S. government aid as demand craters]

Tracy Rucinski

Southwest Airlines Co (LUV.N) said on Thursday it intends to apply for U.S. government aid to help it ride out the sharp drop in travel demand caused by the massive lockdowns because of the coronavirus pandemic.

"We still don't know the severity of this situation. We still don't know how long it will last," Southwest Chief Executive Gary Kelly said in a video message.

Half of $50 billion in available aid for U.S. airlines is in the form of grants that would cover employee payroll through Sept. 30. The deadline to send applications to the U.S. Treasury department for the grants is Friday at 5:00pm ET.

"We have a team focused on that as we speak," Kelly said.

The grants are meant to protect jobs for the next six months and help airlines weather the downturn until demand begins to recover.

The other major U.S. carriers have also said they intend to apply for the grants, though the industry has pushed back on a condition that allows the U.S. Treasury to demand warrants or equity in exchange for the cash.

A group of unions representing more than 100,000 flight attendants warned on Wednesday that if the airlines were required to pay back the grants in full with an equity position of $25 billion, that would give the government the equivalent of a 40% stake in airlines in exchange for keeping workers on the payroll for six months.

It "effectively renders the payroll grants a poison pill that will cost us our jobs," the letter said.

Airlines have also continued to shore up liquidity on their own, with Southwest saying on Thursday it had drawn down $2.33 billion in credit and had $3.33 billion outstanding as of April 1, under the credit agreement. (bit.ly/2R2K6pO)

Airlines around the world are also seeking government aid to help them stay afloat, even as they roll out layoffs and capacity cuts.

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Reuters

As U.S. Treasuries supply swells, impact to vary along yield curve

Karen Brettell, Ross Kerber

(Reuters) - Bond investors are beginning to absorb a mushrooming supply of Treasury securities issued to pay for the new coronavirus stimulus plan, but how seamlessly the new debt is digested may depend on whether it is short or longer-term.

President Donald Trump last Friday signed into law a $2.2 trillion aid package, the largest ever, that includes sending checks to Americans with lower incomes, expanding unemployment benefits and rushing billions of dollars to medical providers on the front lines of the pandemic.

The Treasury has ramped up sales of short-term Treasury bills to finance this spending, and this is expected to continue. Longer-term, auctions sizes across the Treasury curve will need to increase, while the government is also expected to turn to new products and maturities to help increase demand for its debt.

"I think there are a lot of changes coming to the issuance calendar," said Gennadiy Goldberg, an interest rate strategist at TD Securities in New York.

The surge in issuance could provide some relief to short-term debt investors after bill yields turned negative, but risks sending yields on longer-dated debt higher and steepening the yield curve.

"On the front-end it's actually going to be a positive because bill rates have been trading negative and the more supply you get, the more that's going to bring it back into positive territory," said Subadra Rajappa, head of U.S. interest rate strategy at Societe Generale in New York.

Rajappa said that for longer-dated debt, "my concern is more, once we get past the near-term, how the market's going to react to this glut of supply, and if there is going to be a snap back to higher yields in a short period of time."

Higher long-term rates can burden tbe economy by making it more expensive for the government, companies and consumers to borrow.

Analysts at Wells Fargo on Tuesday forecast that net Treasury debt is likely to jump by $1.4 trillion in the second quarter, and by $2.8 trillion this year.

MOVING OUT THE CURVE

The government is expected to concentrate the bulk of its issuance in shorter-term paper, which should draw strong demand as long as the high demand for low-risk assets persists.

The Treasury Department has announced $330 billion in cash management bills in the past week - short-term securities issued to help it manage its immediate funding needs, sold in addition to regularly scheduled bill sales.

That could help ease stresses for money market fund managers that invest only in government debt, who have started to turn away new investments as demand for low-risk assets has surged and short-term Treasury bills turned negative.

Negative yields mean that an investor pays the government to hold the debt, making it difficult to cover fund expenses and generate returns.

Assets in money funds that invest only in U.S. government debt jumped to $3.50 trillion in the week ending March 31, from $2.65 trillion on Feb. 25, according to data by iMoneyNet.

The government will also need to increase the size of its longer-dated debt auctions over time. These increases are likely to be announced at the quarterly refunding on May 6, though they could come sooner.

On Thursday the Treasury modestly increased the size of next week's coupon auctions, adding $2 billion to its three-year sale and $1 billion each to its 10-year and 30-year auctions, compared with last month.

In addition to increases in auction sizes, analysts expect a number of new products to be launched, with new 4-year notes, 20-year bonds and floating-rate notes linked to the Secured Overnight Financing Rate (SOFR) among the most likely.

Federal Reserve bond purchases may be key to how well increases in longer-dated debt are absorbed by the markets.

The Fed has increased the size of its purchases in the past month in an effort to ease stresses in the Treasury market, which suffered from broad liquidity problems as investors rushed to sell assets across the board and raise cash.

The Fed's bond holdings jumped to a record $5.25 trillion on March 25, from $4.16 trillion on Feb. 26.

However, the Fed may not keep buying at that pace if market functioning returns to normal. This could be particularly so if the economy bounces back quickly once the virus is brought under control.

"If markets stabilize, they're probably not going to continue to buy securities," said Tom di Galoma, managing director at Seaport Global Holdings in New York. "I think it's going to cause some temporary log-jams, no doubt. You'll be caught between increased supply and the Fed buying securities."

Some of the probability of higher long-dated yields may already be priced into the Treasury yield curve, which has steepened since the beginning of March. The spread between two-year and 10-year notes US2US10=TWEB is now 38 basis points, up from a low of 2 basis points reached on March 9, though below the two-year high of 77 basis points hit on March 18.

"There will be pockets where it won't get absorbed, but mostly it will. That is why we have a positively-sloped yield curve despite how bad things are," said Andrew Richman, managing director of fixed income at Truist/SunTrust Advisory Services.

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The New York Times

## How Jerome Powell's Unconventional Career Path Prepared Him for This Crisis
## His winding career path now seems to be a strength, not a weakness.

By Neil Irwin

When Jerome Powell was nominated to lead the Federal Reserve in late 2017, there was some tut-tutting about his seemingly unusual background for the job.

Some articles noted that he would be the first Fed chair without formal economic training since a notoriously inept Carter-era Fed chair, G. William Miller. Mr. Powell had a distinguished résumé, but also a winding career path that took him from corporate law to Wall Street deal making to public service. His predecessors, by contrast, were world-caliber experts in labor markets (Janet Yellen), monetary policy (Ben Bernanke) or economic forecasting (Alan Greenspan).

But now, as the world's most powerful central bank faces perhaps the gravest economic crisis of modern times, Mr. Powell's varied experiences appear to be a strength, not a weakness, with his areas of knowledge uncannily well suited to the woes confronting the world economy.

The challenge isn't really about diagnosing the problem. There is little disagreement on what is happening: A pandemic is necessitating the shutdowns of large swaths of economic activity.

The Fed is not trying to project exactly how high the unemployment rate will rise or how low the G.D.P. numbers will fall. It's trying to act swiftly and creatively to devise programs that can pump trillions of dollars into the economy.

Mr. Powell and his Fed colleagues, along with their counterparts at the Treasury Department, are essentially trying to ensure that however bad things get, American business is in position to return to functioning rapidly once the public health crisis subsides. The idea is that millions of unemployed Americans will have jobs to go back to when that day comes.

To do that, you need someone who understands the minutiae of how the Fed works and the legal details of its authorities. You want someone who understands the problems facing business and what might solve them, and who has the deft political touch to collaborate with the Treasury Department and Congress to carry out that mission.

Mr. Powell spent six years as a governor at the Fed focused on the not-very-sexy details, and is a lawyer by training. He worked in financial markets and in overseeing corporate buyouts in the private equity industry. And he worked at the Treasury Department in the early 1990s and has carefully cultivated relationships on Capitol Hill.

The situation has unfolded so rapidly that you also need someone who can push an often cautious Fed bureaucracy to act on a speed and scale commensurate with the crisis. Former colleagues describe Mr. Powell as a crisp decision maker.

"It's a unique situation, and Jay has the right attributes for dealing with it," said Nellie Liang, who worked closely with Mr. Powell on financial stability issues as a Fed staffer and now is a senior fellow at the Brookings Institution. "He's a person who can size up a situation very quickly and be decisive. I think he's really well suited for this situation."

In the space of just three weeks starting in late February, the Fed cut interest rates to zero, relaunched its program of bond buying on a mass scale, and initiated programs to support lending to all sorts of entities — sometimes more than one a day. It was as if actions that were spread out over 18 months during the 2008 financial crisis were squeezed into a single month.

"It's clear that he saw that this was a serious risk early, and scrambled the staff to start doing some serious work, because they've been able to roll out a lot of stuff very quickly," said William English, a former senior Fed staff member now at the Yale School of Management. "I credit that to Jay. I think his understanding of markets helped him to realize that this needed very serious attention early."

The Fed's era of mass-scale support for lending across all corners of the economy is only beginning. Mr. Powell essentially promised Congress and the Treasury Department that they could count on the Fed to help finance a gigantic lending program. The $2 trillion rescue legislation Congress passed last week includes $454 billion that can be paired with 10 times as much money from the Fed to support trillions in lending.

"He told me, 'Think big,' because the interest rates are low,'" House Speaker Nancy Pelosi said of Mr. Powell in an interview with PBS NewsHour last week.

None of this assures success. The economic crisis the United States faces has no modern precedent. The central bank is already facing tough questions about why it hasn't done more to support lending to state and local governments, which are facing a fiscal crisis. And while it announced a "Main Street Business Lending Program" on March 23, aimed at small and midsize businesses, it is not yet up and running, and there are big open questions about how it might work.

In its rush, the Fed will face tough questions of where to draw the lines. For example, the emergency lending authority invoked for many of the new programs requires that lending must be "secured to the satisfaction" of the Fed, meaning expectations for repayment.

Depending on how risky the loans turn out to be and how prolonged the economic damage, the Fed could err either by making the programs too restrictive to sufficiently support growth, or so lax that the Fed violates the law.

And with trillions of dollars sloshing around, the central bank will face remarkable pressures from every would-be borrower to get its share. Mr. Powell will need to handle the delicate politics of those decisions and also create fair, transparent processes to decide exactly what types of lending the Fed will and won't do.

"The best the Fed can do is set very clear parameters," Mr. English said. "You have a program, it covers this set of entities, with this level of risk tolerance."

All of those types of decisions are hard, and require judgment from someone who understands the intersection of the legalities, the politics, the financial markets and the corporate world.

Mr. Bernanke, the Fed chair when the global financial crisis erupted in 2008, was a scholar of economic history who had studied how financial panics could create economic catastrophe.

That background wasn't the reason he was appointed to the job. But it allowed him to understand the peril that faced the world economy more quickly than most, and to persuade his colleagues to take extraordinary actions that prevented a slide to an even worse global depression.

Now, the biggest decisions are not so much about assessing the economic problem but about executing potential solutions. And for the second time in a dozen years, the United States central bank has a leader whose background, by sheer luck, seems a match for the moment.

For better or worse, Mr. Powell will probably be one of the most consequential central bankers in American history, as he deploys trillions of dollars in unprecedented ways. The question for the economy is whether his long and winding career path will enable him to get it right.

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New Business Ethiopia

## Abiy urges Ethiopians to complete Nile Dam united

Prime Minister Abiy Ahmed of Ethiopia todays urges all Ethiopians to unite and complete the Great Ethiopian Renaissance Dam (GERD), his country is building on the Nile River.

He urged all the citizens of Ethiopia to continue their financial contribution to complete the over 70 percent completed construction of GERD, which is set to begin filling water in the coming rainy season starting July. In his message entitled, 'We will prevent coronavirus and complete the dam', Prime Minister Abiy indicated that GERD is one of the precious wealth of Ethiopia. "The reason we give due emphasis for GERD is because it is symbol of our sovereignty and, it is also a bondage that tied us together. We will complete the construction and start filling water in the coming rainy season," he said.

He noted that GERD is not only the project Ethiopians have invest in by contributing money from their shortage (daily subsistence), but it is also a project that Ethiopians have shown the world their capacity to achieve great things. Prime Minister Abiy made the statement in commemoration of the ninth anniversary of the launching of GERD construction. He urged all Ethiopians to unite for preventing coronavirus spread and to the completion of GERD.

When completed Ethiopia's over $4.5 billion GERD will be the biggest hydroelectric power dam in Africa generating about 6,000 megawatts of electricity. meanwhile, one of the lower Nile river stream country, Egypt, which has been benefiting a lot from the river, has not been happy about GERD. It has been expressing its concern that GERD will reduce the water volume Egypt used to get from the Nile River.

Though negotiations among the major Nile riparian countries, Ethiopia, Sudan and Egypt has been going on for about a decade, so far no final deal is reached. The recent negation in Washington D. C, has also failed after Ethiopia refused to sign the deal reportedly 'drafted by the United Sates Government favoring Egypt'.

#Top of the Document

Borkena

Ethiopian Grand Renaissance Dam will start filling water this year,says PM Abiy Ahmed

**Ethiopian Grand Renaissance Dam is a symbol of sovereignty ; will be completed and start filling water during the coming rainy season , says PM Abiy Ahmed**

Ethiopian Prime Minister Abiy Ahmed said that the Grand Ethiopian Renaissance Dam would start filling water during the rainy season this year, which is about two or so months away.

He said so in a message he conveyed to Ethiopians on the occasion of the ninth anniversary of the launch of the GERD Project.

"As we commemorate the ninth anniversary of the project at this critical time, we are facing two major challenges. One is the Corona epidemic. The other one is issues relating to the Grand Renaissance Dam itself," he said.

Ethiopia's policy focus for a long time now has been reducing poverty in the country, transforming the economy by way of developing the manufacturing sector for which energy supply is a key factor. The country's existing capacity for much-needed energy supply is weak. More than 65 percent of Ethiopia's 110 million population does not have access to electricity.

It was with that in mind that the Ethiopian government came up with the Grand Ethiopian Renaissance Dam project nine years ago. And the project has got a good reception among Ethiopians. Much of the finance needed for the project was mobilized locally through a bond sale and voluntary donation. Millions of Ethiopians have contributed to it financially, which is an added layer of sense of ownership.

"The Great Ethiopian Renaissance Dam is not just one that we paid for from the meager household income we have. It is also a project through which we demonstrated our capability to make things happen," Abiy Ahmed noted in his message.

Moreover, he said that "We have high regard for the dam. Because it is the symbol of our sovereignty, it is also a bond that binds Ethiopians together. The construction would be completed during the coming rainy season. And we will start filling the water."

However, he pointed out that the outbreak of the Coronavirus epidemic has significantly impacted the project as the government has to also focus on preventing the spread of it. And he called upon Ethiopians that the fight against COVID 19 should not obstruct Ethiopia's effort to complete the dam. He seems to be interested in making the resource mobilization effort a double aged-sword. The theme of the message he conveyed is, "We will reverse the spread of Coronavirus; we will complete building the dam."

According to Ethiopia's Minister of Water, Irrigation and Energy in Ethiopia, Seleshi Bekele, the dam is 72.4 percent completed. He also said that the government has put in place a robust Coronavirus prevention measure for those who are working on the national project.

US-brokered negotiation on the filling and operation of the dam ended without agreement. Ethiopia did not attend the last round of the talks, which was in Wasbington DC in late February, which prompted the United States to issue a command like a statement warning Ethiopia no to start filling the same without signing an agreement with Egypt and Sudan. Ethiopia rejected the US statement as inappropriate and disappointing. Currently, the negotiation is stalled.

Sudanese Prime Minister, Abdalla Hamdok, is reportedly interested in approaching both Ethiopia and Egypt to resume the talks.

In the weeks following the failure of the Washington negotiation, Egypt launched a diplomatic campaign in the Gulf countries and Europe while escalating rhetoric about possible military action. In early March 2020, Egypt mobilized members of the Arab League countries against Ethiopia. Members, except Sudan, signed a position statement that condemned Ethiopia. The next day Ethiopia announced that it rejects the statement from the Arab League.

In mid-March, Ethiopia responded by launching a diplomatic campaign to Nile riparian countries. While Egypt wants Ethiopia to adhere to what it calls "historical right" over the Nile River, Ethiopia's position is rooted in fair use of the water among all riparian countries.

#Top of the Document

Middle East Monitor

## Ethiopia: 'We will start filling the Renaissance Dam by autumn'

Ethiopian Prime Minister Abiy Ahmed announced the start of the filling of the Renaissance Dam by next autumn, although no agreement has yet been reached with Egypt after Ethiopia's withdrawal from the Washington talks.

This was indicated in a statement by the Ethiopian prime minister's office, on the occasion of the ninth anniversary of the announcement of the dam construction in April 2011.

"Despite the challenges caused by the coronavirus pandemic, we expect to see the filling process at the Renaissance Dam for water storage in the early fall," announced prime minister Ahmed on Wednesday.

The rainy season in Ethiopia starts in June and continues until September.

He added: "If the Ethiopians work together, they will overcome the coronavirus and finish building the Renaissance Dam."

Ethiopian Minister of Irrigation Seleche Baqli disclosed that his country had already completed 72.4 per cent of construction work.

He added that his country aims to build the dam to take advantage of its natural right over the Nile, stressing that Ethiopia has no intention of harming the downstream countries.

The US administration made efforts to mediate between Egypt, Ethiopia and Sudan, to contain the escalating tension between the three countries over the Renaissance Dam. After hosting rounds of negotiations, the different parties produced a final draft agreement that was expected to be signed in the presence of the World Bank.

US mediation failed after Addis Ababa announced its objection to the draft final agreement on the Renaissance Dam crisis, after Khartoum submitted observations to the US team on the draft, and only Egypt signed the agreement.

Following objection to the draft agreement, the Ethiopian withdrawal from participation in the final signature was a severe blow to the negotiations.

Ambiguity prevailed on the issue, as the final agreement was not signed by the end of February, after years of negotiations.

Ethiopian withdrawal

On 29 February, the Egyptian Ministry of Foreign Affairs announced in a statement its decision to participate in the talks and sign the agreement, calling on Ethiopia and Sudan to adhere to the same approach, noting: "Egypt is eager for Sudan and Ethiopia to follow suit in accepting this agreement and signing it themselves as soon as possible, viewing the agreement as fair and balanced and reaching the common interests of all three countries."

Egypt expressed its regret for Ethiopia's "unjustified" absence from this meeting at this decisive stage of the negotiations.

For nine years, the dam project has been causing disputes, especially between Ethiopia and Egypt. Cairo is concerned about the potential negative impact of the dam on the flow of its annual share of the Nile River water, amounting to 55.5 billion cubic metres, while Sudan obtains 18.5 billion.

#Top of the Document

Ethiopia Insight

## Why Ethiopia rejected the U.S.-drafted GERD deal

The proposed drought-mitigation mechanisms were seen by Ethiopian negotiators as designed to protect Egypt's contested share of Nile waters.

Ethiopia Insight explains the details that informed this position.

After some progress in the Grand Ethiopian Renaissance Dam (GERD) negotiations since the U.S. Treasury and World Bank got involved in November, the process foundered on drought-mitigation demands that Ethiopia categorically rejected.

These relate both to the filling stage of the dam, which Ethiopia says will take five to seven years, and the long-term operation phase. Ethiopians say the negotiation for long-term operation became about water sharing, which should not have been part of the agenda. Rather they wanted discussions only on the reservoir operation that is restricted to the dam's inflows and outflows. But, after the last round of talks had run their course, the Ethiopian view was that Egypt and the U.S. proposed an un-amendable plan for permanent operation, which amounted to a "water-allocation" arrangement that effectively protects Egypt's claimed 55.5 billion cubic meters (bcm) annual share of Nile waters.

Aspects of the proposed agreement identify releases from the GERD without considering the inflow. Whatever the amount of water flowing in, Ethiopia is expected to release some amount under the pretext of drought mitigation. This has clear similarities with a water-sharing agreement that does not alter along with rainfall that fluctuates from year-to-year. Ethiopia wants the amount released to be based on inflow into the reservoir minus evaporation and local use, without specifying figures in advance.

According to experts from Addis Ababa, the way the issue has been dealt with does not amount to drought mitigation; rather, it is mitigation of water shortage in Egypt and Sudan. Egypt prefers to call it drought for two reasons, they say. First, it wants to use this to accuse Ethiopia of causing artificial drought in Egypt. Second, it transfers the responsibility for mitigation to Ethiopia. Otherwise, how can drought happen in the middle of the desert, the experts ask. If it was called water shortage instead, responsibility for mitigation would lie on all the three countries, with Egypt taking its fair share of responsibility.

Therefore the starting premise for the approach, negotiators from Addis claim, is that Ethiopia is obliged to mitigate downstream shortages, with no corresponding obligation on those countries to assist by, for example, applying water-saving technology, planting less water-consuming crops, or shifting their economies from agriculture to the industrial and service sectors. Furthermore, the agreement obliges Ethiopia to release the so-called 'natural flow'; thus ignoring Ethiopia's future upstream water uses for water supply, filling hydropower dams, or irrigation.

Background details

GERD's reservoir's capacity is 74 bcm with water level at 640 meters above sea level (masl). The average flow of the Blue Nile at its entry to GERD is assumed to be 49 bcm a year. Of the 74 bcm, around 15 bcm, which is at a height of slightly less than 595 masl, is 'dead storage', meaning that it will stay in the reservoir as it represents the dam's 'minimum operating level' for the 13 turbines. This will be impounded over the first two years, with an added 3.4 bcm to act as a buffer, according to the Ethiopian plan.

The 25 bcm of storage above 625 masl is for annual releases to generate electricity, while the 25 bcm between the minimum operating level and 625 masl is an emergency drought reserve. Each year during operation in around September, after filling during the rainy season, the upper 25 bcm will be used to generate power, as will any inflow in excess of 25 bcm.

The initial Ethiopian plan, however, is to impound 4.9 bcm in the first year of filling to test the first two turbines. In the second year, another 13.5 bcm is needed to test the remaining turbines. Therefore, the volume stored after two years is 18.4 bcm. After this first two years of filling, Ethiopia's plan is to release a minimum of 31 bcm/year. This is the average annual flow of the Blue Nile Between 1979 and 1987, which were prolonged drought years during which the High Aswan Dam did not reach shutdown level, and Egypt was not significantly affected by water shortages.

According to Ethiopian negotiators, Egypt accepts that Ethiopia will impound from between 5 to 12 bcm in both the first two years. Assuming an average flow of the Blue Nile, this means releasing between 37 to 44 bcm downstream each year. However, from the third year, the U.S.-drafted agreement, which Egypt signed, proposes that drought-mitigation mechanisms kick-in. These are based on the suggested drought-mitigation mechanism for long-term operation.

Drought mitigation

There are three drought-mitigation schemes proposed in the agreement for long-term operation.

Mitigation (1): Annual Drought

If the annual inflow at GERD is less than 37 bcm, Ethiopia is to provide additional releases from GERD that depend on the storage in the GERD reservoir above 603 meters above sea level (masl). The releases would range between 0 to 14 bcm a year.

For example, if the incoming flow is a historically recorded low of 20 bcm and GERD is at 625 masl, then Ethiopia would release 20+14 = 34 bcm/yr. If the annual flow is 20 bcm and reservoir was lower at 615 masl, then the release would be 20+9 = 29 bcm/year. Other required releases based on existing reservoir volume and the river's flow would be proportional to those examples.

According to Ethiopian critics of the deal, this means GERD electricity generation proportionally drops, and Ethiopia may have difficulty in filling the reservoir again. Also, if an upstream development occurs leading to, say, an extra 5 bcm annual withdrawal, then this hydrological condition (less than 37 bcm/year inflow to GERD) would occur fairly frequently.

Mitigation (2): Four-Year Drought

If the average annual release from the GERD over the preceding four hydrological years is less than 39 bcm, then GERD would release all the water stored above 603 masl—this could be at least 50 bcm, which is the volume stored between 603-640 masl—over the following four hydrological years, regardless of the hydrology during those years. These Four-Year Drought releases are excluding each Annual Drought release detailed in Mitigation (1).

This means that in the four years after a Four-Year Drought, to keep above the 39 bcm Four-Year Drought threshold each year, and assuming the reservoir starts at 625 masl, Ethiopia would annually release 39 bcm + 6.25 bcm Four-Year Drought release (25 bcm/4 years) + 1.5 bcm lost to evaporation = 46.75 bcm/year. Again, this does not account for any upstream developments that would lead to withdrawals.

The minimum annual release threshold therefore effectively moves from 37 bcm under the Mitigation (1) Annual Drought scenario to 46.5 bcm/year when the implications of the long-term drought-mitigation mechanisms are calculated—although that amount increases the more the reservoir volume starts above 625 masl. This also holds true for the third scenario.

Mitigation (3): Five-Year Drought

If the average annual release from the GERD over the preceding five hydrological years is less than 40 bcm, the reservoir would release all the storage above 603 meters (again, this could be at least 50 bcm) over the following five hydrological years, independent of the future hydrology. The average Five-Year Drought mitigation excludes the Annual Drought release.

Mitigation (3) means that in the years after a Five-Year Drought period, to keep above the Five-Year Drought threshold for the year, GERD would annually release 40 bcm+ 5 bcm for Five-Year Drought release (25 bcm/5 years) + 1.5 evaporation = 46.5 bcm/year. This is assuming the reservoir starts at 625 masl and without accounting for any future withdrawals upstream of GERD. If it starts at higher than 625 masl, more water would have to be released from the reservoir.

One of Ethiopian negotiators' main gripes is the interplay between the mitigation schemes, particularly the Four-Year and Five-Year drought scenarios. The use of the term "preceding" year is important. If Ethiopia releases less than 39 bcm on average during the four years and comes under the Four-Year Drought mitigation, and the fifth year makes the cumulative average less than 40BCM (as any additional flow that may come will be used to pay what it 'owes' under the Four-Year Drought mitigation and does not count towards annual releases), Ethiopia will have to release all the water above 603 over the next five years.

So, for example, if Ethiopia released less than 39 bcm on average during the first four years, it is expected to release 40 bcm plus one quarter of the amount stored above 603 masl over the next four years. If this mitigation-release amount is assumed to be 10 bcm, and the river's annual flow is the average 49 bcm, the annual release from the GERD—excluding the mitigation release—would be 39 bcm, taking Ethiopia into the Five-Year Drought mitigation scenario.

If such a situation occurs, Ethiopia would have two choices, the negotiators say. The first would be to store more water to create a higher head for power generation, and so move from one penalty scheme to another; or, release more stored water for mitigation, potentially risking the reservoir dipping below the minimum operating level.

Ethiopian negotiators say these conditions show that the Egypt-U.S. draft agreement is basically to help secure the 1959 agreement, which allocated 55.5 bcm of the Nile's waters to Egypt, by ensuring that almost the average 'natural' Blue Nile flow (49bcm/year) will continue downstream forever. This is why Ethiopia rejected the deal.

Compounding the claimed injustice, Egypt/U.S. added a clause stating that future developments upstream of the GERD may be undertaken without prejudice to this agreement—even though Ethiopia does not have any share of water in the agreement—in accordance with the applicable principles of international law of equitable and reasonable utilization, of not causing significant harm, and of cooperation.

Even in the filling period, in the end, Egypt introduced a concept, and the U.S./WB incorporated it, which constrains GERD. Egypt is willing to allow 5 to 12 bcm annual retention in GERD during the first two years of filling, but afterwards, Ethiopia must release what it has stored to mitigate in the event of the occurrence of the three types of drought described above. The only modification is that rather than releasing the 100 percent of storage above 603 masl, it has to let go 62.5percent (15.63 bcm if the total is 25 bcm) of the storage above 603 masl.

The way forward

Ultimately, as far as the Ethiopian experts are concerned, these conditions mean GERD's purpose is highly compromised by reducing the maximum power it can produce and by limiting its storage. For one thing, they complain, the dam above 625 masl (25 bcm) may after some time stand empty for good.

Ethiopia, therefore, for all the reasons stated above, sees this text as biased towards Egypt and Sudan. As a result, it has lost faith in the U.S.-led process. Technically, it sees the way forward as delinking filling with long-term operation—but that will likely be a hard sell in Cairo, which wants the existing agreement to be signed by Sudan and Ethiopia.

Ethiopia, however, says long-term operation can be arranged after a water and benefit-sharing agreement is done via the Cooperative Framework Agreement. In the meantime, after the GERD filling is completed, in case drought hydrology occurs, at the end of September (the end of the rainy period) Ethiopia says that in the spirit of cooperation it would provide an annual operation plan for that year, which the three countries would then discuss.

#Top of the Document

# Re: EIP payments - check memo line

**From:** (b)(6) [redacted]@treasury.gov>
**To:** "Crowley, Monica" <monica.crowley@treasury.gov>, "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
**Date:** Sun, 05 Apr 2020 12:51:43 -0400

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**Enthusiasm in these challenging times !**

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**From:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Date:** April 5, 2020 at 11:36:15 AM EDT
**To:** Morgenstern, Brian <Brian.Morgenstern@treasury.gov>, (b)(6) [redacted]@treasury.gov>
**Subject:** Re: EIP payments - check memo line

I vote for an exclamation point!

---

**From:** Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Date:** April 5, 2020 at 11:18:37 AM EDT
**To:** (b)(6) [redacted]@treasury.gov>, Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Fwd: EIP payments - check memo line

(b)(5) DP [redacted]

---

**From:** (b)(6) [redacted]@fiscal.treasury.gov>
**Date:** April 5, 2020 at 11:10:19 AM EDT
**To:** Lemons, Terry L <Terry.L.Lemons@irs.gov>, Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** (b)(6) [redacted]@fiscal.treasury.gov>
**Subject:** EIP payments - check memo line

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Good morning,

Fiscal Service needs guidance on what the memo line on the paper check will say. Do you have anything on this? We'll need to know as soon as we can as the checks could be going out as early as next week.

Thanks,

(b)(6) [redacted]
*Team Lead - Legislative, Media and FOIA*
(b)(6) [redacted]@fiscal.treasury.gov
*Office of Legislative & Public Affairs*
Bureau of the Fiscal Service
U.S. Department of the Treasury
(o:) (b)(6) [redacted]

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# Re: EIP payments - check memo line

From: "Crowley, Monica" <monica.crowley@treasury.gov>
To: [redacted]@treasury.gov>, "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
Date: Sun, 05 Apr 2020 12:53:26 -0400

I think a ◆◆is in order too

From: [redacted]@treasury.gov>
Date: April 5, 2020 at 12:51:44 PM EDT
To: Crowley, Monica <Monica.Crowley@treasury.gov>, Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
Subject: Re: EIP payments - check memo line

Enthusiasm in these challenging times !

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Date: April 5, 2020 at 11:36:15 AM EDT
To: Morgenstern, Brian <Brian.Morgenstern@treasury.gov>, [redacted]@treasury.gov>
Subject: Re: EIP payments - check memo line

I vote for an exclamation point! ◆◆

From: Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
Date: April 5, 2020 at 11:18:37 AM EDT
To: [redacted]@treasury.gov>, Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: Fwd: EIP payments - check memo line

(b)(5) DP [redacted]

From: [redacted]@fiscal.treasury.gov>
Date: April 5, 2020 at 11:10:19 AM EDT
To: Lemons, Terry L <Terry.l.lemons@irs.gov>, Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
Cc: [redacted]@fiscal.treasury.gov>
Subject: EIP payments - check memo line

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[redacted]
*Team Lead - Legislative, Media and FOIA*
[redacted]@fiscal.treasury.gov
*Office of Legislative & Public Affairs*
Bureau of the Fiscal Service
U.S. Department of the Treasury
(o:) [redacted]

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# Re: EIP payments - check memo line

**From:** "Morgenstern, Brian" (b)(6) [redacted] morgenstern,">
**To:** (b)(6) [redacted]@fiscal.treasury.gov>, "Lemons, Terry L" <terry.l.lemons@irs.gov>
**Cc:** (b)(6) [redacted]@fiscal.treasury.gov>
**Date:** Sun, 05 Apr 2020 12:59:49 -0400

(b)(5) DP [redacted]

**From:** (b)(6) [redacted]@fiscal.treasury.gov>
**Date:** April 5, 2020 at 11:10:19 AM EDT
**To:** Lemons, Terry L <Terry.L.lemons@irs.gov>, Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** (b)(6) [redacted]@fiscal.treasury.gov>
**Subject:** EIP payments - check memo line

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*Team Lead - Legislative, Media and FOIA*
(b)(6) [redacted]@fiscal.treasury.gov
*Office of Legislative & Public Affairs*
Bureau of the Fiscal Service
U.S. Department of the Treasury
(o: (b)(6) [redacted]

# Re: EIP payments - check memo line

From: brian.morgenstern@treasury.gov
To: [redacted]@fiscal.treasury.gov>, "Lemons, Terry L" <terry.l.lemons@irs.gov>
Cc: [redacted]@fiscal.treasury.gov>
Date: Sun, 05 Apr 2020 12:59:59 -0400

[redacted]

**From:** [redacted]
**Date:** April 5, 2020 at 11:10:19 AM EDT
**To:** Lemons, Terry L , Morgenstern, Brian
**Cc:** [redacted]
**Subject:** EIP payments - check memo line

# WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

From: "Crowley, Monica" <monica.crowley@treasury.gov>
To: Secretary Mnuchin
Cc: (b)(6) [redacted]@treasury.gov>, "Myers, Baylor" <baylor.myers@treasury.gov>
Date: Tue, 14 Apr 2020 21:08:39 -0400

Mr Secretary, for your awareness. They are all chasing this story now.

**Coming to your $1,200 relief check: Donald J. Trump's name**

Washington Post

Lisa Rein

April 14, 2020 – 8:46 PM

[>https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html<](https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html)

The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.

The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.

It will be the first time a president's signature appears on an IRS disbursement, whether a routine refund or one of the handful of checks the government has issued to taxpayers in recent decades either to stimulate a down economy or share the dividends of a strong one.

While some people receiving the checks — the centerpiece of the U.S. government's economic relief package to stave of the effects of the coronavirus pandemic — may not care, or observe, whose name appears on them, the decision is another sign of Trump's effort to cast his response to the pandemic in political terms.

Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who asked not to be named because they were not authorized to speak publicly.

But the president is not an authorized signer for legal disbursements by the U.S. Treasury. It is standard practice for a civil servant to sign checks issued by the Treasury Department to ensure that government payments are nonpartisan.

The checks will instead bear Trump's name in the memo line, below a line that reads, "Economic Impact Payment," the administration officials said.

The IRS will mail the checks to people for whom it does not have banking information. Many of them have low incomes.

The checks will carry the signature of an official with the Bureau of the Fiscal Service, the Treasury Department division that prints the checks. The checks will follow direct deposits issued in recent days to the bank accounts of about 80 million people. Those payments do not include Trump's name.

The decision to have the paper checks bear Trump's name, in the works for weeks, according to a Treasury official, was announced early Tuesday to the IRS's information technology team. The team, working from home, is now racing to implement a programming change that two senior officials said will likely lead to a delay in issuing the first batch of paper checks. They are scheduled to be sent Thursday to the Bureau of the Fiscal Service for printing and issuing.

Computer code must be changed to include the president's name and the system must be tested, these official said. A Treasury Department spokesperson, however, denied any delay and said the plan all along was to issue the checks next week.

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# Flagging: The Washington Post: Coming to your $1,200 relief check: Donald J. Trump's name

**From:** "(b)(6) [redacted]@treasury.gov>
**To:** DL Public Affairs <publicaffairsdl@do.treas.gov>, (b)(6) [redacted]@treasury.gov>, (b)(6) [redacted] <(b)(6) [redacted]@treasury.gov>, "Vaughan, Frederick" <frederick.vaughan@treasury.gov>, "Blum, Jonathan" <jonathan.blum@treasury.gov>
**Date:** Tue, 14 Apr 2020 21:09:40 -0400

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**From:** "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
**To:** "Crowley, Monica" <monica.crowley@treasury.gov>, "Kautter, David" <david.kautter@treasury.gov>, (b)(6) [redacted]@treasury.gov>
**Date:** Tue, 14 Apr 2020 21:12:03 -0400

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Getting requests to confirm this story

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**From:** (b)(6) [redacted]@treasury.gov>
**Date:** April 14, 2020 at 9:09:41 PM EDT
**To:** _DL_Public Affairs <PublicAffairsDL@do.treas.gov>, (b)(6) [redacted]@treasury.gov>, (b)(6) [redacted]@treasury.gov>, Vaughan, Frederick <Frederick.Vaughan@treasury.gov>, Blum, Jonathan <Jonathan.Blum@treasury.gov>
**Subject:** Flagging: The Washington Post: Coming to your $1,200 relief check: Donald J. Trump's name
**Importance:** High

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**From:** (b)(6) [redacted]@treasury.gov>
**To:** "Kautter, David" <david.kautter@treasury.gov>, "Lebryk, David" <david.lebryk@treasury.gov>
**Date:** Tue, 14 Apr 2020 21:12:18 -0400

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From: (b)(6) [redacted]@treasury.gov>
Date: April 14, 2020 at 9:09:41 PM EDT
To: _DL_Public Affairs <PublicAffairsDL@do.treas.gov>, (b)(6) [redacted]@treasury.gov>, (b)(6) [redacted] <(b)(6) [redacted]@treasury.gov>, Vaughan, Frederick <Frederick.Vaughan@treasury.gov>, Blum, Jonathan <Jonathan.Blum@treasury.gov>
Subject: Flagging: The Washington Post: Coming to your $1,200 relief check: Donald J. Trump's name
Importance: High

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**From:** "Lebryk, David" <david.lebryk@treasury.gov>
**To:** "Till, Gregory" <gregory.till@treasury.gov>, (b)(6) [redacted]@treasury.gov>, "Gribben, Timothy E." <timothy.gribben@fiscal.treasury.gov>, Jeffrey J. Schramek <jeffrey.schramek@fiscal.treasury.gov>, Ronda L. Kent <ronda.kent@fiscal.treasury.gov>
**Date:** Tue, 14 Apr 2020 21:32:25 -0400

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**From:** (b)(6) [redacted]@treasury.gov>
**Date:** April 14, 2020 at 9:12:19 PM EDT
**To:** Kautter, David <David.Kautter@treasury.gov>, Lebryk, David <David.Lebryk@treasury.gov>
**Subject:** Fwd: Flagging: The Washington Post: Coming to your $1,200 relief check: Donald J. Trump's name
**Importance:** High

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**From** (b)(6) [redacted]@treasury.gov>
**Date:** April 14, 2020 at 9:09:41 PM EDT
**To:** DL Public Affairs <PublicAffairsDL@do.treas.gov>, (b)(6) [redacted]@treasury.gov>, (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>, Vaughan, Frederick <Frederick.Vaughan@treasury.gov>, Blum, Jonathan <Jonathan.Blum@treasury.gov>
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But to critics and some IRS employees, many of whom started to learn of the decision on Tuesday, the presence of Trump's name on the checks reeks of partisanship in a corner of the government that touches all Americans and has, since the Nixon era, steadfastly steered clear of politics. After president Richard Nixon targeted a wide range of "enemy" groups for tax audits, including civil rights groups, reporters and prominent Democrats, Congress enacted laws to ensure that the agency conducts itself apolitically.

"Taxes are supposed to be nonpolitical, and it's that simple," said Nina Olson, who stepped down last fall after an 18-year tenure as the National Taxpayer Advocate, leading an arm of the IRS that helps individual taxpayers resolve tax problems, manages clinics for low-income taxpayers and advises the agency on service issues.

"It's absolutely unprecedented," Olson said.

She recalled that when the Bush administretion delivered economic rebate checks of $300 to $600 to taxpayers in 2001 to share the benefits of a strong economy, the White House asked the IRS to include in a letter to taxpayers a sentence that took credit for "giving you your money back."

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Chad Hooper, a quality-control manager who serves as national president of the IRS's Professional Managers Association, said he was appalled by what he called "an abuse of government resources."

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Erica Werner contributed to this report.

—

# Re: News Alert: In unprecedented move, Trump administration orders president's name to be printed on millions of Americans' stimulus checks

**From:** (b)(6) [redacted]
**To:** Aaron Lorenzo <alorenzo@politico.com>
**Date:** Tue, 14 Apr 2020 22:24:53 -0400

---

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Aaron Lorenzo <alorenzo@politico.com>
**Date:** April 14, 2020 at 9:24:03 PM EDT
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Fwd: News Alert: In unprecedented move, Trump administration orders president's name to be printed on millions of Americans' stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

(b)(6) [redacted] good evening, and apologies for the late note. But can you confirm the Wash Post news alert below? And add any details, if so? Such as the process behind this decision? Thanks much.
Aaron

Begin forwarded message:

---

**From:** The Washington Post <email@washingtonpost.com>
**Sent:** Tuesday, April 14, 2020 8:50:56 PM
**To:** Toby Eckert <teckert@politico.com>
**Subject:** News Alert: In unprecedented move, Trump administration orders president's name to be printed on millions of Americans' stimulus checks

Democracy Dies in Darkness

**News Alert** Apr 14, 8:50 PM

## In unprecedented move, Trump administration orders president's name to be printed on millions of Americans' stimulus checks

The decision means President Trump's name will appear on paper checks of $1,200 that the IRS will send soon to 70 million Americans. This will be the first time a president's name has appeared on an IRS disbursement.

**Read more »**

# Re: News Alert: In unprecedented move, Trump administration orders president's name to be printed on millions of Americans' stimulus checks

From: Aaron Lorenzo <alorenzo@politico.com>
To: (b)(6) [redacted]@treasury.gov>
Date: Tue, 14 Apr 2020 22:34:25 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

What about President Trump's signature? is it on the checks? Thanks.

On Apr 14, 2020, at 10:24 PM, "(b)(6) [redacted]@treasury.gov" <(b)(6) [redacted]@treasury.gov> wrote:

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

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**Date:** April 14, 2020 at 9:24:03 PM EDT
**To:** (b)(6) [redacted]
**Subject:** Fwd: News Alert: In unprecedented move, Trump administration orders president's name to be printed on millions of Americans' stimulus checks

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**Read more »**

# Re: Checks signature

**From:** "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
**To:** James Politi <james.politi@ft.com>
**Cc:** "Crowley, Monica" <monica.crowley@treasury.gov>, (b)(6) [redacted]@treasury.gov>
**Date:** Tue, 14 Apr 2020 22:40:56 -0400

Hey James, on background from a Treasury spokesperson-

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

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**From:** James Politi <james.politi@ft.com>
**Date:** April 14, 2020 at 9:49:54 PM EDT
**To:** Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Subject:** Checks signature

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi Brian - is it accurate that president Trump will sign his name on the economic impact relief payments ? Just wanted to check with you. Thanks James

--
James Politi
Financial Times
World Trade Editor
1667 K St NW Suite 825
Washington DC 20006
Tel: +12024340985
Mobile: +[redacted]
Twitter: @jamespoliti
Sign up to our Trade Secrets newsletter here :https://hyperlink.services.treasury.gov/agency.do?origin=https://bit.ly/2RjsYx7

---

# Re: checks

**From:** "Rubin, Richard" <richard.rubin@wsj.com>
**To:** "Morgenstern, Brian" <brian.morgenstern@treasury.gov>, Kate Davidson <kate.davidson@wsj.com>
**Cc:** "Crowley, Monica" <monica.crowley@treasury.gov>, [redacted]@treasury.gov>
**Date:** Tue, 14 Apr 2020 22:41:28 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks.

Adding Kate.

Can you confirm that the president's name will be in the memo line of the checks?

On Tue, Apr 14, 2020 at 10:39 PM <Brian.Morgenstern@treasury.gov> wrote:

Hey Rich, on background from a Treasury spokesperson-

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**From:** Rubin, Richard <richard.rubin@wsj.com>
**Date:** April 14, 2020 at 10:06:58 PM EDT
**To:** Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Subject:** checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hey - trying to confirm/understand the name on check stuff. Thx.

RR

--

Richard Rubin
The Wall Street Journal
(202) 862-6650 (W)
[redacted] (M)

Richard.Rubin@wsj.com
@RichardRubinDC

--

Richard Rubin

**The Wall Street Journal**
(202) 862-6650 (W)
(b)(6) [redacted] (M)

Richard.Rubin@wsj.com
@RichardRubinDC

# Re: WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

**From:** "Lebryk, David" <david.lebryk@treasury.gov>
**To:** "Myers, Baylor" <baylor.myers@treasury.gov>, "Kautter, David" <david.kautter@treasury.gov>
**Cc:** "Crowley, Monica" <monica.crowley@treasury.gov>
**Date:** Tue, 14 Apr 2020 22:45:03 -0400

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Correct

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**From:** Myers, Baylor <Baylor.Myers@treasury.gov>
**Date:** April 14, 2020 at 9:52:47 PM EDT
**To:** Lebryk, David <David.Lebryk@treasury.gov>, Kautter, David <David.Kautter@treasury.gov>
**Cc:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Fwd: WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

There is no delay, correct? Files are on track for Thursday?

---

**From:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Date:** April 14, 2020 at 9:08:40 PM EDT
**To:** Secretary Mnuchin [redacted]
**Cc:** (b)(6) [redacted]@treasury.gov>, Myers, Baylor <Baylor.Myers@treasury.gov>
**Subject:** WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

Mr Secretary, for your awareness. They are all chasing this story now.

**Coming to your $1,200 relief check: Donald J. Trump's name**

Washington Post

Lisa Rein

April 14, 2020 – 8:46 PM

>https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html<

The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.

The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.

It will be the first time a president's signature appears on an IRS disbursement, whether a routine refund or one of the handful of checks the government has issued to taxpayers in recent decades either to stimulate a down economy or share the dividends of a strong one.

While some people receiving the checks — the centerpiece of the U.S. government's economic relief package to stave of the effects of the coronavirus pandemic — may not care, or observe, whose name appears on them, the decision is another sign of Trump's effort to cast his response to the pandemic in political terms.

Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who asked not to be named because they were not authorized to speak publicly.

But the president is not an authorized signer for legal disbursements by the U.S. Treasury. It is standard practice for a civil servant to sign checks issued by the Treasury Department to ensure that government payments are nonpartisan.

The checks will instead bear Trump's name in the memo line, below a line that reads, "Economic Impact Payment," the administration officials said.

The IRS will mail the checks to people for whom it does not have banking information. Many of them have low incomes.

The checks will carry the signature of an official with the Bureau of the Fiscal Service, the Treasury Department division that prints the checks. The checks will follow direct deposits issued in recent days to the bank accounts of about 80 million people. Those payments do not include Trump's name.

The decision to have the paper checks bear Trump's name, in the works for weeks, according to a Treasury official, was announced early Tuesday to the IRS's information technology team. The team, working from home, is now racing to implement a programming change that two senior officials said will likely lead to a delay in issuing the first batch of paper checks. They are scheduled to be sent Thursday to the Bureau of the Fiscal Service for printing and issuing.

Computer code must be changed to include the president's name and the system must be tested, these official said. A Treasury Department spokesperson, however, denied any delay and said the plan all along was to issue the checks next week.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever," the spokesperson said in a written statement. She said this was a faster process than the stimulus checks the George W. Bush administration issued in 2008 to head off a looming recession.

"In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates," the statement said.

An IRS spokesperson referred questions to the Treasury Department.

The paper checks are scheduled to be issued at a rate of 5 million each week until September, starting with the lowest-income taxpayers. They're for taxpayers whose bank information is not on file with the IRS.

The $2.1 trillion stimulus, the government's largest and most recent coronavirus rescue package, was passed by a bipartisan Congress and signed by the president. The checks to individual taxpayers were not originally Trump's idea, but he embraced them after Sens. Josh Hawley (R-Mo.) and Mitt Romney (R-Utah) proposed them.

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Trump has repeatedly called the legislation "a Trump administration initiative" and placed himself singularly at the center of what the government is doing to help Americans during the coronavirus response — taking full credit.

About six months before he faces reelection, with his campaign on pause because the virus has prevented him from holding the rallies that are popular with his base, the checks provide Trump with a new form of retail politics. A check provides a touchable, bread-and-butter symbol to taxpayers right in their mailboxes.

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"It's absolutely unprecedented," Olson said.

She recalled that when the Bush administration delivered economic rebate checks of $300 to $600 to taxpayers in 2001 to share the benefits of a strong economy, the White House asked the IRS to include in a letter to taxpayers a sentence that took credit for "giving you your money back."

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About 150 million Americans and others are expected to receive the one-time payment. The first wave of recipients includes mainly people who filed a 2018 or 2019 tax return and gave the IRS their direct deposit information.

Under the stimulus plan, single filers earning up to $75,000 a year receive a payment of $1,200. Married couples earning up to $150,000 a year receive a payment of $2,400. Parents receive an additional $500 for each child under 17.

# Re: WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

**From:** "Crowley, Monica" <monica.crowley@treasury.gov>
**To:** "Lebryk, David" <david.lebryk@treasury.gov>, "Myers, Baylor" <baylor.myers@treasury.gov>, "Kautter, David" <david.kautter@treasury.gov>
**Cc:** (b)(6) [redacted]@treasury.gov>
**Date:** Tue, 14 Apr 2020 22:51:26 -0400

Thank you, Dave. Adding (b)(6 [redacted] Just to be clear: the files are moving on schedule from Fiscal to IRS on Thursday?

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**From:** Lebryk, David <David.Lebryk@treasury.gov>
**Date:** April 14, 2020 at 10:45:04 PM EDT
**To:** Myers, Baylor <Baylor.Myers@treasury.gov>, Kautter, David <David.Kautter@treasury.gov>
**Cc:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Re: WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

Correct

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**Date:** April 14, 2020 at 9:52:47 PM EDT
**To:** Lebryk, David <David.Lebryk@treasury.gov>, Kautter, David <David.Kautter@treasury.gov>
**Cc:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Fwd: WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

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**Date:** April 14, 2020 at 9:08:40 PM EDT
**To:** Secretary Mnuchin [redacted]
**Cc:** (b)(6) [redacted]@treasury.gov>, Myers, Baylor <Baylor.Myers@treasury.gov>
**Subject:** WaPo: Coming to your $1,200 relief check: Donald J. Trump's name

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**Coming to your $1,200 relief check: Donald J. Trump's name**

Washington Post

Lisa Rein

April 14, 2020 - 8:46 PM

>https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html<

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# Re: Checks signature

**From:** James Politi <james.politi@ft.com>
**To:** "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
**Cc:** "Crowley, Monica" <monica.crowley@treasury.gov>(b)(6) [redacted]@treasury.gov>
**Date:** Tue, 14 Apr 2020 23:14:46 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi Brian - thanks for the comment on the timing of the checks, which is a very useful clarification. But I was hoping you could also confirm that president Trump's signature will appear on the checks... thanks ! James

On Tue, Apr 14, 2020 at 10:40 PM <Brian.Morgenstern@treasury.gov> wrote:

Hey James, on background from a Treasury spokesperson-

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**Date:** April 14, 2020 at 9:49:54 PM EDT
**To:** Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Subject:** Checks signature

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--
James Politi
Financial Times
World Trade Editor
1667 K St NW Suite 825
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Tel: +12024340985
Mobile: +(b)(6) [redacted]
Twitter: @jamespoliti
Sign up to our Trade Secrets newsletter here :https://hyperlink.services.treasury.gov/agency.do?origin=https://bit.ly/2RjsYx7

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James Politi
**Financial Times**
World Trade Editor
1667 K St NW Suite 825
Washington DC 20006
Tel: +12024340985
Mobile: +[redacted]
Twitter: @jamespoliti
Sign up to our Trade Secrets newsletter here :https://hyperlink.services.treasury.gov/agency.do?origin=https://bit.ly/2RjsYx7

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# POTUS name on Stimulus Checks/Timing

**From:** "Cook, Sara" <cooks@cbsnews.com>
**To:** "Crowley, Monica" <monica.crowley@treasury.gov>, "Miller, Rebecca" <rebecca.miller@treasury.gov>, [redacted]@treasury.gov>
**Date:** Tue, 14 Apr 2020 23:41:02 -0400

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Can you confirm the Washington Post report that the Treasury Department has ordered for President Trump's name to be printed on the stimulus checks being sent out by the IRS? Will this have an impact on the timing of their delivery? Will his signature be in the memo line below a line reading "Economic Impact Payment," as the report suggests? Is this the first time a president's signature has appeared on an IRS disbursement? And how long has this decision been in the works? Any guidance or statements you are able to provide would be greatly appreciated.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# Fwd: POTUS name on Stimulus Checks/Timing

**From:** "Crowley, Monica" <monica.crowley@treasury.gov>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 07:00:45 -0400

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**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 14, 2020 at 11:41:39 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>, [redacted]@treasury.gov>
**Subject:** POTUS name on Stimulus Checks/Timing

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Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# Re: Guidance on checks/names

|  |  |
|---|---|
| **From:** | [redacted]@treasury.gov |
| **To:** | jordyn.b.phelps@abc.com |
| **Date:** | Wed, 15 Apr 2020 07:06:03 -0400 |

Jordyn,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Date:** April 15, 2020 at 6:26:47 AM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Guidance on checks/names

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov ******

Hey Monica - Hoping you can provide something in the way of guidance before GMA on these Treasury checks.
Would you wave me off reporting that the president's name is going to be on there?
It's my understanding that his name will be printed on the checks.
It's also my understanding that the checks will still go out on time, that there won't be a delay because his name is getting added.
Tried your cell but it's going straight to voicemail.

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) [redacted] | @jordynphelps

# Re: Guidance on checks/names

**From:** "Phelps, Jordyn B." <jordyn.b.phelps@abc.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 07:07:06 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks [redacted]

So to be clear -- you are not pushing back on the president's name being added to these checks?

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) [redacted] | @jordynphelps

**From:** [redacted]@treasury.gov [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 7:06 AM
**To:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Subject:** Re: Guidance on checks/names

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**Date:** April 15, 2020 at 6:26:47 AM EDT
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**Subject:** Guidance on checks/names

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Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) [redacted] | @jordynphelps

# Comment on coronavirus stimulus checks / delays - Yahoo Finance

From: Ben Werschkul <benw@yahoofinance.com>
To: Treasury Public Affairs <press@treasury.gov>
Cc: [redacted]@treasury.gov>, [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 07:42:25 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

# Re: Guidance on checks/names

**From:** (b)(6) [redacted]
**To:** "Phelps, Jordyn B." <jordyn.b.phelps@abc.com>
**Date:** Wed, 15 Apr 2020 09:00:49 -0400

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**No, I don't know, so I cannot confirm**

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**From:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Date:** April 15, 2020 at 7:07:12 AM EDT
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: Guidance on checks/names

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]

So to be clear – you are not pushing back on the president's name being added to these checks?

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

**From:** (b)(6) [redacted]@treasury.gov (b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 7:06 AM
**To:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Subject:** Re: Guidance on checks/names

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Attributable to Treasury spokeswoman

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**Subject:** Guidance on checks/names

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# Re: Guidance on checks/names

**From:** "Phelps, Jordyn B." <jordyn.b.phelps@abc.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 09:03:00 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

OK thanks
Please keep me posted as you all get answers
The White House is referring all questions to Treasury
So right now we are in a situation where something is being reported that the Treasury Department is authorizing, but that no one in the administration can provide guidance on
To state the obvious, it's very problematic for us

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 9:00 AM
**To:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Subject:** Re: Guidance on checks/names

No, I don't know, so I cannot confirm

---

**From:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Date:** April 15, 2020 at 7:07:12 AM EDT
**To** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: Guidance on checks/names

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]

So to be clear -- you are not pushing back on the president's name being added to these checks?

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

**From:** (b)(6) [redacted]@treasury.gov (b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 7:06 AM
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Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

# FW: POTUS name on Stimulus Checks

**From:** Treasury Public Affairs <press@treasury.gov>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 09:03:19 -0400

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Tuesday, April 14, 2020 9:41 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** POTUS name on Stimulus Checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

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https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# 04-15-2020 PA Senior Staff Notes

**From:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 09:14:11 -0400
**Attachments:** 04-15-2020 PA Senior Staff Notes.docx (96.32 kB)

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April 15, 2020

**Public Affairs Notes:**

**<u>This week:</u>**

- **Today, Wednesday, April 15,** Secretary Steven T. Mnuchin will participate in the G7 Finance Ministerial and Central Bank Governors Meetings via video conference. Closed press.

- **On Thursday, April 15, and Friday, April 16,** Under Secretary Brent McIntosh will participate in the International Monetary Fund and World Bank Meetings via video conference. Closed press.

**<u>SECRETARY MENTIONS</u>**

**Treasury Reaches Agreement With Airlines On Bailout Terms. (WSJ, FT, WP, NYT, REU, AP, POLITICO, USAT, NBCNEWS, CQRC, HILL, DMN, FOXB, FORBES, BIZINDER, MYAJC, CHIT)**

The Wall Street Journal (4/14, Sider, Davidson) reports the Treasury Department has reached an agreement with 10 of the 12 largest airlines on accepting the terms of the funding provided through the CARES Act. The Journal reports airline executives had been negotiating with Treasury Secretary Steven Mnuchin over the terms of the aid, as the airline officials believed they would not have to pay back grant money. However, Treasury was not willing to budge from its position. The Financial Times (4/14, Bushey, Politi) reports airlines and unions had resisted efforts by the government to attach strings to the aid.

The Washington (DC) Post (4/14, Aratani, Duncan) reports that under the terms of the agreement with the large airlines, 70 percent of the cash would be given to the airlines, but airlines would be required to pay back the remaining 30 percent. The government would also receive warrants equivalent to 10 percent of the money provided to the airlines. The Post says, "The deal comes despite the earlier objections from airlines, unions and some Democratic lawmakers to the administration's plan to impose conditions on the payroll grants," as Mnuchin had "signaled early on that the administration would demand an equity stake in airlines in exchange for providing aid."

The New York (NY) Times (4/14, Rappeport, Chokshi) reports Treasury announced that Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Hawaiian Airlines, JetBlue Airways, United Airlines, SkyWest Airlines, and Southwest Airlines have agreed to participate in the program, which will help the airlines pay their workforce through September. Mnuchin said, "We welcome the news that a number of major airlines intend to participate in the Payroll Support Program." He added, "This is an important CARES Act program that will support American workers and help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the taxpayers." Under the terms of the agreement, airlines will not be allowed to layoff workers through September. Airlines will also be barred from repurchasing stock or paying dividends through September 2021, and executive pay will be limited until March 2022.

Reuters (4/14, Rucinski, Shepardson) reports the Treasury Department said in a statement, "We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible." The Associated Press (4/14, Koenig) reports Mnuchin "said Tuesday that the department would work to finalize the deals and hand over the money as quickly as possible. He said talks were continuing with other carriers."

Politico (4/14, Adragna) reports Mnuchin said Tuesday, "Conversations continue with other airlines regarding their potential participation. Treasury is also working to review and approve applications for smaller passenger air carriers as quickly as possible and will provide further guidance for cargo carriers and contractors very soon. We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible."

USA Today (4/14, Woodyard) calls large airlines one of the "winners" of the CARES Act bailouts, despite a drop in enthusiasm after the Treasury Department "let it be known that any grant or loan will come with strings attached." USA Today says small airlines are "losers" even though Mnuchin said the Treasury Department "specifically created an exemption for small airlines that we can process very quickly." Both commuter airlines and low-cost airlines are concerned about provisions in the CARES Act that require them to maintain service despite a deep drop in demand.

Outlets providing additional coverage include NBC News (4/14, Atkinson), CQ Roll Call (4/14, Wehrman), The Hill (4/14, Coleman), Dallas (TX) Morning News (4/14, Arnold), Fox Business (4/14, Burman), Forbes (4/14, Bogaisky), Business Insider (4/14, Slotnick), and Atlanta (GA) Journal-Constitution (4/14, Yamanouchi).

***Tribune: Why Government Bailouts For United And Boeing Are A Bad Idea.*** The Chicago (IL) Tribune (4/14, Board) editorializes that a deal from Secretary Mnuchin to protect Boeing during the economic fallout caused by the COVID-19 pandemic is "in the works," but that "these exercises in corporate favoritism are a bad idea." The Tribune argues that Boeing "should be forced to do what millions of entrepreneurs and mom-and-pop businesses are doing: adapting to a traumatic but necessary shutdown of the economy and figuring out how to survive – without a generous rescue from taxpayers."

**Congress At An Impasse Over Providing Additional Small Business Funds. (USAT, HILL, BLOOM, CNN, POLITICO)**

USA Today (4/14, Hayes) reports, "Billions of dollars in additional relief for small businesses in danger of shuttering due to the coronavirus has been left in the crossfire as congressional leaders fight over what should be included in the emergency package." House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer, in a joint statement Monday, said, "We have real problems facing this country, and it's time for the Republicans to quit the political posturing by proposing bills they know will not pass either chamber and get serious and work with us towards a solution." The two leaders "have both talked with Treasury Secretary Steven Mnuchin about their demands and are hoping for a bipartisan compromise but the White House has already voiced opposition to including additional provisions in this small business package, which together, has left the future for the funds – which could dry up in days – up in the air."

The Hill (4/14, Bolton) reports Secretary Mnuchin and Leader Schumer "are expected to reach a deal this week on an interim coronavirus relief bill that would provide money to businesses, hospitals and state governments. The deal could lead to legislation being passed quickly through the Senate on Thursday, and through the House no later than early next week." Democrats "say that Mnuchin, who is spearheading negotiations for Republicans, is open to a deal" despite McConnell's apparent lack of interest in negotiating with Schumer and Speaker Pelosi. Mnuchin, "speaking at the White House on Monday, said legislation should focus on small-business programs and that other issues such as funding for state governments and hospitals should be dealt with separately – though he also expressed a willingness to work with Congress on getting money to various needs." Mnuchin said, "This was a bipartisan program. We should top up that program now. I know the Democrats want to talk about more money for hospitals and states. Right now we're just sending the money out to the hospitals and states. They haven't come close to using that money."

However, Bloomberg (4/14, Wingrove, Litvan, House) reports Senate Majority Leader Mitch McConnell, in a statement Tuesday, "made clear that he won't consider any additional funding beyond the $250 billion for the small business loan program, money he tried unsuccessfully to move through the chamber last week by unanimous consent." McConnell "reiterated that the Paycheck Protection Program is the only stimulus initiative at immediate risk of running dry." McConnell said, "President Trump, Secretary Mnuchin, and Senate and House Republicans simply want to add more funding for this job-saving program that both parties designed together. There is no time to insist on sweeping renegotiations or ultimatums about other policies that passed both houses unanimously."

CNN (4/14, Mattingly, Fox) reports Democrats "have held firm that any additional small business funds must be accompanied by additional funds for hospitals and states, as well as conditions on how that small business funding can be used. Mostly, however, they want negotiations over this interim package – and they thought they could get them through Treasury Secretary Steven Mnuchin." The Secretary "has become the go-to for both Speaker Nancy Pelosi and Democratic Leader Chuck Schumer, striking deals with both. Both have said in recent days Mnuchin seemed amenable to bipartisan talks – something McConnell and House Republican Leader Kevin McCarthy have rejected out of hand." Mnuchin "made clear during the White House news conference on Monday he was firmly on the side of McConnell and McCarthy (this may seem obvious, but multiple GOP aides legitimately weren't sure where Mnuchin was on this). The President joined him in that position."

***Green To Mnuchin: Allow Small Banks To Obtain PPP Loans.*** Politico (4/14, Warmbrodt) reports Rep. Al Green (D-TX), on a phone call "hosted by the House Financial Services Committee Tuesday...asked Treasury Secretary Steven Mnuchin whether he would consider allowing small banks to apply for Paycheck Protection Program loans. Green has argued that it would it would help banks avoid layoffs and even staff up as they work to get more money out to small businesses." Green said in an interview following the call, "The secretary gave me a response that has led me to believe this is of concern and that he will look into it. He did not make a commitment, but I appreciate the fact that he does take it as a concern to be reviewed."

**Cities, Localities Fear Missing Out On Covid-19 Stimulus Funds. (NEWSHR, KCSTAR)**

PBS NewsHour (4/14, Slodysko, Lardner) reports the National League of Cities and the US Conference of Mayors on Tuesday "released a survey of more than 2,400 local officials that found 88 percent of them 'anticipate the pandemic will lead to painful reductions in revenue this year' that will likely result in cuts to services, worker furloughs and layoffs. The groups said the outlook is 'particularly acute' for cities, towns and villages under the threshold." Amid the uncertainty, "the two advocacy groups and lawmakers have been urging Treasury Secretary Steven Mnuchin to ensure the relief fund money is fairly distributed. Guidelines for how the relief fund will operate are to be issued by the Treasury Department this week."

The Kansas City (MO) Star (4/14, Lowry) reports Kansas City "will likely have to coordinate with the governments of four different counties to get its share of federal coronavirus aid as the U.S. Treasury Department appears to have rebuffed pleas from city leaders for direct assistance." Kansas City Mayor Quinton Lucas "has repeatedly argued that the city should be eligible for direct aid based on projections by city planners that place the city's 2020 population at roughly 505,000." The CARES Act "set 500,000 as the threshold for a city or county to qualify for direct aid." Rep. Emanuel Cleaver (D-MO) "had sent a letter to Treasury Secretary Steve Mnuchin asking for him to use the city's internal numbers to allow it to receive direct aid, but the request was rebuffed." Cleaver said Monday in a statement, "It's not in my style to demonize the administration during a crisis, but, as the representative of Missouri's 5th congressional district, I am officially irked."

**Treasury Orders Trump's Name To Be Printed On Stimulus Checks Sent By IRS. (WP, NYT, NSWK, ABCNEWS)**

The Washington Post (4/14, Rein) reports the Treasury Department has "ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said." This "unprecedented decision" means "it will be the first time a president's signature appears on an IRS disbursement." According to the Post, "Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who spoke on the condition of anonymity because they were not authorized to speak publicly." The New York (NY) Times (4/14, Rappeport) and Newsweek (4/14, Villarreal) also report.

***Most Americans Have Not Received Stimulus Funds.*** ABC News (4/14, Alesse, Kolinovsky, Haslett, Tatum) reports, "It's been more than three weeks since the $2 trillion CARES Act was signed into law, but the vast majority of those who qualify for economic relief – some in multiple categories – have yet to see their share." The IRS last week "began depositing money into the bank accounts of those who meet the federal government's income qualifications for direct payments, and some Americans who receive unemployment benefits began receiving an additional $600 a week." However, "a large percentage of those who meet the criteria to receive one or both of those forms of assistance are still waiting." Secretary Mnuchin said Tuesday in a White House briefing, "We know how important that is to all of those hardworking Americans, many at home not working at the moment."

**Congressional Democrats Fear Criticizing Trump Could Jeopardize Needed Supplies For Their States. (POLITICO)**

Politico (4/14, Levine, Everett, Ferris) reports that while congressional Democrats "have spent four years berating Trump as unhinged and unprepared for a crisis," now, "they must work with the White House to save lives in their states – a reality that could spare Trump from some of their harshest attacks." Politico says some Democrats "have turned in recent days to Treasury Secretary Steven Mnuchin amid frustration with Trump." For example, Mnuchin "spoke with Sen. Jack Reed (D-R.I.) about the disbursement of funds to his state," and Mnuchin "is once again serving as the point man for negotiations with Senate Minority Leader Chuck Schumer (D-N.Y.) and Speaker Nancy Pelosi (D-Calif.) on the terms of the next relief package that will be at least a quarter trillion dollars."

**NYTimes Says Post Office Is Vital In Time Of Pandemic. (NYT)**

The New York Times (4/14) says in an editorial that the US Postal Service, which "could run out of money by the end of September...cannot be allowed to crumble in the midst of a national emergency. ... As this pandemic rages, its 600,000-plus employees are working to ensure that Americans receive their prescriptions and protective equipment and other essential items, no matter where they live." Lawmakers in March "sought to include a $13 billion grant for the agency in the $2 trillion coronavirus relief law. The effort was blocked by Treasury Secretary Steven Mnuchin, who warned that it would derail negotiations." Lawmakers "settled for a $10 billion loan – from the Treasury Department. Mr. Mnuchin has warned that any attempt to insert a postal bailout into the next relief package would be a non-starter."

## MAJOR DEPARTMENT MENTIONS

**Self-Employed Workers Seek Relief Loans. (FASTCOMP, CNBC)**

Fast Company (4/14) reports the CARES Act "included a $2 trillion stimulus package with specific provisions for the self-employed." CNBC (4/14, Mercado) reports self-employed people will need to have completed 2019 tax return when they apply for the Paycheck Protection Program. The Treasury Department is "telling self-employed people they'll need to have Schedule C of their 2019 tax return – a document that details the profit and losses of a small business – when they apply."

## POLITICO MORNING MONEY

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**BANKS START TO OPEN SPIGOTS** — Our Zachary "PPP" Warmbrodt: "Banks are beginning to open the spigot of the $350 billion small business rescue package that has suffered constant operational breakdowns since its hurried launch by the Trump administration on April 3, increasing the sense of urgency for Congress to replenish funding in the coming days.

"JPMorgan Chase on Tuesday was the first of the biggest U.S. banks to disclose how much money it had gotten into the hands of small businesses under the so-called Paycheck Protection Program: $9.3 billion … The head of the American Bankers Association said lenders have disbursed 'tens of billions.'"

**GAUGING IMPACT ACROSS THE ECONOMY** — Our Eli Okun: "The virus-induced economic freeze that descended across America last month has generated its share of stunning front-page images. But restaurants and airlines are far from the only industries that are hurting. And it's not just streaming services and videoconferencing platforms that are booming."

**FACT CHECKING TRUMP** — Our Tucker Doherty on what Trump has said versus what he's actually done on the coronavirus.

**NYC DEATH TOLL SPIKES** — Our Erin Durkin: "New York City's official coronavirus death toll has soared past 10,000, after thousands of deaths that previously went uncounted were added to the city's statistics."

**POWELL BACK IN GOOD GRACES?** — Cap Alpha's Ian Katz: "Have Fed Chairman Jay Powell's chances of being re-nominated increased substantially because of his assertive and well-regarded performance during this Coronavirus Crisis?

"The view here is yes, they have, but we still don't expect him to serve a second term if … Trump is re-elected. We think the chances are a little better if Joe Biden is elected. Powell's term as chairman expires in February 2022"

**THE MAN WHO HAS TO TRACK $2.2 TRILLION** — Bloomberg's Joshua Green: "On April 6, Bharat Ramamurti became the first person named to the Congressional Oversight Commission supposed to police the massive coronavirus relief fund. A former top staffer for Senator Elizabeth Warren, Ramamurti expected to have company -- the new law requires congressional leaders to appoint a five-member panel.

"He's still waiting. As tens of billions of taxpayer dollars from the $2.2 trillion relief bill begin flowing out the door, Ramamurti remains the lone member appointed to the panel. With no colleagues, no staff, and no office, he's had to rely on one of the few avenues he has to communicate with the public: his unverified Twitter feed."

**LOSSES EXTEND TO WHITE COLLAR JOBS** — WSJ's Eric Morath, Harriet Torry and Gwynn Guilford: "The first people to lose their jobs worked at restaurants, malls, hotels and other places that closed to contain the coronavirus pandemic. Higher skilled work, which often didn't require personal contact, seemed more secure. That's not how it's turning out.

"A second wave of job loss is hitting those who thought they were safe. Businesses that set up employees to work from home are laying them off as sales plummet. Corporate lawyers are seeing jobs dry up. Government workers are being furloughed … And health-care workers not involved in fighting the pandemic are suffering."

**BANKS COULD SEIZE STIMULUS PAYMENTS** — David Dayen in American Prospect: "[T]the money may not make it into the hands of those who need it to pay bills, buy food, or just survive amid mass unemployment and widespread suffering. Individuals might first have to fend off their own bank, which has just been given the power to seize the $1,200 payment and use it to pay off outstanding debt."

**NO TIME TO RAISE BIDEN CASH?** — CNBC's Brian Schwartz: "Democratic Party financiers are struggling to find the time to raise money for Joe Biden's campaign for president as they contend with the impact of the coronavirus on their businesses and personal finances.

"Several fundraisers and people close to them spoke to CNBC about how they are in a bind over how to prioritize Biden's bid to defeat … Trump this fall while they fight their own battles stemming from Covid-19, the disease caused by the coronavirus."

**FLY AROUND**

**JPMORGAN, WELLS FARGO PROFITS TUMBLE** — WSJ's David Benoit and Ben Eisen: "Big banks sent a clear message in first-quarter earnings Tuesday: This recession is going to be bad. JPMorgan Chase & Co. and Wells Fargo & Co. set aside billions of additional dollars to get ready for a flood of customers to default on their loans as the coronavirus pandemic pummels the economy.

"That sunk the banks' quarterly profits. JPMorgan and Wells Fargo are the first big U.S. banks to report first-quarter results, and act as a bellwether for the broader economy. Neither bank has yet seen a wave of loans go bad, but they are preparing for it as the economy plunges further into a presumed recession and millions remain out of work."

**SMALL BUSINESS LOAN FUNDS RUNNING OUT WITH CONGRESS STALLED** — Bloomberg's Josh Wingrove: "The $349 billion program to help small businesses reeling from the Covid-19 outbreak could be exhausted by Thursday, a top White House adviser said, but negotiations in Congress to replenish it remain stalled.

"'At the present run-rate, we're going to be out of money,' Larry Kudlow, President Donald Trump's chief economic adviser, said Tuesday on Fox Business Network. As of mid-day Tuesday, almost 1.1. million applications, totaling more than $257 billion, had been approved since the Small Business Administration program launched April 3."

**GLOBAL ECONOMY ALMOST CERTAINLY IN RECESSION** — WSJ's Josh Zumbrun: "The global economy has almost certainly entered a recession affecting most of the world, with a severity unmatched by anything aside from the Great Depression, the International Monetary Fund said Tuesday"

**HEDGE FUND MANAGERS CLAIMING BAILOUTS** — Bloomberg's Katherine Burton and Joshua Fineman: "Free money. That's the enticing prospect hedge funds and other trading firms are pondering after realizing they too might be able to participate in a historic U.S. stimulus package to keep small businesses alive through the coronavirus pandemic."

**TRANSITIONS** — Via memo from Dan Colarusso, SVP of CNBC Business News and Lacy O'Toole, Managing Editor of CNBC Business News: "We're happy to announce Katie Slaman is moving to become CNBC's San Francisco bureau chief. As technology companies and the cultures around them become an even bigger part of the global markets, Katie is the ideal person to guide our growing West Coast television presence."

April 15, 2020

**Public Affairs Notes:**

**This week:**

- **Today, Wednesday, April 15,** Secretary Steven T. Mnuchin will participate in the G7 Finance Ministerial and Central Bank Governors Meetings via video conference. Closed press.

- **On Thursday, April 15, and Friday, April 16,** Under Secretary Brent McIntosh will participate in the International Monetary Fund and World Bank Meetings via video conference. Closed press.

**SECRETARY MENTIONS**

**Treasury Reaches Agreement With Airlines On Bailout Terms. (WSJ, FT, WP, NYT, REU, AP, POLITICO, USAT, NBCNEWS, CQRC, HILL, DMN, FOXB, FORBES, BIZINDER, MYAJC, CHIT)**

The Wall Street Journal (4/14, Sider, Davidson) reports the Treasury Department has reached an agreement with 10 of the 12 largest airlines on accepting the terms of the funding provided through the CARES Act. The Journal reports airline executives had been negotiating with Treasury Secretary Steven Mnuchin over the terms of the aid, as the airline officials believed they would not have to pay back grant money. However, Treasury was not willing to budge from its position. The Financial Times (4/14, Bushey, Politi) reports airlines and unions had resisted efforts by the government to attach strings to the aid.

The Washington (DC) Post (4/14, Aratani, Duncan) reports that under the terms of the agreement with the large airlines, 70 percent of the cash would be given to the airlines, but airlines would be required to pay back the remaining 30 percent. The government would also receive warrants equivalent to 10 percent of the money provided to the airlines. The Post says, "The deal comes despite the earlier objections from airlines, unions and some Democratic lawmakers to the administration's plan to impose conditions on the payroll grants," as Mnuchin had "signaled early on that the administration would demand an equity stake in airlines in exchange for providing aid."

The New York (NY) Times (4/14, Rappeport, Chokshi) reports Treasury announced that Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Hawaiian Airlines, JetBlue Airways, United Airlines, SkyWest Airlines, and Southwest Airlines have agreed to participate in the program, which will help the airlines pay their workforce through September. Mnuchin said, "We welcome the news that a number of major airlines intend to participate in the Payroll Support Program." He added, "This is an important CARES Act program that will support American workers and help preserve the strategic importance of the airline industry while allowing for appropriate compensation to the taxpayers." Under the terms of the agreement, airlines will not be allowed to layoff workers through September. Airlines will also be barred from repurchasing stock or paying dividends through September 2021, and executive pay will be limited until March 2022.

Reuters (4/14, Rucinski, Shepardson) reports the Treasury Department said in a statement, "We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible." The Associated Press (4/14, Koenig) reports Mnuchin "said Tuesday that the department would work to finalize the deals and hand over the money as quickly as possible. He said talks were continuing with other carriers."

Politico (4/14, Adragna) reports Mnuchin said Tuesday, "Conversations continue with other airlines regarding their potential participation. Treasury is also working to review and approve applications for smaller passenger air carriers as quickly as possible and will provide further guidance for cargo carriers and contractors very soon. We look forward to working with the airlines to finalize the necessary agreements and disburse funds as quickly as possible."

USA Today (4/14, Woodyard) calls large airlines one of the "winners" of the CARES Act bailouts, despite a drop in enthusiasm after the Treasury Department "let it be known that any grant or loan will come with strings attached." USA Today says small airlines are "losers" even though Mnuchin said the Treasury Department "specifically created an exemption for small airlines that we can process very quickly." Both commuter airlines and low-cost airlines are concerned about provisions in the CARES Act that require them to maintain service despite a deep drop in demand.

Outlets providing additional coverage include NBC News (4/14, Atkinson), CQ Roll Call (4/14, Wehrman), The Hill (4/14, Coleman), Dallas (TX) Morning News (4/14, Arnold), Fox Business (4/14, Burman), Forbes (4/14, Bogaisky), Business Insider (4/14, Slotnick), and Atlanta (GA) Journal-Constitution (4/14, Yamanouchi).

***Tribune: Why Government Bailouts For United And Boeing Are A Bad Idea.*** The Chicago (IL) Tribune (4/14, Board) editorializes that a deal from Secretary Mnuchin to protect Boeing during the economic fallout caused by the COVID-19 pandemic is "in the works," but that "these exercises in corporate favoritism are a bad idea." The Tribune argues that Boeing "should be forced to do what millions of entrepreneurs and mom-and-pop businesses are doing: adapting to a traumatic but necessary shutdown of the economy and figuring out how to survive – without a generous rescue from taxpayers."

**Congress At An Impasse Over Providing Additional Small Business Funds. (USAT, HILL, BLOOM, CNN, POLITICO)**

USA Today (4/14, Hayes) reports, "Billions of dollars in additional relief for small businesses in danger of shuttering due to the coronavirus has been left in the crossfire as congressional leaders fight over what should be included in the emergency package." House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer, in a joint statement Monday, said, "We have real problems facing this country, and it's time for the Republicans to quit the political posturing by proposing bills they know will not pass either chamber and get serious and work with us towards a solution." The two leaders "have both talked with Treasury Secretary Steven Mnuchin about their demands and are hoping for a bipartisan compromise but the White House has already voiced opposition to including additional provisions in this small business package, which together, has left the future for the funds – which could dry up in days – up in the air."

The Hill (4/14, Bolton) reports Secretary Mnuchin and Leader Schumer "are expected to reach a deal this week on an interim coronavirus relief bill that would provide money to businesses, hospitals and state governments. The deal could lead to legislation being passed quickly through the Senate on Thursday, and through the House no later than early next week." Democrats "say that Mnuchin, who is spearheading negotiations for Republicans, is open to a deal" despite McConnell's apparent lack of interest in negotiating with Schumer and Speaker Pelosi. Mnuchin, "speaking at the White House on Monday, said legislation should focus on small-business programs and that other issues such as funding for state governments and hospitals should be dealt with separately – though he also expressed a willingness to work with Congress on getting money to various needs." Mnuchin said, "This was a bipartisan program. We should top up that program now. I know the Democrats want to talk about more money for hospitals and states. Right now we're just sending the money out to the hospitals and states. They haven't come close to using that money."

However, Bloomberg (4/14, Wingrove, Litvan, House) reports Senate Majority Leader Mitch McConnell, in a statement Tuesday, "made clear that he won't consider any additional funding beyond the $250 billion for the small business loan program, money he tried unsuccessfully to move through the chamber last week by unanimous consent." McConnell "reiterated that the Paycheck Protection Program is the only stimulus initiative at immediate risk of running dry." McConnell said, "President Trump, Secretary Mnuchin, and Senate and House Republicans simply want to add more funding for this job-saving program that both parties designed together. There is no time to insist on sweeping renegotiations or ultimatums about other policies that passed both houses unanimously."

CNN (4/14, Mattingly, Fox) reports Democrats "have held firm that any additional small business funds must be accompanied by additional funds for hospitals and states, as well as conditions on how that small business funding can be used. Mostly, however, they want negotiations over this interim package – and they thought they could get them through Treasury Secretary Steven Mnuchin." The Secretary "has become the go-to for both Speaker Nancy Pelosi and Democratic Leader Chuck Schumer, striking deals with both. Both have said in recent days Mnuchin seemed amenable to bipartisan talks – something McConnell and House Republican Leader Kevin McCarthy have rejected out of hand." Mnuchin "made clear during the White House news conference on Monday he was firmly on the side of McConnell and McCarthy (this may seem obvious, but multiple GOP aides legitimately weren't sure where Mnuchin was on this). The President joined him in that position."

***Green To Mnuchin: Allow Small Banks To Obtain PPP Loans.*** Politico (4/14, Warmbrodt) reports Rep. Al Green (D-TX), on a phone call "hosted by the House Financial Services Committee Tuesday...asked Treasury Secretary Steven Mnuchin whether he would consider allowing small banks to apply for Paycheck Protection Program loans. Green has argued that it would it would help banks avoid layoffs and even staff up as they work to get more money out to small businesses." Green said in an interview following the call, "The secretary gave me a response that has led me to believe this is of concern and that he will look into it. He did not make a commitment, but I appreciate the fact that he does take it as a concern to be reviewed."

**Cities, Localities Fear Missing Out On Covid-19 Stimulus Funds. (NEWSHR, KCSTAR)**

PBS NewsHour (4/14, Slodysko, Lardner) reports the National League of Cities and the US Conference of Mayors on Tuesday "released a survey of more than 2,400 local officials that found 88 percent of them 'anticipate the pandemic will lead to painful reductions in revenue this year' that will likely result in cuts to services, worker furloughs and layoffs. The groups said the outlook is 'particularly acute' for cities, towns and villages under the threshold." Amid the uncertainty, "the two advocacy groups and lawmakers have been urging Treasury Secretary Steven Mnuchin to ensure the relief fund money is fairly distributed. Guidelines for how the relief fund will operate are to be issued by the Treasury Department this week."

The Kansas City (MO) Star (4/14, Lowry) reports Kansas City "will likely have to coordinate with the governments of four different counties to get its share of federal coronavirus aid as the U.S. Treasury Department appears to have rebuffed pleas from city leaders for direct assistance." Kansas City Mayor Quinton Lucas "has repeatedly argued that the city should be eligible for direct aid based on projections by city planners that place the city's 2020 population at roughly 505,000." The CARES Act "set 500,000 as the threshold for a city or county to qualify for direct aid." Rep. Emanuel Cleaver (D-MO) "had sent a letter to Treasury Secretary Steve Mnuchin asking for him to use the city's internal numbers to allow it to receive direct aid, but the request was rebuffed." Cleaver said Monday in a statement, "It's not in my style to demonize the administration during a crisis, but, as the representative of Missouri's 5th congressional district, I am officially irked."

**Treasury Orders Trump's Name To Be Printed On Stimulus Checks Sent By IRS. (WP, NYT, NSWK, ABCNEWS)**

The Washington Post (4/14, Rein) reports the Treasury Department has "ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said." This "unprecedented decision" means "it will be the first time a president's signature appears on an IRS disbursement." According to the Post, "Trump had privately suggested to Treasury Secretary Steven Mnuchin, who oversees the IRS, to allow the president to formally sign the checks, according to three administration officials who spoke on the condition of anonymity because they were not authorized to speak publicly." The New York (NY) Times (4/14, Rappeport) and Newsweek (4/14, Villarreal) also report.

***Most Americans Have Not Received Stimulus Funds.*** ABC News (4/14, Alesse, Kolinovsky, Haslett, Tatum) reports, "It's been more than three weeks since the $2 trillion CARES Act was signed into law, but the vast majority of those who qualify for economic relief – some in multiple categories – have yet to see their share." The IRS last week "began depositing money into the bank accounts of those who meet the federal government's income qualifications for direct payments, and some Americans who receive unemployment benefits began receiving an additional $600 a week." However, "a large percentage of those who meet the criteria to receive one or both of those forms of assistance are still waiting." Secretary Mnuchin said Tuesday in a White House briefing, "We know how important that is to all of those hardworking Americans, many at home not working at the moment."

**Congressional Democrats Fear Criticizing Trump Could Jeopardize Needed Supplies For Their States. (POLITICO)**

Politico (4/14, Levine, Everett, Ferris) reports that while congressional Democrats "have spent four years berating Trump as unhinged and unprepared for a crisis," now, "they must work with the White House to save lives in their states – a reality that could spare Trump from some of their harshest attacks." Politico says some Democrats "have turned in recent days to Treasury Secretary Steven Mnuchin amid frustration with Trump." For example, Mnuchin "spoke with Sen. Jack Reed (D-R.I.) about the disbursement of funds to his state," and Mnuchin "is once again serving as the point man for negotiations with Senate Minority Leader Chuck Schumer (D-N.Y.) and Speaker Nancy Pelosi (D-Calif.) on the terms of the next relief package that will be at least a quarter trillion dollars."

**NYTimes Says Post Office Is Vital In Time Of Pandemic. (NYT)**

The New York Times (4/14) says in an editorial that the US Postal Service, which "could run out of money by the end of September...cannot be allowed to crumble in the midst of a national emergency. ... As this pandemic rages, its 600,000-plus employees are working to ensure that Americans receive their prescriptions and protective equipment and other essential items, no matter where they live." Lawmakers in March "sought to include a $13 billion grant for the agency in the $2 trillion coronavirus relief law. The effort was blocked by Treasury Secretary Steven Mnuchin, who warned that it would derail negotiations." Lawmakers "settled for a $10 billion loan – from the Treasury Department. Mr. Mnuchin has warned that any attempt to insert a postal bailout into the next relief package would be a non-starter."

**<u>MAJOR DEPARTMENT MENTIONS</u>**

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**CORONAVIRUS EFFECTS**

**WHERE IS THE PPP MONEY GOING?** — You can now track it, at least in aggregate numbers, here. According the SBA site, 70 percent of the loans are $150K or less. The average is $239,152. There are 3,273 loans so far in excess of $5 million.

**BANKS START TO OPEN SPIGOTS** — Our Zachary "PPP" Warmbrodt: "Banks are beginning to open the spigot of the $350 billion small business rescue package that has suffered constant operational breakdowns since its hurried launch by the Trump administration on April 3, increasing the sense of urgency for Congress to replenish funding in the coming days.

"JPMorgan Chase on Tuesday was the first of the biggest U.S. banks to disclose how much money it had gotten into the hands of small businesses under the so-called Paycheck Protection Program: $9.3 billion … The head of the American Bankers Association said lenders have disbursed 'tens of billions.'"

**GAUGING IMPACT ACROSS THE ECONOMY** — Our Eli Okun: "The virus-induced economic freeze that descended across America last month has generated its share of stunning front-page images. But restaurants and airlines are far from the only industries that are hurting. And it's not just streaming services and videoconferencing platforms that are booming."

**FACT CHECKING TRUMP** — Our Tucker Doherty on what Trump has said versus what he's actually done on the coronavirus.

**NYC DEATH TOLL SPIKES** — Our Erin Durkin: "New York City's official coronavirus death toll has soared past 10,000, after thousands of deaths that previously went uncounted were added to the city's statistics."

**POWELL BACK IN GOOD GRACES?** — Cap Alpha's Ian Katz: "Have Fed Chairman Jay Powell's chances of being re-nominated increased substantially because of his assertive and well-regarded performance during this Coronavirus Crisis?

"The view here is yes, they have, but we still don't expect him to serve a second term if … Trump is re-elected. We think the chances are a little better if Joe Biden is elected. Powell's term as chairman expires in February 2022"

**THE MAN WHO HAS TO TRACK $2.2 TRILLION** — Bloomberg's Joshua Green: "On April 6, Bharat Ramamurti became the first person named to the Congressional Oversight Commission supposed to police the massive coronavirus relief fund. A former top staffer for Senator Elizabeth Warren, Ramamurti expected to have company -- the new law requires congressional leaders to appoint a five-member panel.

"He's still waiting. As tens of billions of taxpayer dollars from the $2.2 trillion relief bill begin flowing out the door, Ramamurti remains the lone member appointed to the panel. With no colleagues, no staff, and no office, he's had to rely on one of the few avenues he bas to communicate with the public: his unverified Twitter feed."

**LOSSES EXTEND TO WHITE COLLAR JOBS** — WSJ's Eric Morath, Harriet Torry and Gwynn Guilford: "The first people to lose their jobs worked at restaurants, malls, hotels and other places that closed to contain the coronavirus pandemic. Higher skilled work, which often didn't require personal contact, seemed more secure. That's not how it's turning out.

"A second wave of job loss is bitting those who thought they were safe. Businesses that set up employees to work from home are laying them off as sales plummet. Corporate lawyers are seeing jobs dry up. Government workers are being furloughed … And health-care workers not involved in fighting the pandemic are suffering."

**BANKS COULD SEIZE STIMULUS PAYMENTS** — David Dayen in American Prospect: "[T]the money may not make it into the hands of those who need it to pay bills, buy food, or just survive amid mass unemployment and widespread suffering. Individuals might first have to fend off their own bank, which has just been given the power to seize the $1,200 payment and use it to pay off outstanding debt."

**NO TIME TO RAISE BIDEN CASH?** — CNBC's Brian Schwartz: "Democratic Party financiers are struggling to find the time to raise money for Joe Biden's campaign for president as they contend with the impact of the coronavirus on their businesses and personal finances.

"Several fundraisers and people close to them spoke to CNBC about how they are in a bind over how to prioritize Biden's bid to defeat … Trump this fall while they fight their own battles stemming from Covid-19, the disease caused by the coronavirus."

**FLY AROUND**

**JPMORGAN, WELLS FARGO PROFITS TUMBLE** — WSJ's David Benoit and Ben Eisen: "Big banks sent a clear message in first-quarter earnings Tuesday: This recession is going to be bad. JPMorgan

Chase & Co. and Wells Fargo & Co. set aside billions of additional dollars to get ready for a flood of customers to default on their loans as the coronavirus pandemic pummels the economy.

"That sunk the banks' quarterly profits. JPMorgan and Wells Fargo are the first big U.S. banks to report first-quarter results, and act as a bellwether for the broader economy. Neither bank has yet seen a wave of loans go bad, but they are preparing for it as the economy plunges further into a presumed recession and millions remain out of work."

**SMALL BUSINESS LOAN FUNDS RUNNING OUT WITH CONGRESS STALLED** — Bloomberg's Josh Wingrove: "The $349 billion program to help small businesses reeling from the Covid-19 outbreak could be exhausted by Thursday, a top White House adviser said, but negotiations in Congress to replenish it remain stalled.

"'At the present run-rate, we're going to be out of money,' Larry Kudlow, President Donald Trump's chief economic adviser, said Tuesday on Fox Business Network. As of mid-day Tuesday, almost 1.1. million applications, totaling more than $257 billion, had been approved since the Small Business Administration program launched April 3."

**GLOBAL ECONOMY ALMOST CERTAINLY IN RECESSION** — WSJ's Josh Zumbrun: "The global economy has almost certainly entered a recession affecting most of the world, with a severity unmatched by anything aside from the Great Depression, the International Monetary Fund said Tuesday"

**HEDGE FUND MANAGERS CLAIMING BAILOUTS** — Bloomberg's Katherine Burton and Joshua Fineman: "Free money. That's the enticing prospect hedge funds and other trading firms are pondering after realizing they too might be able to participate in a historic U.S. stimulus package to keep small businesses alive through the coronavirus pandemic."

**TRANSITIONS** — Via memo from Dan Colarusso, SVP of CNBC Business News and Lacy O'Toole, Managing Editor of CNBC Business News: "We're happy to announce Katie Slaman is moving to become CNBC's San Francisco bureau chief. As technology companies and the cultures around them become an even bigger part of the global markets, Katie is the ideal person to guide our growing West Coast television presence."

# FW: Comment on coronavirus stimulus checks / delays - Yahoo Finance

**From:** Treasury Public Affairs <press@treasury.gov>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 09:14:27 -0400

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**From:** Ben Werschkul <benw@yahoofinance.com>
**Sent:** Wednesday, April 15, 2020 7:42 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** (b)(6) [redacted]@treasury.gov>; (b)(6) [redacted]@treasury.gov>
**Subject:** Comment on coronavirus stimulus checks / delays - Yahoo Finance

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

# RE: POTUS name on Stimulus Checks/Timing

**From:** [redacted]

**To:** "Cook, Sara" <cooks@cbsnews.com>

**Date:** Wed, 15 Apr 2020 09:52:46 -0400

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Will do

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 9:21 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted]. If hear about whether this is the case we'd greatly appreciate confirmation.

Best,
Sara

On Apr 15, 2020, at 9:00 AM, "[redacted]@treasury.gov" <[redacted]@treasury.gov> wrote:

External Email

No, I don't know, so I cannot confirm

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**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 15, 2020 at 8:59:31 AM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you for this. Understanding that the checks will go out on time, are you able to confirm on background/deep background whether the President's names will be printed on these checks, as the Washington Post is reporting?

Best,
Sara

On Apr 15, 2020, at 7:09 AM, "[redacted]@treasury.gov" <[redacted]@treasury.gov> wrote:

External Email

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 14, 2020 at 11:41:39 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>, [redacted] @treasury.gov>
**Subject:** POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Can you confirm the Washington Post report that the Treasury Department has ordered for President Trump's name to be printed on the stimulus checks being sent out by the IRS? Will this have an impact on the timing of their delivery? Will his signature be in the memo line below a line reading "Economic Impact Payment," as the report suggests? Is this the first time a president's signature has appeared on an IRS disbursement? And how long has this decision been in the works? Any guidance or statements you are able to provide would be greatly appreciated.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# RE: Stimulus checks

**From:** [redacted]

**To:** Alex Leary <alex.leary@wsj.com>

**Date:** Wed, 15 Apr 2020 09:56:35 -0400

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I don't know, but as soon as I find out I'll let you know.

**From:** Alex Leary <alex.leary@wsj.com>
**Sent:** Wednesday, April 15, 2020 8:40 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: Stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks. Where will President Trump's name appear?

On Apr 15, 2020, at 7:08 AM, [redacted]@treasury.gov wrote:

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Leary, Alex <alex.leary@wsj.com>
**Date:** April 15, 2020 at 1:07:28 AM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Realize this is super late but trying to confirm the WaPo report on Trump signatures. Can you confirm and provide additional information?

Thanks.

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**Alex Leary**
The Wall Street Journal
[redacted]

# RE: Guidance on checks/names

**From:** (b)(6) [redacted]
**To:** "Phelps, Jordyn B." <jordyn.b.phelps@abc.com>
**Date:** Wed, 15 Apr 2020 09:57:04 -0400

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I get it. Trying to track down this answer. I don't know, but as soon as I find out I'll let you know.

**From:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Sent:** Wednesday, April 15, 2020 9:03 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: Guidance on checks/names

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

OK thanks
Please keep me posted as you all get answers
The White House is referring all questions to Treasury
So right now we are in a situation where something is being reported that the Treasury Department is authorizing, but that no one in the administration can provide guidance on
To state the obvious, it's very problematic for us

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

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**From:** (b)(6) [redacted]@treasury.gov (b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 9:00 AM
**To:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Subject:** Re: Guidance on checks/names

No, I don't know, so I cannot confirm

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**From:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Date:** April 15, 2020 at 7:07:12 AM EDT
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: Guidance on checks/names

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]

So to be clear -- you are not pushing back on the president's name being added to these checks?

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

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**From:** (b)(6) [redacted]@treasury.gov (b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 7:06 AM
**To:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Subject:** Re: Guidance on checks/names

Jordyn,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Phelps, Jordyn B. <Jordyn.B.Phelps@abc.com>
**Date:** April 15, 2020 at 6:26:47 AM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Guidance on checks/names

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hey Monica - Hoping you can provide something in the way of guidance before GMA on these Treasury checks.
Would you wave me off reporting that the president's name is going to be on there?
It's my understanding that his name will be printed on the checks.
It's also my understanding that the checks will still go out on time, that there won't be a delay because his name is getting added.
Tried your cell but it's going straight to voicemail.

Jordyn Phelps | ABC News - The White House | (o) 202 222 7715 | (c) (b)(6) [redacted] | @jordynphelps

## Re: President's name on checks

**From:** Shane Croucher <s.croucher@newsweek.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 09:58:38 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks [redacted]

**Shane Croucher** | Deputy News Editor
**NEWSWEEK**

E | s.croucher@newsweek.com
T | +44 (0) 161 818 7720
W | newsweek.com
A | One Canada Square, The Office Group (TOG), Floor 9, Canary Wharf, London, E14 5AA

On Wed, 15 Apr 2020 at 14:57, <[redacted]@treasury.gov> wrote:

Shane,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Shane Croucher <s.croucher@newsweek.com>
**Sent:** Wednesday, April 15, 2020 4:29 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** President's name on checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning,

Please may I have your statement in response to The Washington Post's article about alleged delays to the stimulus checks caused by putting the president's name on them?

Also, do you have any response to Mr. Hooper's accusation in the article that putting the president's name on paper stimulus checks is "an abuse of government resources"?

Thank you,

Shane


**Shane Croucher** | Deputy News Editor

NEWSWEEK

E | s.croucher@newsweek.com

T | +44 (0) 161 818 7720

W | newsweek.com

A | One Canada Square, The Office Group (TOG), Floor 9, Canary Wharf, London, E14 5AA

# RE: CBS NEWS INQUIRY: President's signature on stimulus checks

**From:** "Morley, Gillian" <morleyg@cbsnews.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 10:01:36 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you, (b)(6) [redacted]!

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 9:58 AM
**To:** Morley, Gillian <MorleyG@cbsnews.com>
**Subject:** RE: CBS NEWS INQUIRY: President's signature on stimulus checks

External Email

Gillian,
Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Morley, Gillian <MorleyG@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 12:39 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** CBS NEWS INQUIRY: President's signature on stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning,

I'm reaching out about reports that the president's signature will be on the economic impact payment checks and that it will possibly cause a delay. Would you be able to confirm/provide a statement?

Thank you!

Gillian Morley
CBS News-Washington
O: 202-457-4444
C: (b)(6) [redacted]

# Re: CNN request re: POTUS signature on stimulus checks?

From: "Klein, Betsy" <betsy.klein@turner.com>
To: [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 10:09:36 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hey [redacted] Thanks so much.

**Betsy Klein | CNN | [redacted] | @betsy_klein**

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 10:02 AM
**To:** Klein, Betsy
**Subject:** RE: CNN request re: POTUS signature on stimulus checks?

Hey Betsy,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

OTR: As soon as I can confirm whether his name will or will not be on the checks I will let you know.

[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Klein, Betsy <Betsy.Klein@turner.com>
**Sent:** Tuesday, April 14, 2020 9:32 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** CNN request re: POTUS signature on stimulus checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi there,

Checking for comment and confirmation on a report that the President's signature will be on the stimulus checks after all - is this true, and is it true that inclusion of the signature held up the checks by "several days" as one official said? If so, can you explain why this decision was made?

Thanks,
Betsy

Betsy Klein | CNN | (b)(6) [redacted] | @betsy_klein

# Re: For CBS: Trump name on stimulus checks

**From:** "Brown, Kristin" <brownk@cbsnews.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 10:11:40 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Got it - thank you very much, appreciate it!

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**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 10:11 AM
**To:** Brown, Kristin <BrownK@cbsnews.com>
**Subject:** RE: For CBS: Trump name on stimulus checks

External Email

OTR: As soon as I can confirm/not confirm I'll let you know. I just don't know yet.

**From:** Brown, Kristin <BrownK@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 10:08 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: For CBS: Trump name on stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you! Would you be able to confirm that the president's name will indeed appear on the checks?

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**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 9:55 AM
**To:** Brown, Kristin <BrownK@cbsnews.com>
**Subject:** RE: For CBS: Trump name on stimulus checks

External Email

Kristin,
Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Brown, Kristin <BrownK@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 5:58 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Re: For CBS: Trump name on stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning - wanted to circle back around on this. Thank you!

Kristin Brown
White House Producer
CBS News
[redacted]

**From:** Brown, Kristin
**Sent:** Tuesday, April 14, 2020 9:16 PM
**To:** press@treasury.gov <press@treasury.gov>
**Subject:** For CBS: Trump name on stimulus checks

Good evening - I'm a producer with CBS News. We're looking to confirm the Washington Post reporting that President Trump's name will appear on upcoming stimulus checks? Will this delay the process of sending checks out? Any info or statements you have would be much appreciated!

Thanks very much,

Kristin Brown
White House Producer
CBS News
[redacted]

# RE: USA Today request for information on stimulus checks

**From:** "Cummings, William" <wcummings@usatoday.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 10:11:48 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Gotcha. Appreciate it!

**From:** [redacted]@treasury.gov [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 10:10 AM
**To:** Cummings, William <wcummings@usatoday.com>
**Subject:** RE: USA Today request for information on stimulus checks

OTR: As soon as I can confirm/not confirm I'll let you know. I just don't know yet.

**From:** Cummings, William <wcummings@usatoday.com>
**Sent:** Wednesday, April 15, 2020 10:00 AM
**To:** [redacted]@treasury.gov>
**Subject:** RE: USA Today request for information on stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you very much. And can you confirm, off the record if needed, that President Trump's name has been added to the memo line?

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 9:55 AM
**To:** Cummings, William <wcummings@usatoday.com>
**Subject:** RE: USA Today request for information on stimulus checks

William,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Cummings, William <wcummings@usatoday.com>
**Sent:** Wednesday, April 15, 2020 6:44 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** USA Today request for information on stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning,

I am writing about the multiple reports that President's Trump name will appear on the checks being sent out to Americans under the CARES Act. Can you confirm the president's name will be on the checks?

Is that standard for checks from the Treasury to the taxpayers? If not, what was the logic behind the decision to do it in this case?

Has adding the signature caused any delays in the checks going out?

Thank you very much,

William Cummings
Politics NOW Reporter, USA TODAY
(b)(6) [redacted]

# RE: Comment on coronavirus stimulus checks / delays - Yahoo Finance

**From:** (b)(6) [redacted]
**To:** benw@yahoofinance.com
**Date:** Wed, 15 Apr 2020 10:13:40 -0400

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Ben—

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

Confirmed: In the mail by next week.

(b)(6) [redacted]
Deputy Assistant Secretary (Acting)
Public Affairs
U.S. Department of the Treasury
(b)(6) [redacted] direct

(b)(6) [redacted]@Treasury.gov

**From:** Ben Werschkul <benw@yahoofinance.com>
**Sent:** Wednesday, April 15, 2020 7:42 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** (b)(6) [redacted]@[illegible]; (b)(6) [redacted]@treasury.gov>
**Subject:** Comment on coronavirus stimulus checks / delays - Yahoo Finance

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

# Re: Comment on coronavirus stimulus checks / delays - Yahoo Finance

| | |
|---|---|
| From: | Ben Werschkul <benw@yahoofinance.com> |
| To: | (b)(6) [redacted]@treasury.gov> |
| Cc: | Ben Werschkul <benw@yahoofinance.com> |
| Date: | Wed, 15 Apr 2020 10:15:33 -0400 |

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Got it. Thanks much.

On Wed, Apr 15, 2020 at 10:13 AM (b)(6) [redacted]@treasury.gov> wrote:

Ben—

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

Confirmed: In the mail by next week.

(b)(6) [redacted]

Deputy Assistant Secretary (Acting)

Public Affairs
U.S. Department of the Treasury
(b)(6) [redacted] – direct
(b)(6) [redacted]
(b)(6) [redacted]@Treasury.gov

**From:** Ben Werschkul <benw@yahoofinance.com>
**Sent:** Wednesday, April 15, 2020 7:42 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** (b)(6) [redacted]@treasury.gov>; (b)(6) [redacted]@treasury.gov>
**Subject:** Comment on coronavirus stimulus checks / delays - Yahoo Finance

**Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

--
Ben Werschkul
(b)(6)
benw@yahoofinance.com

# RE: Media inquiry: Trump's name on stimulus checks

**From:** (b)(6) [redacted]

**To:** Epoch.nyc <allen.zhong@epochtimes.nyc>

**Date:** Wed, 15 Apr 2020 10:29:23 -0400

---

Otr: not right now but i'll let you know once I know

-----Original Message-----
From: Epoch.nyc <allen.zhong@epochtimes.nyc>
Sent: Wednesday, April 15, 2020 10:29 AM
To: (b)(6) [redacted]@treasury.gov>
Subject: Re: Media inquiry: Trump's name on stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]

It's good to learn this. For sure will included this in the article.

But can you confirm that Mr. Trump's name is on the checks?

Thanks

Allen

On 4/15/20 09:56, (b)(6) [redacted]@treasury.gov wrote:
> Attributable to Treasury spokeswoman
>
> Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.
>
> Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments.
>
>
> -----Original Message-----
> From: Epoch.nyc <allen.zhong@epochtimes.nyc>
> Sent: Wednesday, April 15, 2020 7:36 AM
> To: Treasury Public Affairs <Press@treasury.gov>
> Subject: Re: Media inquiry: Trump's name on stimulus checks
>
> ** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **
>
>
> Hi there,
>
> Good morning!
>
> This is Allen from the Epoch Times.
>
> It's reported that President Trump's name will be printed on the stimulus checks.
>
> Can you comment on this?
>
> Our deadline is 12:00 p.m. today.
>
>
> Thanks and have a good day!
>
> Allen
>
> (b)(6) [redacted]
>

# RE: Reuters seeking comment on Wash Post story

**From:** [redacted]
**To:** eric.beech@thomsonreuters.com
**Date:** Wed, 15 Apr 2020 10:34:18 -0400

---

Eric,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

OTR: As soon as I can confirm/not confirm re: name, I'll let you know. I just don't know yet.

**From:** Beech, Eric B. (Reuters) <Eric.Beech@thomsonreuters.com>
**Sent:** Tuesday, April 14, 2020 8:58 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Reuters seeking comment on Wash Post story

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

The Washington Post is reporting that the Treasury Department has ordered President Trump's name be printed on stimulus checks the IRS is sending to Americans and the process is expected to slow the delivery by several days.
Can the Treasury Department confirm the report or does it care to provide a comment?

Thank you

**Eric Beech**
Correspondent

Thomson Reuters
Washington Bureau

Office: 202-898-8322
Mobile: [redacted]
eric.beech@thomsonreuters.com

# RE: NBC seeking comment

**From:** (b)(6) [redacted]

**To:** geoff.bennett@nbcuni.com

**Date:** Wed, 15 Apr 2020 10:34:55 -0400

---

Geoff,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

(b)(6) [redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
(b)(6) [redacted] – direct
(b)(6) [redacted]@Treasury.gov

**From:** Bennett, Geoff (NBCUniversal) <Geoff.Bennett@nbcuni.com>
**Sent:** Tuesday, April 14, 2020 9:08 PM
**To:** Treasury Public Affairs <Press@treasury.gov>; Garibay, MarisolDisabled <Marisol.Garibay@treasury.gov>; Chung, JasonDisabled <Jason.Chung@treasury.gov>; Unger, SethDisabledDisabled <Seth.Unger@treasury.gov>
**Subject:** NBC seeking comment

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi – I cover the White House for NBC. We are seeking comment regarding this breaking story via the Washington Post:

*The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.*

*The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.*

Thanks,
Geoff

—
Geoff Bennett
NBC News White House Correspondent
(b)(6) [redacted] (cell) | @GeoffRBennett

# RE: Comment on report about Trump's name appearing on stimulus checks

**From:** [redacted]
**To:** jwise@thehill.com
**Date:** Wed, 15 Apr 2020 10:35:41 -0400

---

Justin,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Justin Wise <jwise@thehill.com>
**Sent:** Tuesday, April 14, 2020 9:16 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Comment on report about Trump's name appearing on stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi, I am Justin Wise, a reporter for The Hill. I was interested in whether the Treasury Department could confirm a report from the Washington Post about President Trump's name being ordered to appear on stimulus checks. The Post noted that the process to include his name will likely cause delays for the payments.

Please let me know if the Treasury Department has any comment on this matter and any additional details related to the process for including his name on the checks.

Thank you,

Justin Wise

# Re: [EXTERNAL] RE: NBC seeking comment

**From:** "Bennett, Geoff (NBCUniversal)" <geoff.bennett@nbcuni.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 10:38:54 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you

**From:** [redacted]@treasury.gov" [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 10:35 AM
**To:** Geoff Bennett <Geoff.Bennett@nbcuni.com>
**Subject:** [EXTERNAL] RE: NBC seeking comment

Geoff,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Bennett, Geoff (NBCUniversal) <Geoff.Bennett@nbcuni.com>
**Sent:** Tuesday, April 14, 2020 9:08 PM
**To:** Treasury Public Affairs <Press@treasury.gov>; Garibay, MarisolDisabled <Marisol.Garibay@treasury.gov>; Chung, JasonDisabled <Jason.Chung@treasury.gov>; Unger, SethDisabledDisabled <Seth.Unger@treasury.gov>
**Subject:** NBC seeking comment

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi – I cover the White House for NBC. We are seeking comment regarding this breaking story via the Washington Post:

*The Treasury Department has ordered President Trump's name be printed on stimulus checks the Internal Revenue Service is rushing to send to tens of millions of Americans, a process that is expected to slow their delivery by several days, senior agency officials said.*

*The unprecedented decision, finalized late Monday, means that when recipients open the $1,200 paper checks the IRS is scheduled to begin sending to 70 million Americans in coming days, "President Donald J. Trump" will appear on the left side of the payment.*

Thanks,
Geoff

--
Geoff Bennett
NBC News White House Correspondent
(b)(6) [redacted] (cell) | @GeoffRBennett

# RE: ABC News Inquiry: Stimulus check signature

**From:** [redacted]

**To:** michelle.a.stoddart@abc.com

**Date:** Wed, 15 Apr 2020 11:22:59 -0400

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Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:36 AM
**To:** 'Michelle.A.Stoddart@abc.com' <Michelle.A.Stoddart@abc.com>
**Subject:** RE: ABC News Inquiry: Stimulus check signature

Michelle,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

---

**From:** Stoddart, Michelle A. <Michelle.A.Stoddart@abc.com>
**Sent:** Tuesday, April 14, 2020 9:26 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** ABC News Inquiry: Stimulus check signature

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hello!

I am with ABC News in Washington, D.C. and I wanted to reach out to ask about the signature line on the stimulus checks that are being sent to Americans. Can you give me a little more information about who's signature is on the checks and any other information about how those kinds of decisions are made.

Thank you!

**Michelle Stoddart**
ABC News
1717 DeSales St NW Washington, DC 20036
Cell: [redacted]
Twitter: @MAStoddart

# RE: Comment on report about Trump's name appearing on stimulus checks

**From:** [redacted]

**To:** jwise@thehill.com

**Date:** Wed, 15 Apr 2020 11:23:04 -0400

---

Confirming POTUS name on memo line of check

**From** [redacted]
**Sent:** Wednesday, April 15, 2020 10:36 AM
**To:** 'jwise@thehill.com' <jwise@thehill.com>
**Subject:** RE: Comment on report about Trump's name appearing on stimulus checks

Justin,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Justin Wise <jwise@thehill.com>
**Sent:** Tuesday, April 14, 2020 9:16 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Comment on report about Trump's name appearing on stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi, I am Justin Wise, a reporter for The Hill. I was interested in whether the Treasury Department could confirm a report from the Washington Post about President Trump's name being ordered to appear on stimulus checks. The Post noted that the process to include his name will likely cause delays for the payments.

Please let me know if the Treasury Department has any comment on this matter and any additional details related to the process for including his name on the checks.

Thank you,

Justin Wise

# RE: Comment on coronavirus stimulus checks / delays - Yahoo Finance

**From:** [redacted]
**To:** benw@yahoofinance.com
**Date:** Wed, 15 Apr 2020 11:23:15 -0400

---

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:14 AM
**To:** 'benw@yahoofinance.com' <benw@yahoofinance.com>
**Subject:** RE: Comment on coronavirus stimulus checks / delays - Yahoo Finance

Ben—

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

Confirmed: In the mail by next week.

[redacted]
Deputy Assistant Secretary (Acting)
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Ben Werschkul <benw@yahoofinance.com>
**Sent:** Wednesday, April 15, 2020 7:42 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** [redacted]@treasury.gov>[redacted]@treasury.gov>
**Subject:** Comment on coronavirus stimulus checks / delays - Yahoo Finance

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

# RE: Press Inquiry | Business Insider

**From:** [redacted]
**To:** rperper@businessinsider.com
**Date:** Wed, 15 Apr 2020 11:23:33 -0400

---

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:02 AM
**To:** 'rperper@businessinsider.com' <rperper@businessinsider.com>
**Subject:** RE: Press Inquiry | Business Insider

Rosie,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Rosie Perper <rperper@businessinsider.com>
**Sent:** Tuesday, April 14, 2020 10:55 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Press Inquiry | Business Insider

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi press team,

My name is Rosie Perper and I'm a reporter for Business Insider.

I'm reaching out for comment on an article published by The Washington Post, stating that President Donald Trump's name will be printed on the stimulus checks soon to be mailed out to Americans and that putting his name on the checks will lead to a delay in the paper checks being delivered.

Appreciate your prompt response. Looking forward to hearing from you.

Cheers,

--
**Rosie Perper**
Global News Reporter
Pronouns: she/her

An Insider Inc. Publication

**W:** +61 8609 9070 / **C:** [redacted]
87 Cubitt Street, Cremorne, Victoria, Australia 3121

# RE: Comment on WaPo story for Examiner

**From:** (b)(6) [redacted]
**To:** zhalaschak@washingtonexaminer.com
**Date:** Wed, 15 Apr 2020 11:23:37 -0400

---

Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]
**Sent:** Wednesday, April 15, 2020 10:00 AM
**To:** 'zhalaschak@washingtonexaminer.com' <zhalaschak@washingtonexaminer.com>
**Subject:** RE: Comment on WaPo story for Examiner

Hey Zach,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

(b)(6) [redacted]
Deputy Assistant Secretary (Acting)
Public Affairs
U.S. Department of the Treasury
(b)(6) [redacted] – direct
(b)(6) [redacted]@Treasury.gov

**From:** Zachary Halaschak <zhalaschak@washingtonexaminer.com>
**Sent:** Tuesday, April 14, 2020 9:00 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Comment on WaPo story for Examiner

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hello,

I am hoping to get a reaction or comment on this Post report that just came out.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,

--
**Zachary Halaschak**
**Breaking News Reporter**
(b)(6) [redacted]

# Re: For CBS: Trump name on stimulus checks

**From:** "Brown, Kristin" <brownk@cbsnews.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:23:39 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you so much!

---

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:23 AM
**To:** Brown, Kristin <BrownK@cbsnews.com>
**Subject:** RE: For CBS: Trump name on stimulus checks

External Email

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:11 AM
**To:** 'Brown, Kristin' <BrownK@cbsnews.com>
**Subject:** RE: For CBS: Trump name on stimulus checks

OTR: As soon as I can confirm/not confirm I'll let you know. I just don't know yet.

**From:** Brown, Kristin <BrownK@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 10:08 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: For CBS: Trump name on stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you! Would you be able to confirm that the president's name will indeed appear on the checks?

---

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 9:55 AM
**To:** Brown, Kristin <BrownK@cbsnews.com>
**Subject:** RE: For CBS: Trump name on stimulus checks

External Email

Kristin,
Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

---

**From:** Brown, Kristin <BrownK@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 5:58 AM

**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Re: For CBS: Trump name on stimulus checks

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning - wanted to circle back around on this. Thank you!

Kristin Brown
White House Producer
CBS News
[redacted]

**From:** Brown, Kristin
**Sent:** Tuesday, April 14, 2020 9:16 PM
**To:** press@treasury.gov <press@treasury.gov>
**Subject:** For CBS: Trump name on stimulus checks

Good evening - I'm a producer with CBS News. We're looking to confirm the Washington Post reporting that President Trump's name will appear on upcoming stimulus checks? Will this delay the process of sending checks out? Any info or statements you have would be much appreciated!

Thanks very much,

Kristin Brown
White House Producer
CBS News
[redacted]

# RE: CBS ask: POTUS name to be on stimulus checks?

**From:** (b)(6) [redacted]

**To:** akeg@cbsnews.com

**Date:** Wed, 15 Apr 2020 11:23:41 -0400

---

Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]
**Sent:** Wednesday, April 15, 2020 10:01 AM
**To:** 'AkeG@cbsnews.com' <AkeG@cbsnews.com>
**Subject:** RE: CBS ask: POTUS name to be on stimulus checks?

Gabrielle,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

OTR: No, I can't confirm, but once I hear more I'll make sure to let you know.

**From:** Ake, Gabrielle <AkeG@cbsnews.com>
**Sent:** Tuesday, April 14, 2020 10:16 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** Brown, Kristin <BrownK@cbsnews.com>
**Subject:** CBS ask: POTUS name to be on stimulus checks?

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

HI all -- wanted to confirm the reporting that the president has requested to have his name on the mailed out stimulus checks, possibly delaying the mailing of said checks.

Please let me know if you can confirm, thanks

Gaby

Gabrielle Ake | CBS News White House | (b)(6) [redacted]

# Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]

**To:** betsy.klein@turner.com

**Date:** Wed, 15 Apr 2020 11:23:48 -0400

---

**From:** (b)(6) [redacted]
**Sent:** Wednesday, April 15, 2020 10:00 AM
**To:** 'Betsy.Klein@turner.com' <Betsy.Klein@turner.com>
**Subject:** RE: CNN request re: POTUS signature on stimulus checks?

Hey Betsy,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

OTR: As soon as I can confirm whether his name will or will not be on the checks I will let you know.

(b)(6) [redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
(b)(6) [redacted] – direct
(b)(6) [redacted]@Treasury.gov

**From:** Klein, Betsy <Betsy.Klein@turner.com>
**Sent:** Tuesday, April 14, 2020 9:32 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** CNN request re: POTUS signature on stimulus checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi there,

Checking for comment and confirmation on a report that the President's signature will be on the stimulus checks after all - is this true, and is it true that inclusion of the signature held up the checks by "several days" as one official said? If so, can you explain why this decision was made?

Thanks,
Betsy

Betsy Klein | CNN | (b)(6) [redacted] | @betsy_klein

# RE: President's name on checks

**From:** (b)(6) [redacted]
**To:** s.croucher@newsweek.com
**Date:** Wed, 15 Apr 2020 11:24:03 -0400

---

Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]
**Sent:** Wednesday, April 15, 2020 9:58 AM
**To:** 's.croucher@newsweek.com' <s.croucher@newsweek.com>
**Subject:** RE: President's name on checks

Shane,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Shane Croucher <s.croucher@newsweek.com>
**Sent:** Wednesday, April 15, 2020 4:29 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** President's name on checks



Good morning,

Please may I have your statement in response to The Washington Post's article about alleged delays to the stimulus checks caused by putting the president's name on them?

Also, do you have any response to Mr. Hooper's accusation in the article that putting the president's name on paper stimulus checks is "an abuse of government resources"?

Thank you,
Shane

**Shane Croucher** | Deputy News Editor
**NEWSWEEK**
E | s.croucher@newsweek.com
T | +44 (0) 161 818 7720
W | newsweek.com
A | One Canada Square, The Office Group (TOG), Floor 9, Canary Wharf, London, E14 5AA

# RE: CBS NEWS INQUIRY: President's signature on stimulus checks

**From:** (b)(6) [redacted]
**To:** morleyg@cbsnews.com
**Date:** Wed, 15 Apr 2020 11:24:07 -0400

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Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]
**Sent:** Wednesday, April 15, 2020 9:58 AM
**To:** 'MorleyG@cbsnews.com' <MorleyG@cbsnews.com>
**Subject:** RE: CBS NEWS INQUIRY: President's signature on stimulus checks

Gillian,
Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Morley, Gillian <MorleyG@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 12:39 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** CBS NEWS INQUIRY: President's signature on stimulus checks

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning,

I'm reaching out about reports that the president's signature will be on the economic impact payment checks and that it will possibly cause a delay. Would you be able to confirm/provide a statement?

Thank you!

Gillian Morley
CBS News-Washington
O: 202-457-4444
C: (b)(6) [redacted]

# Confirming POTUS name on memo line of check

**From:** [redacted]
**To:** Alex Leary <alex.leary@wsj.com>
**Date:** Wed, 15 Apr 2020 11:24:25 -0400

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Confirming POTUS name on memo line of check

**From** [redacted]
**Sent:** Wednesday, April 15, 2020 9:57 AM
**To:** 'Alex Leary' <alex.leary@wsj.com>
**Subject:** RE: Stimulus checks

I don't know, but as soon as I find out I'll let you know.

**From:** Alex Leary <alex.leary@wsj.com>
**Sent:** Wednesday, April 15, 2020 8:40 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: Stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks. Where will President Trump's name appear?

On Apr 15, 2020, at 7:08 AM, [redacted]@treasury.gov wrote:

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Leary, Alex <alex.leary@wsj.com>
**Date:** April 15, 2020 at 1:07:28 AM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Realize this is super late but trying to confirm the WaPo report on Trump signatures. Can you confirm and provide additional information?

Thanks.

---------------
**Alex Leary**
The Wall Street Journal
(b)(6) [redacted]

# RE: Media inquiry: Trump's name on stimulus checks

**From:** [redacted]
**To:** allen.zhong@epochtimes.nyc
**Date:** Wed, 15 Apr 2020 11:24:31 -0400

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Confirming POTUS name on memo line of check

-----Original Message-----
From: [redacted]
Sent: Wednesday, April 15, 2020 9:56 AM
To: 'allen.zhong@epochtimes.nyc' <allen.zhong@epochtimes.nyc>
Subject: RE: Media inquiry: Trump's name on stimulus checks

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments.

-----Original Message-----
From: Epoch.nyc <allen.zhong@epochtimes.nyc>
Sent: Wednesday, April 15, 2020 7:36 AM
To: Treasury Public Affairs <Press@treasury.gov>
Subject: Re: Media inquiry: Trump's name on stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi there,

Good morning!

This is Allen from the Epoch Times.

It's reported that President Trump's name will be printed on the stimulus checks.

Can you comment on this?

Our deadline is 12:00 p.m. today.

Thanks and have a good day!

Allen

[redacted]

# Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]

**To:** "Cook, Sara" <cooks@cbsnews.com>

**Date:** Wed, 15 Apr 2020 11:24:44 -0400

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Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]
**Sent:** Wednesday, April 15, 2020 9:53 AM
**To:** 'Cook, Sara' <CookS@cbsnews.com>
**Subject:** RE: POTUS name on Stimulus Checks/Timing

Will do

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 9:21 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you (b)(6 [redacted]. If hear about whether this is the case we'd greatly appreciate confirmation.

Best,
Sara

On Apr 15, 2020, at 9:00 AM, (b)(6) [redacted]@treasury.gov" <(b)(6) [redacted]@treasury.gov> wrote:

External Email

No, I don't know, so I cannot confirm

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**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 15, 2020 at 8:59:31 AM EDT
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you for this. Understanding that the checks will go out on time, are you able to confirm on background/deep background whether the President's names will be printed on these checks, as the Washington Post is reporting?

Best,
Sara

On Apr 15, 2020, at 7:09 AM, (b)(6) [redacted]@treasury.gov" (b)(6) [redacted]@treasury.gov> wrote:

External Email

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 14, 2020 at 11:41:39 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>, [redacted]@treasury.gov>
**Subject:** POTUS name on Stimulus Checks/Timing

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Can you confirm the Washington Post report that the Treasury Department has ordered for President Trump's name to be printed on the stimulus checks being sent out by the IRS? Will this have an impact on the timing of their delivery? Will his signature be in the memo line below a line reading "Economic Impact Payment," as the report suggests? Is this the first time a president's signature has appeared on an IRS disbursement? And how long has this decision been in the works? Any guidance or statements you are able to provide would be greatly appreciated.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# RE: Saw your tweet

**From:** [redacted]
**To:** Saleha Mohsin <smohsin2@bloomberg.net>
**Date:** Wed, 15 Apr 2020 11:25:36 -0400

Confirming POTUS name on memo line of check

**From:** [redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 9:05 PM
**To:** Saleha Mohsin <smohsin2@bloomberg.net>
**Subject:** Saw your tweet

FYI here's our response

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

# RE: Trump's name on checks

**From:** [redacted]
**To:** "Martin Crutsinger (MCrutsinger@ap.org)" <mcrutsinger@ap.org>
**Date:** Wed, 15 Apr 2020 11:26:32 -0400

Marty,

Attributable to Treasury spokeswoman

I can confirming POTUS name on memo line of check

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Crutsinger, Martin <MCrutsinger@ap.org>
**Sent:** Wednesday, April 15, 2020 10:11 AM
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>; Treasury Public Affairs <Press@treasury.gov>
**Cc:** Crutsinger, Martin <MCrutsinger@ap.org>
**Subject:** Trump's name on checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Monica,
I am hearing that Treasury has issued a statement on the Trump name story in the WX Post. Can I get that statement?
Thanks.
Marty Crutsinger
mcrutsinger@ap.org

# Re: Confirming POTUS name on memo line of check

**From:** "Jackson, David M" <dmjackso@usatoday.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:26:43 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks

**From:** [redacted]@treasury.gov [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:24 AM
**To:** Jackson, David M <dmjackso@usatoday.com>
**Subject:** Confirming POTUS name on memo line of check

Confirming POTUS name on memo line of check

**From:** [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:57 AM
**To:** Jackson, David M <dmjackso@usatoday.com>
**Subject:** Re: Help

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Jackson, David M <dmjackso@usatoday.com>
**Date:** April 15, 2020 at 8:52:51 AM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Help

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Can you confirm the name on the checks thing? Thank you

# Re: Confirming POTUS name on memo line of check

From: "Harwood, John" <john.harwood@cnn.com>
To: [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 11:28:16 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

thank you

John Harwood
[redacted]

On Apr 15, 2020, at 11:25 AM, [redacted]@treasury.gov" [redacted]@treasury.gov> wrote:

Confirming POTUS name on memo line of check

**From:** [redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:26 PM
**To:** John.Harwood@cnn.com
**Subject:** Re: WashPost story on Trump's name going on stimulus checks true?

Hi John,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Harwood, John <John.Harwood@cnn.com>
**Date:** April 14, 2020 at 9:46:18 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** WashPost story on Trump's name going on stimulus checks true?

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

John Harwood
[redacted]

# Re: Comment on report about Trump's name appearing on stimulus checks

From: Justin Wise <jwise@thehill.com>
To: [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 11:28:42 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you, [redacted]

On Wed, Apr 15, 2020 at 11:23 AM [redacted]@treasury.gov> wrote:

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:36 AM
**To:** 'jwise@thehill.com' <jwise@thehill.com>
**Subject:** RE: Comment on report about Trump's name appearing on stimulus checks

Justin,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Justin Wise <jwise@thehill.com>
**Sent:** Tuesday, April 14, 2020 9:16 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Comment on report about Trump's name appearing on stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi, I am Justin Wise, a reporter for The Hill. I was interested in whether the Treasury Department could confirm a report from the Washington Post about President Trump's name being ordered to appear on stimulus checks. The Post noted that the process to include his name will likely cause delays for the payments.

Please let me know if the Treasury Department has any comment on this matter and any additional details related to the process for including his name on the checks.

Thank you.

Justin Wise

# Re: Confirming POTUS name on memo line of check

**From:** "Kapur, Sahil (NBCUniversal)" <sahil.kapur@nbcuni.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:28:58 -0400

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

(hit send too soon) ...or is it on background from a Treasury official?

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Sent:** Wednesday, April 15, 2020 11:26 AM
**To:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Subject:** Re: Confirming POTUS name on memo line of check

Thanks much! May I use that on the record from you?

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:25:10 AM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] Confirming POTUS name on memo line of check

Confirming POTUS name on memo line of check

**From:** [redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:46 PM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

[redacted]

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 10:44:42 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

What is your #?

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:42:27 PM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] Re: Hi Monica: can you confirm the Post's reporting that

Sure

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>

**Date:** April 14, 2020 at 10:39:54 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you. Do you have a few minutes to chat by phone tomorrow? Won't be long. Just want to connect and run a few things by you - reader interest in the stimulus rebates is enormous and I want to make sure we're getting things right. Is there a good time window and number to reach you?

Thanks again.

SK

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:37:26 PM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] Re: Hi Monica: can you confirm the Post's reporting that

Will do

---

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 10:36:31 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted]. Will you please add me to your regular press lists when you have a minute?

Much appreciated.

SK

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:27 PM
**To:** Kapur, Sahil (NBCUniversal)
**Subject:** [EXTERNAL] Re: Hi Monica: can you confirm the Post's reporting that

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 9:22:27 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

the words Donald J. Trump will appear on the stimulus checks? And is it true that will slow down the processing of the checks?

On the record or background - any attribution works.

Thanks much!

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

# RE: ABC News Question: Trump name on the checks?

**From:** (b)(6) [redacted]
**To:** matthew.vann@abc.com
**Date:** Wed, 15 Apr 2020 11:32:15 -0400

---

**Yes—POTUS name will be on memo line of paper checks.**

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 10:26 AM
**To:** Treasury Public Affairs <Press@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** Wash, Stephanie <Stephanie.Wash@abc.com>; Tatum, Sophie <Sophie.Tatum@abc.com>
**Subject:** ABC News Question: Trump name on the checks?



Morning, all—

We're trying to get more clarity regarding whether President's name will be on those paper checks.

Can Treasury confirm this please? And how did that come about?

We saw the statement that there's not going to be any delay because of this, but can Treasury provide guidance on how many paper checks will be going out starting next week?
(Similar to the figures you were able to provide regarding direct deposits.)

Thanks,
MV

**Matthew Vann | Producer/Reporter**
ABC News Washington Bureau
1717 DeSales Street NW, Washington, D.C.
Mobile: (b)(6) [redacted] | Office: (202) 222-6264

# Re: Confirming POTUS name on memo line of check

**From:** "Kapur, Sahil (NBCUniversal)" <sahil.kapur@nbcuni.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:33:19 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

10-4, thanks

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:28 AM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] RE: Confirming POTUS name on memo line of check

Treasury spokeswoman plz

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Sent:** Wednesday, April 15, 2020 11:26 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: Confirming POTUS name on memo line of check

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks much! May I use that on the record from you?

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:25:10 AM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] Confirming POTUS name on memo line of check

Confirming POTUS name on memo line of check

**From:** [redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:46 PM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

[redacted]

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 10:44:42 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

What is your #?

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:42:27 PM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] Re: Hi Monica: can you confirm the Post's reporting that

Sure

---

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 10:39:54 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you. Do you have a few minutes to chat by phone tomorrow? Won't be long. Just want to connect and run a few things by you - reader interest in the stimulus rebates is enormous and I want to make sure we're getting things right. Is there a good time window and number to reach you?

Thanks again,

SK

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:37:26 PM
**To:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Subject:** [EXTERNAL] Re: Hi Monica: can you confirm the Post's reporting that

Will do

---

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 10:36:31 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted]. Will you please add me to your regular press lists when you have a minute?

Much appreciated.

SK

—
Sahil Kapur | National Political Reporter | NBC News | [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 10:27 PM
**To:** Kapur, Sahil (NBCUniversal)

**Subject:** [EXTERNAL] Re: Hi Monica: can you confirm the Post's reporting that

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Kapur, Sahil (NBCUniversal) <Sahil.Kapur@nbcuni.com>
**Date:** April 14, 2020 at 9:22:27 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Hi Monica: can you confirm the Post's reporting that

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

the words Donald J. Trump will appear on the stimulus checks? And is it true that will slow down the processing of the checks?

On the record or background - any attribution works.

Thanks much!

—
Sahil Kapur | National Political Reporter | NBC News | (b)(6) [redacted] (cell)
https://hyperlink.services.treasury.gov/agency.do?origin=https://twitter.com/sahilkapur

# RE: Press Request

**From:** [redacted]
**To:** lindsay.kimble@people.com
**Date:** Wed, 15 Apr 2020 11:33:26 -0400

---

Lindsay,

I can confirm POTUS name on memo line of check

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.


[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov


**From:** Lindsay Kimble <Lindsay.Kimble@people.com>
**Sent:** Wednesday, April 15, 2020 9:39 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Press Request



Hi,

Reaching out from PEOPLE magazine regarding the Washington Post's report that the stimulus checks for Americans will feature President Trump's name on them? Can you confirm? Further, will putting his name on them delay them being sent?

Thanks much,

Lindsay Kimble

# Re: [EXTERNAL] RE: Press Request

**From:** Lindsay Kimble <lindsay.kimble@people.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:34:41 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks for your help, (b)(6) [redacted] Appreciate it.

Hope you're well!

**From:** (b)(6) [redacted]@treasury.gov" (b)(6) [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 11:33 AM
**To:** Lindsay Kimble <Lindsay.Kimble@people.com>
**Subject:** [EXTERNAL] RE: Press Request

Lindsay,

I can confirm POTUS name on memo line of check

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

(b)(6) [redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
(b)(6) [redacted] – direct
(b)(6) [redacted]@Treasury.gov

**From:** Lindsay Kimble <Lindsay.Kimble@people.com>
**Sent:** Wednesday, April 15, 2020 9:39 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Press Request

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi,

Reaching out from PEOPLE magazine regarding the Washington Post's report that the stimulus checks for Americans will feature President Trump's name on them? Can you confirm? Further, will putting his name on them delay them being sent?

Thanks much,

Lindsay Kimble

# Re: Comment on coronavirus stimulus checks / delays - Yahoo Finance

From: Ben Werschkul <benw@yahoofinance.com>
To: [redacted]@treasury.gov>
Cc: Ben Werschkul <benw@yahoofinance.com>
Date: Wed, 15 Apr 2020 11:34:50 -0400



Got it.

On Wed, Apr 15, 2020 at 11:23 AM [redacted]@treasury.gov> wrote:

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:14 AM
**To:** 'benw@yahoofinance.com' <benw@yahoofinance.com>
**Subject:** RE: Comment on coronavirus stimulus checks / delays - Yahoo Finance

Ben—

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

Confirmed: In the mail by next week.

[redacted]

Deputy Assistant Secretary (Acting)

Public Affairs
U.S. Department of the Treasury
[redacted] - direct
[redacted]@Treasury.gov

**From:** Ben Werschkul <benw@yahoofinance.com>
**Sent:** Wednesday, April 15, 2020 7:42 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Cc:** [redacted]@treasury.gov>; [redacted]@treasury.gov>
**Subject:** Comment on coronavirus stimulus checks / delays - Yahoo Finance

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Yahoo Finance is covering the disbursement of the stimulus checks.

Could we get a comment specifically on the question of whether adding the President's name to the memo line will delay their disbursement in any way? Could you confirm that the first round of paper check will likely be in mail by next week?

Thank you,

Ben

--
Ben Werschkul
[redacted]
benw@yahoofinance.com

# Re: Media inquiry: Trump's name on stimulus checks

From: Epoch.nyc <allen.zhong@epochtimes.nyc>
To: (b)(6) [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 11:36:43 -0400

---

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Appreciate for your help,

Have a good day,

Allen

On 4/15/20 11:24, (b)(6) [redacted]@treasury.gov wrote:
> Confirming POTUS name on memo line of check
>
> -----Original Message-----
> From: (b)(6) [redacted]
> Sent: Wednesday, April 15, 2020 9:56 AM
> To: 'allen.zhong@epochtimes.nyc' <allen.zhong@epochtimes.nyc>
> Subject: RE: Media inquiry: Trump's name on stimulus checks
>
> Attributable to Treasury spokeswoman
>
> Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.
>
> Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments.
>
>
> -----Original Message-----
> From: Epoch.nyc <allen.zhong@epochtimes.nyc>
> Sent: Wednesday, April 15, 2020 7:36 AM
> To: Treasury Public Affairs <Press@treasury.gov>
> Subject: Re: Media inquiry: Trump's name on stimulus checks
>
> ** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **
>
>
> Hi there,
>
> Good morning!
>
> This is Allen from the Epoch Times.
>
> It's reported that President Trump's name will be printed on the stimulus checks.
>
> Can you comment on this?
>
> Our deadline is 12:00 p.m. today.
>
>
> Thanks and have a good day!
>
> Allen
>
> (b)(6) [redacted]
>

# Re: ABC News Question: Trump name on the checks?

**From:** "Vann, Matthew" <matthew.vann@abc.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed. 15 Apr 2020 11:37:58 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks [redacted]

Will that delay the production of paper checks?

**From:** "[redacted]@treasury.gov" [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 11:32
**To:** "Vann, Matthew" <Matthew.Vann@abc.com>
**Subject:** RE: ABC News Question: Trump name on the checks?

**Yes—POTUS name will be on memo line of paper checks.**

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 10:26 AM
**To:** Treasury Public Affairs <Press@treasury.gov>; [redacted]@treasury.gov>
**Cc:** Wash, Stephanie <Stephanie.Wash@abc.com>; Tatum, Sophie <Sophie.Tatum@abc.com>
**Subject:** ABC News Question: Trump name on the checks?

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Morning, all—

We're trying to get more clarity regarding whether President's name will be on those paper checks.

Can Treasury confirm this please? And how did that come about?

We saw the statement that there's not going to be any delay because of this, but can Treasury provide guidance on how many paper checks will be going out starting next week?
(Similar to the figures you were able to provide regarding direct deposits.)

Thanks,
MV


abc NEWS
**Matthew Vann | Producer/Reporter**
ABC News Washington Bureau
1717 DeSales Street NW, Washington, D.C.
Mobile: [redacted] | Office: (202) 222-6264

# RE: ABC News Question: Trump name on the checks?

**From:** (b)(6) [redacted]

**To:** "Vann, Matthew" <matthew.vann@abc.com>

**Date:** Wed, 15 Apr 2020 11:38:31 -0400

---

No. Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 11:38 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]

Will that delay the production of paper checks?

---

**From:** (b)(6) [redacted]@treasury.gov" (b)(6) [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 11:32
**To:** "Vann, Matthew" <Matthew.Vann@abc.com>
**Subject:** RE: ABC News Question: Trump name on the checks?

**Yes—POTUS name will be on memo line of paper checks.**

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 10:26 AM
**To:** Treasury Public Affairs <Press@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** Wash, Stephanie <Stephanie.Wash@abc.com>; Tatum, Sophie <Sophie.Tatum@abc.com>
**Subject:** ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Morning, all—

We're trying to get more clarity regarding whether President's name will be on those paper checks.

Can Treasury confirm this please? And how did that come about?

We saw the statement that there's not going to be any delay because of this, but can Treasury provide guidance on how many paper checks will be going out starting next week?
(Similar to the figures you were able to provide regarding direct deposits.)

Thanks,
MV

**Matthew Vann | Producer/Reporter**
ABC News Washington Bureau
1717 DeSales Street NW, Washington, D.C.
Mobile: (b)(6) [redacted] | Office: (202) 222-6264

# Re: ABC News Question: Trump name on the checks?

**From:** "Vann, Matthew" <matthew.vann@abc.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:43:31 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Any sense as to how many paper checks will be going out next week?

Matthew Vann
Producer/Reporter
ABC News Washington
[redacted]

Sent from Matthew's iPhone

On Apr 15, 2020, at 11:38 AM, "[redacted]@treasury.gov" <[redacted]@treasury.gov> wrote:

No. Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

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**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 11:38 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks [redacted].

Will that delay the production of paper checks?

**From:** "[redacted]@treasury.gov" <[redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 11:32
**To:** "Vann, Matthew" <Matthew.Vann@abc.com>
**Subject:** RE: ABC News Question: Trump name on the checks?

**Yes—POTUS name will be on memo line of paper checks.**

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 10:26 AM
**To:** Treasury Public Affairs <Press@treasury.gov>; (b)(6) [redacted] <Brian.Morgenstern@treasury.gov>
**Cc:** Wash, Stephanie <Stephanie.Wash@abc.com>; Tatum, Sophie <Sophie.Tatum@abc.com>
**Subject:** ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Morning, all—

We're trying to get more clarity regarding whether President's name will be on those paper checks.

Can Treasury confirm this please? And how did that come about?

We saw the statement that there's not going to be any delay because of this, but can Treasury provide guidance on how many paper checks will be going out starting next week?
(Similar to the figures you were able to provide regarding direct deposits.)

Thanks,
MV

<image001.png>

**Matthew Vann | Producer/Reporter**
ABC News Washington Bureau
1717 DeSales Street NW, Washington, D.C.
Mobile: (b)(6) [redacted] Office: (202) 222-6264

# Re: Media Inquiry: Forbes

**From:** "Sandler, Rachel" <rsandler@forbes.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:47:52 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks--will update my story.

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:23 AM
**To:** Sandler, Rachel <rsandler@forbes.com>
**Subject:** RE: Media Inquiry: Forbes

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:35 AM
**To:** 'rsandler@forbes.com' <rsandler@forbes.com>
**Subject:** RE: Media Inquiry: Forbes

Rachel,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Sandler, Rachel <rsandler@forbes.com>
**Sent:** Tuesday, April 14, 2020 9:14 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Media Inquiry: Forbes

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi there,

I'm reaching out to see if you folks have a comment on a Washington Post story reporting that the stimulus checks may be delayed because the president wants his name printed on them?

Thanks.

# RE: Confirming POTUS name on memo line of check

**From:** "Tausche, Kayla (NBCUniversal)" <kayla.tausche@nbcuni.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:48:10 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]. Can you provide any information on how Treasury and IRS came to approve this and assure its legality?

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:25 AM
**To:** Tausche, Kayla (NBCUniversal) <Kayla.Tausche@nbcuni.com>
**Subject:** [EXTERNAL] Confirming POTUS name on memo line of check

Confirming POTUS name on memo line of check

**From:** (b)(6) [redacted]@treasury.gov>
**Sent:** Tuesday, April 14, 2020 9:44 PM
**To:** Kayla.Tausche@nbcuni.com
**Subject:** Re: Signature

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Kautter, David <David.Kautter@treasury.gov>
**Date:** April 14, 2020 at 9:27:26 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>, (b)(6) [redacted] <Brian.Morgenstern@treasury.gov>, (b)(6) [redacted]@treasury.gov>
**Subject:** Fwd: Signature
**Importance:** Hi

---

**From:** Tausche, Kayla (NBCUniversal) <Kayla.Tausche@nbcuni.com>
**Date:** April 14, 2020 at 9:02:49 PM EDT
**To:** Kautter, David <David.Kautter@treasury.gov>
**Subject:** Signature
**Importance:** High

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi David,

Hope you are doing well and staying healthy. I wanted to reach out and get some context for the decision to include Pres. Trump's signature on the stimulus checks being distributed to Americans beginning this week.

Did Treasury receive an opinion from its internal counsel or the WH's Office of Legal Counsel on the legality of this? If so, what did it conclude?

Some Democratic lawmakers and watchdog groups have raised questions about this constituting electioneering, and I'd be interested in your response.

Thank you,
Kayla

Kayla Tausche
CNBC, Washington
(b)(6) [redacted]
kayla@cnbc.com

# Re: Confirming POTUS name on memo line of check

**From:** "Cook, Sara" <cooks@cbsnews.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:58:06 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted] greatly appreciate it!

Best,
Sara

**From:** [redacted]@treasury.gov [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:24 AM
**To:** Cook, Sara <CookS@cbsnews.com>
**Subject:** Confirming POTUS name on memo line of check

External Email

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 9:53 AM
**To:** 'Cook, Sara' <CookS@cbsnews.com>
**Subject:** RE: POTUS name on Stimulus Checks/Timing

Will do

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 9:21 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted] If hear about whether this is the case we'd greatly appreciate confirmation.

Best,
Sara

On Apr 15, 2020, at 9:00 AM, [redacted]@treasury.gov" [redacted]@treasury.gov> wrote:

External Email

No, I don't know, so I cannot confirm

**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 15, 2020 at 8:59:31 AM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you for this. Understanding that the checks will go out on time, are you able to confirm on background/deep background whether the President's names will be printed on these checks, as the Washington Post is reporting?

Best,
Sara

On Apr 15, 2020, at 7:09 AM, [redacted]treasury.gov" [redacted]@treasury.gov> wrote:

External Email

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 14, 2020 at 11:41:39 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>, [redacted]@treasury.gov>
**Subject:** POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Can you confirm the Washington Post report that the Treasury Department has ordered for President Trump's name to be printed on the stimulus checks being sent out by the IRS? Will this have an impact on the timing of their delivery? Will his signature be in the memo line below a line reading "Economic Impact Payment," as the report suggests? Is this the first time a president's signature has appeared on an IRS disbursement? And how long has this decision been in the works? Any guidance or statements you are able to provide would be greatly appreciated.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# Re: Comment on WaPo story for Examiner

**From:** Zachary Halaschak <zhalaschak@washingtonexaminer.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 11:58:59 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted], adding to the story now.

Stay healthy,

On Wed, Apr 15, 2020 at 11:23 AM <[redacted]@treasury.gov> wrote:

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 10:00 AM
**To:** 'zhalaschak@washingtonexaminer.com' <zhalaschak@washingtonexaminer.com>
**Subject:** RE: Comment on WaPo story for Examiner

Hey Zach,

Attributable to Treasury spokeswoman:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

[redacted]

Deputy Assistant Secretary (Acting)

Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Zachary Halaschak <zhalaschak@washingtonexaminer.com>
**Sent:** Tuesday, April 14, 2020 9:00 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Comment on WaPo story for Examiner

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hello,

I am hoping to get a reaction or comment on this Post report that just came out.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,

--

**Zachary Halaschak**

**Breaking News Reporter**

(b)(6) [redacted]

--
**Zachary Halaschak**
**Breaking News Reporter**
(b)(6) [redacted]

# RE: USA Today request for information on stimulus checks

**From:** "Cummings, William" <wcummings@usatoday.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 12:02:17 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Do you know if the president's name was included on previous stimulus checks? 2008 and 2009, for example?

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:26 AM
**To:** Cummings, William <wcummings@usatoday.com>
**Subject:** RE: USA Today request for information on stimulus checks

spoxwoman

**From:** Cummings, William <wcummings@usatoday.com>
**Sent:** Wednesday, April 15, 2020 11:26 AM
**To:** [redacted]@treasury.gov>
**Subject:** RE: USA Today request for information on stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you! Is that OTR or attributable to Treasury spokeswoman?

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:25 AM
**To:** Cummings, William <wcummings@usatoday.com>
**Subject:** RE: USA Today request for information on stimulus checks

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 9:55 AM
**To:** 'wcummings@usatoday.com' <wcummings@usatoday.com>
**Subject:** RE: USA Today request for information on stimulus checks

William,

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Cummings, William <wcummings@usatoday.com>
**Sent:** Wednesday, April 15, 2020 6:44 AM
**To:** Treasury Public Affairs <Press@treasury.gov>

**Subject:** USA Today request for information on stimulus checks

** **Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov** **

Good morning,

I am writing about the multiple reports that President's Trump name will appear on the checks being sent out to Americans under the CARES Act. Can you confirm the president's name will be on the checks?

Is that standard for checks from the Treasury to the taxpayers? If not, what was the logic behind the decision to do it in this case?

Has adding the signature caused any delays in the checks going out?

Thank you very much,

William Cummings
Politics NOW Reporter, USA TODAY
(b)(6) [redacted]

# Re: Confirming POTUS name on memo line of check

From: "Leary, Alex" <alex.leary@wsj.com>
To: [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 12:04:27 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks.

---------------
Alex Leary
The Wall Street Journal
[redacted]

On Wed, Apr 15, 2020 at 11:24 AM [redacted]@treasury.gov> wrote:

Confirming POTUS name on memo line of check

**From** [redacted]
**Sent:** Wednesday, April 15, 2020 9:57 AM
**To:** 'Alex Leary' <alex.leary@wsj.com>
**Subject:** RE: Stimulus checks

I don't know, but as soon as I find out I'll let you know.

**From:** Alex Leary <alex.leary@wsj.com>
**Sent:** Wednesday, April 15, 2020 8:40 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: Stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks. Where will President Trump's name appear?

> On Apr 15, 2020, at 7:08 AM, [redacted]@treasury.gov wrote:
>
> Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Leary, Alex <alex.leary@wsj.com>
**Date:** April 15, 2020 at 1:07:28 AM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>
**Subject:** Stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Realize this is super late but trying to confirm the WaPo report on Trump signatures. Can you confirm and provide additional information?

Thanks.

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**Alex Leary**

The Wall Street Journal

(b)(6) [redacted]

# RE: ABC News Question: Trump name on the checks?

**From:** (b)(6) [redacted]

**To:** "Vann, Matthew" <matthew.vann@abc.com>

**Date:** Wed, 15 Apr 2020 12:09:42 -0400

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Yes, I am talking about paper checks: total number of checks is subject to a number of variables, including how much info the IRS obtains through the Non-Filers Enter Payment Info web portal and the Get My Payment app launched today.

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 12:09 PM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Got it re: total number.

But I'm talking about paper checks … any specific figures regarding that, (b)(6) [redacted]?
MV

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**From:** "(b)(6) [redacted]@treasury.gov" <(b)(6) [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 11:45
**To:** "Vann, Matthew" <Matthew.Vann@abc.com>
**Subject:** RE: ABC News Question: Trump name on the checks?

On background, attributable to a Treasury spokesperson: The total number of checks is subject to a number of variables, including how much info the IRS obtains through the Non-Filers Enter Payment Info web portal and the Get My Payment app launched today.

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 11:44 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Any sense as to how many paper checks will be going out next week?

Matthew Vann
Producer/Reporter
ABC News Washington
(b)(6) [redacted]

Sent from Matthew's iPhone

On Apr 15, 2020, at 11:38 AM, (b)(6) [redacted]@treasury.gov" (b)(6) [redacted]@treasury.gov> wrote:

No. Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 11:38 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted].

Will that delay the production of paper checks?

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**From:** "(b)(6) [redacted]@treasury.gov" <(b)(6) [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 11:32
**To:** "Vann, Matthew" <Matthew.Vann@abc.com>
**Subject:** RE: ABC News Question: Trump name on the checks?

**Yes—POTUS name will be on memo line of paper checks.**

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 10:26 AM
**To:** Treasury Public Affairs <Press@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** Wash, Stephanie <Stephanie.Wash@abc.com>; Tatum, Sophie <Sophie.Tatum@abc.com>
**Subject:** ABC News Question: Trump name on the checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Morning, all—

We're trying to get more clarity regarding whether President's name will be on those paper checks.

Can Treasury confirm this please? And how did that come about?

We saw the statement that there's not going to be any delay because of this, but can Treasury provide guidance on how many paper checks will be going out starting next week?
(Similar to the figures you were able to provide regarding direct deposits.)

Thanks,
MV

<image001.png>
**Matthew Vann | Producer/Reporter**
ABC News Washington Bureau
1717 DeSales Street NW. Washington, D.C.
Mobile: [redacted] | Office: (202) 222-6264

# RE: Question about stimulus checks

**From:** "Pender, Kathleen" <kpender@sfchronicle.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 12:46:22 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

So by tomorrow, 80 million households will have received a direct deposit, right?

And are these ALL of the households where the IRS had direct deposit info on a 2018 or 2019 tax return?

So that anyone who provided that info on a 2019 or 2018 should have received their payment by tomorrow?

And everyone else will have to wait for a check or enter their info into one of the new web portals?

What about people who are getting payments via their SSA or RRA information? Are they in the 80 million? Or are they still waiting for payments and if so, when will they get them? Do you know how many people will get payments this way?

It would be nice to provide this so people will know about when they should expect a payment.

Thanks.

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:58 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

On background, attributable to a Treasury spokesperson: Yes, more than 80 million payments will be distributed via direct deposit by tomorrow. The total number of paper checks is subject to a number of variables, including how much info the IRS obtains through the Non-Filers Enter Payment Info web portal and the Get My Payment app, which launched today.

Expect checks to go out next week.

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 11:51 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** RE: Question about stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks, do you have a timeline for when these payments will be going out?

I know direct deposits started this week, but how many do you expect to send out and what is the schedule.
Same for checks: How many will go out, starting when and ending when?

I know it may be influx w/ the new web portals, but if you could give me your best estimate as of now I'd appreciate it. I can't find the info on Treasury or IRS websites.

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:43 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

Yes

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 11:43 AM
**To:** [redacted]@treasury.gov>
**Subject:** RE: Question about stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks, can you confirm that President Trump's name will be on the memo line?

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:38 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

Kathleen, Attributable to a Treasury spokeswoman: Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 10:36 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Question about stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi, can someone please confirm or deny this news report for me as soon as possibly?

President Donald Trump's name will appear on checks sent to millions of Americans to combat the economic effects of the coronavirus in a last-minute Treasury Department order, a senior administration official confirmed to CNN on Tuesday.

Two senior Treasury officials told The Washington Post, which first reported the decision, that the move will probably set back the delivery date on the first set of paper checks -- potentially slowing a process that could already take up to 20 weeks. The administration official, however, insisted to CNN that the move will not result in a delay.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.cnn.com/2020/04/14/politics/trump-name-checks-coronavirus/index.html

Kathleen Pender
Business "Net Worth" columnist
San Francisco Chronicle
415-777-7008 (office)
[redacted] (cell)
kpender@sfchronicle.com

# RE: Question on the "Get My Payment" tool

**From:** [redacted]

**To:** Naomi Jagoda <njagoda@thehill.com>

**Date:** Wed, 15 Apr 2020 13:00:21 -0400

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Yes i am

**From:** Naomi Jagoda <njagoda@thehill.com>
**Sent:** Wednesday, April 15, 2020 12:59 PM
**To:** [redacted]@treasury.gov>
**Subject:** Re: Question on the "Get My Payment" tool

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks -- also, are you confirming that the paper checks will have President Trump's name on them? I saw Monica's statement but that didn't seem to directly say anything about whether the president's name would be on the checks.

On Wed, Apr 15, 2020 at 11:56 AM <[redacted]@treasury.gov> wrote:

> Treasury spokeswoman, please
>
> **From:** Naomi Jagoda <njagoda@thehill.com>
> **Sent:** Wednesday, April 15, 2020 11:55 AM
> **To:** [redacted]@treasury.gov>
> **Subject:** Re: Question on the "Get My Payment" tool
>
> ** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **
>
> Thanks. Can you clarify exactly what you mean by "on background" here? How would you like me to attribute this information if I use it in a story?
>
> On Wed, Apr 15, 2020 at 11:48 AM <[redacted]@treasury.gov> wrote:
>
>> On background:
>> No. *Get My Payment* cannot update bank account information after an Economic Impact Payment has been scheduled for delivery. To help protect against potential fraud, the tool also does not allow people to change bank account information already on file with the IRS.
>>
>> **From:** Naomi Jagoda <njagoda@thehill.com>
>> **Sent:** Wednesday, April 15, 2020 11:03 AM
>> **To:** Treasury Public Affairs <Press@treasury.gov>; newsroom@irs.gov; [redacted]
>> <[redacted]@treasury.gov>
>> **Subject:** Question on the "Get My Payment" tool
>>
>> ** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **
>>
>> Hi all,
>>
>> I have a question related to the "Get My Payment Tool." Will people who have new bank account/address information since they last filed a tax return be able to use the tool to provide their updated information to the IRS

through this tool? Or can the tool only be used by people who have not previously provided the IRS with any direct deposit information on their 2018 or 2019 returns.

Thanks,
Naomi

--
Naomi Jagoda
Tax Reporter, The Hill
Office: 202-628-8627
Cell: [redacted]
njagoda@thehill.com
Twitter: @njagoda

--
Naomi Jagoda
Tax Reporter, The Hill
Office: 202-628-8627
Cell: [redacted]
njagoda@thehill.com
Twitter: @njagoda

--
Naomi Jagoda
Tax Reporter, The Hill
Office: 202-628-8627
Cell: [redacted]
njagoda@thehill.com
Twitter: @njagoda

# RE: Response to House Speaker over checks?

**From:** (b)(6) [redacted]

**To:** "Lawrence, Edward" <edward.lawrence@foxbusiness.com>

**Date:** Wed, 15 Apr 2020 13:17:50 -0400

On background, attributable to a Treasury spokesperson:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Lawrence, Edward <Edward.Lawrence@FOXBUSINESS.COM>
**Sent:** Wednesday, April 15, 2020 1:16 PM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Response to House Speaker over checks?

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

(b)(6) [redacted]

Can I get a response to the House Speaker saying checks delayed to get POTUS name on them?

Thanks!!

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Pelosi Statement on President Trump Ordering His Name Printed on Stimulus Checks

San Francisco – Speaker Nancy Pelosi issued this statement after President Trump ordered that his name be printed on stimulus checks, causing potential delays in delivery to workers and families according to senior IRS officials:

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands."

---

Edward Lawrence
Correspondent
FOX Business Network
Cell: (b)(6) [redacted]

# RE: Question about stimulus checks

**From:** "Pender, Kathleen" <kpender@sfchronicle.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 13:59:19 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Can someone tell me why the IRS new web portal get my payment is sending bizarre messages. One just says it's busy, another says:

# THIS U.S. GOVERNMENT SYSTEM IS FOR AUTHORIZED USE ONLY!

Use of this system constitutes consent to monitoring, interception, recording, reading, copying or capturing by authorized personnel of all activities. There is no right to privacy in this system. Unauthorized use of this system is prohibited and subject to criminal and civil penalties, including all penalties applicable to willful unauthorized access (UNAX) or inspection of taxpayer records (under 18 U.S.C. 1030 and 26 U.S.C. 7213A and 26 U.S.C. 7431).

Top of Form

OK

Bottom of Form

Use of this system constitutes consent to monitoring, interception, recording, reading, copying or capturing by authorized personnel of all activities. There is no right to privacy in this system.

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:58 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

On background, attributable to a Treasury spokesperson: Yes, more than 80 million payments will be distributed via direct deposit by tomorrow. The total number of paper checks is subject to a number of variables, including how much info the IRS obtains through the Non-Filers Enter Payment Info web portal and the Get My Payment app, which launched today.

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**Sent:** Wednesday, April 15, 2020 11:51 AM
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**Subject:** RE: Question about stimulus checks

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Thanks, do you have a timeline for when these payments will be going out?

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Same for checks: How many will go out, starting when and ending when?

I know it may be influx w/ the new web portals, but if you could give me your best estimate as of now I'd appreciate it. I can't find the info on Treasury or IRS websites.

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:43 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

Yes

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 11:43 AM
**To:** [redacted]@treasury.gov>
**Subject:** RE: Question about stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

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**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

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[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 10:36 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Question about stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

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https://hyperlink.services.treasury.gov/agency.do?origin=https://www.cnn.com/2020/04/14/politics/trump-name-checks-coronavirus/index.html

Kathleen Pender
Business "Net Worth" columnist
San Francisco Chronicle
415-777-7008 (office)
[redacted] (cell)
kpender@sfchronicle.com

# USA TODAY - Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans

**From:** [redacted]@treasury.gov>
**To:** _DL_IRSNews <_dl_irsnews@do.treas.gov>
**Date:** Wed, 15 Apr 2020 14:01:48 -0400

Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans

William Cummings and David Jackson, USA TODAY

Published 8:45 a.m. ET April 15, 2020 | Updated 1:18 p.m. ET April 15, 2020

WASHINGTON – When Americans receive their anxiously awaited checks from the federal government, which are being sent out to help mitigate the economic hardships caused by the coronavirus outbreak, they may notice the words "President Donald J. Trump" have been added at the bottom.

Trump suggested to Treasury Secretary Steve Mnuchin the idea of adding his signature to the $1,200 paper checks, and the department agreed Monday to add his printed name (but not his actual autograph).

The Treasury Department confirmed to USA TODAY on Wednesday that Trump's name would be on the checks, but claimed that affixing it would not delay delivery of the payments.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned – there is absolutely no delay whatsoever," a Treasury spokeswoman said in a statement. "In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates."

Here is how the federal government is stepping in to support small businesses and health care providers. USA TODAY

Analysis: Trump halts funding to WHO. Experts say we need it now more than ever

She said Treasury and IRS officials "have worked around the clock to get fast and direct economic assistance to hardworking Americans" and said the quick turnaround was a "major achievement."

But The Washington Post, which first reported the story, said senior IRS officials believed the addition of the president's name could slow the printing of the checks.

There were already concerns that the outdated technology used by the IRS could delay the release of the funds, and Chad Hooper, president of the agency's Professional Managers Association, told the Post that changing the computer code to add the president's name could slow things up.

"Any last minute request like this will create a downstream snarl that will result in a delay," Hooper told the Post.

Warren endorses Biden: Elizabeth Warren endorses Joe Biden for president

The president's formal signature won't appear because he is not legally authorized to endorse the checks. Instead, his name will be on the memo line, the Post and The New York Times reported. According to the Post, it is standard for a department employee to sign the checks "to ensure that government payments are nonpartisan."

Trump had previously denied wanting to add his signature to the checks.

When asked at an April 3 news conference if he was considering it, Trump said, "There's millions of checks. I'm going to sign them? No. It's a Trump administration initiative, but do I want to sign them? No. The people are getting their money."

CARES checks: Not everyone is getting a $1,200 coronavirus stimulus check. Here's who will be left out.

Americans who have given the IRS their direct deposit information began to receive the funds on Friday and Mnuchin said he expects about 80 million taxpayers will get the money by Wednesday. Trump's name will not appear on any of those deposits.

Mnuchin told reporters Monday that electronic disbursement is the preferred way of distributing the funds and that they are trying to get the money to as many Americans as possible that way. But millions of Americans, many of them low income, will receive paper checks.

The decision to add the president's name to the checks was derided as self-serving and politically motivated by congressional Democrats, most of whom voted to approve the $2.2 trillion rescue package that included the direct payments to taxpayers.

When are you getting your check?: Here's a new way to find out

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President

Trump's catastrophic failure to treat this crisis with the urgency it demands," House Speaker Nancy Pelosi, D-Calif., said in a statement.

"Thousands of families are running out of money as they lose their jobs. Days and hours matter. But Trump comes first," Sen. Chris Murphy, D-Conn., tweeted in response to the Post story. "So Trump is delaying the stimulus checks so his signature can be printed on each one. Him first. You second. Always."

Thousands of families are running out of money as they lose their jobs. Days and hours matter.

But Trump comes first. America always come second.

So Trump is delaying the stimulus checks so his signature can be printed on each one.

Him first. You second.

Always.
— Chris Murphy (@ChrisMurphyCT) April 15, 2020
Rep. Ilhan Omar, D-Minn., echoed Murphy's sentiment.

"17 million people have lost their jobs. Millions can't pay rent, afford food, and are sinking into debt. And the president is delaying relief for them so he can see his name on a check. Trump first, America second," she tweeted.

"You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you," said Rep. Brendan Boyle, D-Pa., who sits on the House Ways and Means Committee.

You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you. https://t.co/2qRpIB06sK
— US Rep Brendan Boyle (@RepBrendanBoyle) April 15, 2020

Rep. Jennifer Wexton, D-Va., a member of the House Financial Services Committee, derided "unnecessarily postponing the disbursement of stimulus checks to feed the president's ego or for political gain."

Former Treasury Secretary Lawrence Summers said he would have resigned if President Bill Clinton had asked him to add his name to such disbursement checks.

"A Secretary of the @USTreasury who permits this is a dangerous sycophant. This is using government as a propaganda tool," Summers tweeted.

And Walter Shaub, a former director of the independent Office of Government Ethics, tweeted, "Where you see the dying and suffering of your fellow Americans, Donald Trump sees another opportunity to promote himself – and, by extension, his reelection campaign. Corruption, you see, has its visionaries."

A spokesman for Senate Finance Committee Chairman Chuck Grassley, R-Iowa, told USA TODAY in a statement that there was nothing unusual about a president trying to associate their name with an economic stimulus program.

"During economic downturns in 2001 and 2008, President Bush included his name on letters sent in advance of recovery checks," said Grassley's spokesman, Michael Zona. "Notably, attaching a name to a check has a negligible expense, unlike the Obama administration's use of costly signs across the country at construction sites built as part of the 2009 recovery legislation."

Contributing: Michael Collins and Christal Hayes, USA TODAY; Susan Tompor, Detroit Free Press

# RE: Question about stimulus checks

**From:** "Pender, Kathleen" <kpender@sfchronicle.com>
**To:** (b)(6) [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 14:05:00 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Or is that message intentional? The part that says "you have no right to privacy" might cause people not to enter their bank account info.
But maybe you're just being honest?

**From:** Pender, Kathleen
**Sent:** Wednesday, April 15, 2020 10:59 AM
**To:** (b)(6) [redacted]@treasury.gov' <(b)(6) [redacted]@treasury.gov>
**Subject:** RE: Question about stimulus checks

Can someone tell me why the IRS new web portal get my payment is sending bizarre messages. One just says it's busy, another says:

# THIS U.S. GOVERNMENT SYSTEM IS FOR AUTHORIZED USE ONLY!

Use of this system constitutes consent to monitoring, interception, recording, reading, copying or capturing by authorized personnel of all activities. There is no right to privacy in this system. Unauthorized use of this system is prohibited and subject to criminal and civil penalties, including all penalties applicable to willful unauthorized access (UNAX) or inspection of taxpayer records (under 18 U.S.C. 1030 and 26 U.S.C. 7213A and 26 U.S.C. 7431).

Top of Form

OK

Bottom of Form

Use of this system constitutes consent to monitoring, interception, recording, reading, copying or capturing by authorized personnel of all activities. There is no right to privacy in this system.

**From:** (b)(6) [redacted]@treasury.gov <(b)(6) [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:58 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

On background, attributable to a Treasury spokesperson: Yes, more than 80 million payments will be distributed via direct deposit by tomorrow. The total number of paper checks is subject to a number of variables, including how much info the IRS obtains through the Non-Filers Enter Payment Info web portal and the Get My Payment app, which launched today.

Expect checks to go out next week.

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 11:51 AM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** RE: Question about stimulus checks

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Thanks, do you have a timeline for when these payments will be going out?

I know direct deposits started this week, but how many do you expect to send out and what is the schedule.
Same for checks: How many will go out, starting when and ending when?

I know it may be influx w/ the new web portals, but if you could give me your best estimate as of now I'd appreciate it. I can't find the info on Treasury or IRS websites.

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:43 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

Yes

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 11:43 AM
**To:** [redacted]@treasury.gov>
**Subject:** RE: Question about stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks, can you confirm that President Trump's name will be on the memo line?

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 8:38 AM
**To:** Pender, Kathleen <KPender@sfchronicle.com>
**Subject:** RE: Question about stimulus checks

Kathleen, Attributable to a Treasury spokeswoman: Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

[redacted]
Deputy Assistant Secretary
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Pender, Kathleen <KPender@sfchronicle.com>
**Sent:** Wednesday, April 15, 2020 10:36 AM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Question about stimulus checks

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi, can someone please confirm or deny this news report for me as soon as possibly?

President Donald Trump's name will appear on checks sent to millions of Americans to combat the economic effects of the coronavirus in a last-minute Treasury Department order, a senior administration official confirmed to CNN on Tuesday.

Two senior Treasury officials told The Washington Post, which first reported the decision, that the move will probably set back the delivery date on the first set of paper checks -- potentially slowing a process that could already take up to 20 weeks. The administration official, however, insisted to CNN that the move will not result in a delay.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.cnn.com/2020/04/14/politics/trump-name-checks-coronavirus/index.html

Kathleen Pender
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415-777-7008 (office)
(b)(6) [redacted] (cell)
kpender@sfchronicle.com

# Re: Confirming POTUS name on memo line of check

**From:** "Cook, Sara" <cooks@cbsnews.com>
**To:** [redacted]@treasury.gov>
**Date:** Wed, 15 Apr 2020 14:41:11 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks again, [redacted] I had two quick follow-up questions:

I was wondering if it is possible to get a copy of what the checks look like to put in our piece.

Additionally, did printing of the President's name on the checks themselves add any cost to making them, and if so, what was that cost? (Forgive my ignorance of how the actual check-printing process works at the IRS.)

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 11:58 AM
**To:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Subject:** Re: Confirming POTUS name on memo line of check

Thank you [redacted], greatly appreciate it!

Best,
Sara

**From:** [redacted]@treasury.gov [redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:24 AM
**To:** Cook, Sara <CookS@cbsnews.com>
**Subject:** Confirming POTUS name on memo line of check

External Email

Confirming POTUS name on memo line of check
**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 9:53 AM
**To:** 'Cook, Sara' <CookS@cbsnews.com>
**Subject:** RE: POTUS name on Stimulus Checks/Timing

Will do

**From:** Cook, Sara <CookS@cbsnews.com>
**Sent:** Wednesday, April 15, 2020 9:21 AM
**To:** [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you [redacted] If hear about whether this is the case we'd greatly appreciate confirmation.

Best,

Sara

On Apr 15, 2020, at 9:00 AM, [redacted]@treasury.gov" [redacted]@treasury.gov> wrote:

External Email

No, I don't know, so I cannot confirm

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**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 15, 2020 at 8:59:31 AM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thank you for this. Understanding that the checks will go out on time, are you able to confirm on background/deep background whether the President's names will be printed on these checks, as the Washington Post is reporting?

Best,
Sara

On Apr 15, 2020, at 7:09 AM, [redacted]@treasury.gov" [redacted]@treasury.gov> wrote:

External Email

Attributable to Treasury spokeswoman

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

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**From:** Cook, Sara <CookS@cbsnews.com>
**Date:** April 14, 2020 at 11:41:39 PM EDT
**To:** Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>, [redacted]@treasury.gov>
**Subject:** POTUS name on Stimulus Checks/Timing

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi all,

Can you confirm the Washington Post report that the Treasury Department has ordered for President Trump's name to be printed on the stimulus checks being sent out by the IRS? Will this have an impact on the timing of their delivery? Will his signature be in the memo line below a line reading "Economic Impact Payment," as the report suggests? Is this the first time a president's signature has appeared on an IRS disbursement? And how long has this decision been in the works? Any guidance or statements you are able to provide would be greatly appreciated.

https://hyperlink.services.treasury.gov/agency.do?origin=https://www.washingtonpost.com/politics/coming-to-your-1200-relief-check-donald-j-trumps-name/2020/04/14/071016c2-7e82-11ea-8013-1b6da0e4a2b7_story.html

Thank you,
Sara

Sara Cook
White House Producer
CBS News
[redacted]
cooks@cbsnews.com

# RE: Pres Trump's Name On Stimulus Checks - Newsy

**From:** [redacted]
**To:** willie.inman@newsy.com
**Date:** Wed, 15 Apr 2020 15:28:18 -0400

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On background, attributable to a Treasury spokesperson:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Willie James Inman <willie.inman@newsy.com>
**Sent:** Wednesday, April 15, 2020 1:49 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Pres Trump's Name On Stimulus Checks - Newsy

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi there,

I'm looking for a statement on the topics/questions below:

Will the Treasury Department or IRS experience a delay in sending out the first or subsequent stimulus checks as a result of printing the President's name on the checks?

Is it normal to print the President's names on government checks? If not, which name normally appears or who is authorized to sign the checks/payments?

My deadline is 5pm today.

Thanks in advance for your help!

--
**Willie James Inman**
Newsy | Washington Bureau
Political Reporter
E-mail: Willie.inman@newsy.com
Twitter: @WillieJames
Facebook: @WillieJamesNewsy
Cell: [redacted]

# RE: Follow up / ABC NEWS - on deadline

**From:** [redacted] <[redacted]@treasury.gov>
**To:** "Wash, Stephanie" <stephanie.wash@abc.com>, "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
**Cc:** "Vann, Matthew" <matthew.vann@abc.com>
**Date:** Wed, 15 Apr 2020 15:32:33 -0400

We have Get My Payment + other Economic Impact Payment info videos on our @TreasurySpox account that you may want to take a look at. At this juncture, I don't have a mock up of the checks.

I'll get back to you shortly on the rest of the questions. Yes, more than 80 million payments have been distributed via direct deposit as of today. The total number of checks is subject to a number of variables, including how much info the IRS obtains through the Non-Filers Enter Payment Info web portal and the Get My Payment app launching tomorrow.

**From:** Wash, Stephanie <Stephanie.Wash@abc.com>
**Sent:** Wednesday, April 15, 2020 3:29 PM
**To:** [redacted]@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** Vann, Matthew <Matthew.Vann@abc.com>
**Subject:** Re: Follow up / ABC NEWS - on deadline

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Looping in Brian as well. Meant to include him! Sorry about that.

**Stephanie Wash**
**Coordinating Producer, ABC NEWS Specialized Units**
office: 212.456.2353 || cell: [redacted]
twitter: @washnews

On Apr 15, 2020, at 11:18 AM, Wash, Stephanie <Stephanie.Wash@abc.com> wrote:

Hi [redacted]

Thanks for all your help this morning.

First, is there any chance we could get some on-camera sound from the Treasury today on the stimulus checks for *World News Tonight with David Muir*?

Also, following up whether there's any mock image of what the checks look like? Or video of them being printed? (I've also asked the IRS.)

And also want to follow up with some questions that we are getting and hopefully will help out many of our viewers:

- Do you know how many direct deposits were made today? Did the Treasury reach that 80 million direct deposit mark today? Reach even more?
- Will any more direct deposits be made this week? How many? (Know these deposits are all going to be out within 2-3 weeks, but wondering if we can share whether some people should be expecting their deposits tomorrow or Friday.)
- Are you monitoring the *Get My Payment* app for any technical issues? Any tips for people getting a "Payment Status Not Available" response on the site? What should they do?
- Also, do you have any tips for people who say their money was sent to the direct deposit bank info on record

with the IRS, but it was an account they since closed? Is there any way to fix this or do they need to contact their banks?

- A couple of other circumstances we heard about, and wondering if you anticipated this, and what your tips are:

  - money sent to accounts of deceased persons

  - some are saying that they owed the IRS in 2019, but have to re-enter their direct deposit info on the portal. Is this a widespread issue that you're aware of? Are you directing those who had their accounts debited by the IRS last year to provide their banking info again?

- And of course - any update when you have it on the mailing of paper checks going out early next week, we are eager to share. Specifically an estimate on how long it will take to get all the paper checks out to those who are eligible for them?

Thanks for any info you can provide at this time.

Steph

**ABC NEWS | Specialized Units**
Coordinating Producer
Cell: [redacted]
Office: 212-456-2353

---

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:23 AM
**To:** Wash, Stephanie <Stephanie.Wash@abc.com>
**Subject:** Confirming POTUS name on memo line of check

Confirming POTUS name on memo line of check

**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 9:59 AM
**To:** 'Stephanie.Wash@abc.com' <Stephanie.Wash@abc.com>
**Subject:** RE: Confirmation of stimulus relief check detail

Hey no I can't confirm but as soon as I learn more I'll let you know.

**From:** Wash, Stephanie <Stephanie.Wash@abc.com>
**Sent:** Tuesday, April 14, 2020 9:26 PM
**To:** Treasury Public Affairs <Press@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>; [redacted]@treasury.gov>
**Subject:** Confirmation of stimulus relief check detail

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi there

Can you confirm a little color for us - will the physical paper checks for the stimulus relief have "President Donald J. Trump" printed on the left side?

And do you have a mock copy of a check one might receive?

Thank you!

**Stephanie Wash**
**Coordinating Producer, ABC NEWS Specialized Units**
office: 212.456.2353 || cell:(b)(6) [redacted]
twitter: @washnews

# RE: Pres Trump's Name On Stimulus Checks - Newsy

**From:** (b)(6) [redacted]

**To:** Willie James Inman <willie.inman@newsy.com>

**Date:** Wed, 15 Apr 2020 15:33:17 -0400

---

Name on the memo line of paper checks, not signature.

**From:** Willie James Inman <willie.inman@newsy.com>
**Sent:** Wednesday, April 15, 2020 3:31 PM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: Pres Trump's Name On Stimulus Checks - Newsy

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi (b)(6) [redacted],

Thanks for the statement. Just wanted to confirm, will President Trump's signature/name appear on the stimulus payment checks?

On Wed, Apr 15, 2020 at 3:28 PM <(b)(6) [redacted]@treasury.gov> wrote:

**[EXTERNAL SENDER]**

On background, attributable to a Treasury spokesperson:

Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

**From:** Willie James Inman <willie.inman@newsy.com>
**Sent:** Wednesday, April 15, 2020 1:49 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Pres Trump's Name On Stimulus Checks - Newsy

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Hi there,

I'm looking for a statement on the topics/questions below:

Will the Treasury Department or IRS experience a delay in sending out the first or subsequent stimulus checks as a result of printing the President's name on the checks?

Is it normal to print the President's names on government checks? If not, which name normally appears or who is authorized to sign the checks/payments?

My deadline is 5pm today.

Thanks in advance for your help!

--
**Willie James Inman**
Newsy | Washington Bureau
Political Reporter
E-mail: Willie.inman@newsy.com
Twitter: @WillieJames [hyperlink.services.treasury.gov]
Facebook: @WillieJamesNewsy [hyperlink.services.treasury.gov]
Cell: (b)(6) [redacted]

--
**Willie James Inman**
Newsy | Washington Bureau
Political Reporter
E-mail: Willie.inman@newsy.com
Twitter: @WillieJames
Facebook: @WillieJamesNewsy
Cell: (b)(6) [redacted]

# Re: Pres Trump's Name On Stimulus Checks - Newsy

From: Willie James Inman <willie.inman@newsy.com>
To: (b)(6) [redacted]@treasury.gov>
Date: Wed, 15 Apr 2020 15:34:47 -0400

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** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Got it. Thanks (b)(6) [redacted]. Appreciate your help.

Are you one of the main contacts there I should reach out to for questions? Will reach out directly to you next time if so or could just CC the main press e-mail.

On Wed, Apr 15, 2020 at 3:33 PM <(b)(6) [redacted]@treasury.gov> wrote:

[EXTERNAL SENDER]

Name on the memo line of paper checks, not signature.

**From:** Willie James Inman <willie.inman@newsy.com>
**Sent:** Wednesday, April 15, 2020 3:31 PM
**To:** (b)(6) [redacted]@treasury.gov>
**Subject:** Re: Pres Trump's Name On Stimulus Checks - Newsy

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Hi there,

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I'm looking for a statement on the topics/questions below:

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Will the Treasury Department or IRS experience a delay in sending out the first or subsequent stimulus checks as a result of printing the President's name on the checks?

-

Is it normal to print the President's names on government checks? If not, which name normally appears or who is authorized to sign the checks/payments?

-

My deadline is 5pm today.

-

Thanks in advance for your help!

-

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**Willie James Inman**

Newsy | Washington Bureau

Political Reporter

E-mail: Willie.inman@newsy.com

Twitter: @WillieJames [hyperlink.services.treasury.gov] [hyperlink.services.treasury.gov]

Facebook: @WillieJamesNewsy [hyperlink.services.treasury.gov] [hyperlink.services.treasury.gov]

Cell: [redacted]

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**Willie James Inman**

Newsy | Washington Bureau

Political Reporter

E-mail: Willie.inman@newsy.com

Twitter: @WillieJames [hyperlink.services.treasury.gov]

Facebook: @WillieJamesNewsy [hyperlink.services.treasury.gov]

Cell: [redacted]

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Willie James Inman
Newsy | Washington Bureau
Political Reporter
E-mail: Willie.inman@newsy.com
Twitter: @WillieJames
Facebook: @WillieJamesNewsy
Cell: [redacted]

# Re: Follow up / ABC NEWS - on deadline

**From:** "Vann, Matthew" <matthew.vann@abc.com>
**To:** (b)(6) [redacted]@treasury.gov>, "Wash, Stephanie" <stephanie.wash@abc.com>, "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
**Date:** Wed, 15 Apr 2020 15:46:20 -0400

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** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks (b)(6) [redacted]

What about video of the paper checks being printed?
Are you guys in a position to give us video of that? We'd be happy to come shoot that, if we get the access.
MV

---

**From:** '(b)(6) [redacted]@treasury.gov' <(b)(6) [redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 15:32
**To:** "Wash, Stephanie" <Stephanie.Wash@abc.com>, "Brian.Morgenstern@treasury.gov" <Brian.Morgenstern@treasury.gov>
**Cc:** "Vann, Matthew" <Matthew.Vann@abc.com>
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**To:** (b)(6) [redacted]@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
**Cc:** Vann, Matthew <Matthew.Vann@abc.com>
**Subject:** Re: Follow up / ABC NEWS - on deadline

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**Stephanie Wash**
**Coordinating Producer, ABC NEWS Specialized Units**
office: 212.456.2353 || cell: (b)(6) [redacted]
twitter: @washnews

On Apr 15, 2020, at 11:18 AM, Wash, Stephanie <Stephanie.Wash@abc.com> wrote:

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- And of course - any update when you have it on the mailing of paper checks going out early next week, we are eager to share. Specifically an estimate on how long it will take to get all the paper checks out to those who are eligible for them?

Thanks for any info you can provide at this time.

Steph

**ABC NEWS | Specialized Units**
Coordinating Producer
Cell: [redacted]
Office: 212-456-2353

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**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Wednesday, April 15, 2020 11:23 AM
**To:** Wash, Stephanie <Stephanie.Wash@abc.com>
**Subject:** Confirming POTUS name on memo line of check

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**From:** [redacted]
**Sent:** Wednesday, April 15, 2020 9:59 AM
**To:** 'Stephanie.Wash@abc.com' <Stephanie.Wash@abc.com>
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**Sent:** Tuesday, April 14, 2020 9:26 PM
**To:** Treasury Public Affairs <Press@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>; (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>
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twitter: @washnews

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**From:** [redacted]
**To:** "Vann, Matthew" <matthew.vann@abc.com>, "Wash, Stephanie" <stephanie.wash@abc.com>
**Date:** Wed, 15 Apr 2020 16:15:33 -0400

---

I'm saying I don't have video

**From:** Vann, Matthew <Matthew.Vann@abc.com>
**Sent:** Wednesday, April 15, 2020 3:55 PM
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To be clear, if Treasury doesn't have, is that something we won't have the chance to see at all?

Or is there a possiblity we will be able to printing at some point in the future?
MV

**From:** [redacted]@treasury.gov" <[redacted]@treasury.gov>
**Date:** Wednesday, April 15, 2020 at 15:50
**To:** "Vann, Matthew" <Matthew.Vann@abc.com>, "Wash, Stephanie" <Stephanie.Wash@abc.com>
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twitter: @washnews

# Treasury's 2020-04-15 WH Communications Report

| | |
|---|---|
| **From:** | (b)(6) [redacted]@treasury.gov> |
| **Cc:** | "Myers, Baylor" <baylor.myers@treasury.gov> |
| **Date:** | Wed, 15 Apr 2020 17:06:13 -0400 |
| **Attachments:** | 2020-04-15 WH COMMS REPORT.docx (50.79 kB) |

Team,

Please see attached and below for Treasury's daily Communications Report.

Thanks!

Kind regards,
(b)(6) [redacted]


(b)(6) [redacted] | o: (b)(6) [redacted] | c: (b)(6) [redacted]
Special Assistant | Office of Public Affairs | U.S. Department of the Treasury
1500 Pennsylvania Ave. NW, Washington, D.C. 20220


**U.S. Department of the Treasury's Daily Communications Report**

*April 15, 2020*

**CATEGORIES**

- Border/Immigration
- Foreign Policy/National Security
- General Economy & Jobs
- Infrastructure
- Opioids
- Trade
- Other [Agriculture, Education, Energy etc.]

**BOOKINGS/INTERVIEWS**

- There are no bookings or interviews to report at this time. Updates will be provided as they become available.

**SECRETARY EVENTS AND TRAVEL**

- G20 Finance Ministerial and Central Bank Governors Meeting – Video Conference – Wednesday, April 15
  - Secretary Steven T. Mnuchin
  - Foreign Policy/National Security / Trade

**OTHER SENIOR OFFICIAL EVENTS AND TRAVEL**

- International Monetary Fund and World Bank Spring Meetings – Video Conference – Thursday, April 16, and Friday, April 17
  - Under Secretary for International Affairs Brent McIntosh
  - Foreign Policy/National Security / Trade

**PRESS INQUIRIES**

- There are no press inquiries to report at this time. Updates will be provided as they become available.

**OP-EDS**

- There are no op-eds to report at this time. Updates will be provided as they become available.

**ROLLOUTS**

- There are no rollouts to report at this time. Updates will be provided as they become available.

**NEWSWORTHY/SUBSTANTIAL GRANTS**

- There are no grants to report at this time. Updates will be provided as they become available.

**Afternoon News Roundup**
**April 15, 2020**

**Secretary Steven Mnuchin**

- LA Times: Americans can get stimulus payments faster with newly launched IRS site
- FOXBusiness: Haven't received your stimulus check yet? Here's what to do
- USA TODAY: Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans
- The Hill: Schumer and Mnuchin inch closer to a deal on small business lending, increased aid for hospitals and states
- Politico: IRS launches second web tool to expedite stimulus payments
- Roll Call: Negotiations ramp up on small-business aid with funds running dry
- Bloomberg: Schumer and Mnuchin Talk in Hint of Break in Stimulus Stalemate
- Yahoo Money: Coronavirus stimulus checks: New IRS tool tracks your payment — but it's down for many
- Politico: Republicans wary of Mnuchin's coronavirus relief talks with Dems
- FOXBusiness: Coronavirus economic threat – A mortgage industry calamity is looming

**Treasury**

- CNBC: New government app showing you the status of your coronavirus stimulus payment has rocky debut
- American Banker (USA): CFPB, FHFA to share data on mortgage servicing
- National Mortgage Professional Magazine: FHFA and CFPB Announce Borrower Protection Program
- ABA Banking Journal: FHFA, CFPB Announce Information Sharing to Facilitate COVID-19 Mortgage Relief
- Mortgage News Daily: Fannie/Freddie Regulator and CFPB Agree Will Share Mortgage Servicing Info

**Secretary Steven Mnuchin**

LA Times

**Americans can get stimulus payments faster with newly launched IRS site**

Sarah D. Wire

Americans can speed up delivery of their up-to-$1,200 coronavirus assistance payout through a new IRS website that launched Wednesday. The site allows them to provide bank account details needed to receive electronic payment and also to check when the payment will arrive.

People will need information from their 2018 or 2019 taxes to prove their identity, Treasury Secretary Steven T. Mnuchin said this week at the White House. The site also allows people who have already provided the IRS with direct deposit information to verify which account the government has on file.

"You'll be able to put in your direct deposit information, and within several days we will automatically deposit the money into your account," Mnuchin said. "We want to do as much of this electronically as we can."

The first wave of payouts began Friday. Mnuchin said more than 80 million Americans were expected to receive the payout through direct deposit by Wednesday.

"We know how important that is to all of those hard working Americans, many of which are at home not working at the moment," Mnuchin said.

Congress approved the up-to-$1,200 onetime cash payouts last month in the $2-trillion economic relief package, and the administration has worked to rush the cash to Americans who have seen their lives upended by efforts to curb the coronavirus. But millions of Americans don't have direct deposit information on file with the IRS, either because they don't normally receive a tax refund or prefer to receive a paper check. It could take weeks or even months for people who don't now provide direct deposit information to the IRS to receive a paper check.

All U.S. residents are eligible for a payment as long as they have a work-eligible Social Security number, cannot be claimed as a dependent on another person's taxes, and meet the income requirements. Those with an adjusted gross income below $75,000 (or $150,000 for a married couple) would receive $1,200 per adult or $2,400 for a married couple. In addition, they are eligible for an additional $500 per child under 17. Americans who make from $75,000 to $99,000 (or married couples making $150,000 to $198,000) are eligible for a portion of the payment.

Taxpaying immigrants will not get a stimulus check.

Social Security recipients, even those who didn't file taxes in 2018 or 2019, should receive the money automatically. The IRS will use information on file with the Social Security Administration.

The new site is separate from the portal created Friday to allow people who do not normally have to file taxes to provide the IRS with their direct deposit information. That site is largely targeted at low-income people, the homeless and others who, it is feared, may fall through the cracks with this relief package. It should be used by people whose gross income did not exceed $12,200 for an individual or $24,400 for married couples for 2019 and who were not otherwise required to file a federal income tax return for 2019 and didn't plan to.

#Top of the Document

FOXBusiness

**Haven't received your stimulus check yet? Here's what to do**
**Some taxpayers have already reported receiving their money**

By Megan Henney

How to spend coronavirus stimulus check if you're struggling financially

Financial expert Chris Hogan says as Americans begin to receive their coronavirus relief checks, we should be in 'conserve mode' and avoid 'any unnecessary spending.'

More than 80 million Americans are expected to receive their much-awaited stimulus check by Wednesday as the first wave of payments are deposited into taxpayers' accounts.

"If you do not receive them by Wednesday, you'll be able to put in your direct deposit information, and within several days, we will automatically deposit the money into your account," Treasury Secretary Steven Mnuchin said on Monday. "We want to do as much of this electronically as we can."

Some taxpayers have already reported receiving their money, while those who are still waiting will be able to track it online through a new portal set up this week by the Internal Revenue Service.

Those who haven't received the check yet – filers and non-filers alike – can also apply online by submitting their direct deposit information if it's not already on file with the agency. The "Get My Payment" tool will allow people to provide their bank information in order to get the cash. (Due to enormous volumes of people trying to check the website, there was a wait for the tool as of Wednesday morning.)

If Americans filed a 2019 or 2018 tax return, which will be used by the agency to calculate eligibility, but did not provide direct deposit information, Mnuchin said the tool can be used to input the necessary information. The payment should arrive in your account within several days.

At the heart of the largest relief plan in recent memory is $1,200 checks for individuals who earn less than $75,000 annually, $2,400 for couples who earn less than $150,000 and $500 for every child. The payments are tapered for higher-earners and phase out completely for individuals who earn more than $99,000, or couples who earn more than $198,000.

The cash is intended to blunt the financial pain for Americans caused by the coronavirus pandemic, which brought the economy grinding to a halt. In three weeks alone, more than 16 million Americans filed for unemployment, the Labor Department said last Thursday. The record-shattering number is a stunning sign of the depth of the economic calamity inflicted by the virus outbreak.

The speed at which the money is distributed depends on people's tax-filing method – and whether the government has their banking information. Electronic payments can be disbursed quicker than cash checks, which must be printed and mailed separately.

An estimated 80 percent of tax filers will be able to easily receive the money because they already have shared account information with the IRS.

"If we have your information you'll get it within two weeks," Mnuchin said last week. "Social Security, you'll get it very quickly after that. If we don't have your information you'll have a simple web portal, we'll upload it. If we don't have that, we'll send you checks in the mail."

#Top of the Document

USA TODAY

## Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans

William Cummings and David Jackson

WASHINGTON – When Americans receive their anxiously awaited checks from the federal government, which are being sent out to help mitigate the economic hardships caused by the coronavirus outbreak, they may notice the words "President Donald J. Trump" have been added at the bottom.

Trump suggested to Treasury Secretary Steve Mnuchin the idea of adding his signature to the $1,200 paper checks, and the department agreed Monday to add his printed name (but not his actual autograph).

The Treasury Department confirmed to USA TODAY on Wednesday that Trump's name would be on the checks, but claimed that affixing it would not delay delivery of the payments.

"Economic Impact Payment checks are scheduled to go out on time and exactly as planned – there is absolutely no delay whatsoever," a Treasury spokeswoman said in a statement. "In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates."

Here is how the federal government is stepping in to support small businesses and health care providers. USA TODAY

Analysis: Trump halts funding to WHO. Experts say we need it now more than ever

She said Treasury and IRS officials "have worked around the clock to get fast and direct economic assistance to hardworking Americans" and said the quick turnaround was a "major achievement."

But The Washington Post, which first reported the story, said senior IRS officials believed the addition of the president's name could slow the printing of the checks.

There were already concerns that the outdated technology used by the IRS could delay the release of the funds, and Chad Hooper, president of the agency's Professional Managers Association, told the Post that changing the computer code to add the president's name could slow things up.

"Any last minute request like this will create a downstream snarl that will result in a delay," Hooper told the Post.

Warren endorses Biden: Elizabeth Warren endorses Joe Biden for president

The president's formal signature won't appear because he is not legally authorized to endorse the checks. Instead, his name will be on the memo line, the Post and The New York Times reported. According to the Post, it is standard for a department employee to sign the checks "to ensure that government payments are nonpartisan."

Trump had previously denied wanting to add his signature to the checks.

When asked at an April 3 news conference if he was considering it, Trump said, "There's millions of checks. I'm going to sign them? No. It's a Trump administration initiative, but do I want to sign them? No. The people are getting their money."

CARES checks: Not everyone is getting a $1,200 coronavirus stimulus check. Here's who will be left out.

Americans who have given the IRS their direct deposit information began to receive the funds on Friday and Mnuchin said he expects about 80 million taxpayers will get the money by Wednesday. Trump's name will not appear on any of those deposits.

Mnuchin told reporters Monday that electronic disbursement is the preferred way of distributing the funds and that they are trying to get the money to as many Americans as possible that way. But millions of Americans, many of them low income, will receive paper checks.

The decision to add the president's name to the checks was derided as self-serving and politically motivated by congressional Democrats, most of whom voted to approve the $2.2 trillion rescue package that included the direct payments to taxpayers.

When are you getting your check?: Here's a new way to find out

"Delaying direct payments to vulnerable families just to print his name on the check is another shameful example of President Trump's catastrophic failure to treat this crisis with the urgency it demands," House Speaker Nancy Pelosi, D-Calif., said in a statement.

"Thousands of families are running out of money as they lose their jobs. Days and hours matter. But Trump comes first," Sen. Chris Murphy, D-Conn., tweeted in response to the Post story. "So Trump is delaying the stimulus checks so his signature can be printed on each one. Him first. You second. Always."

Thousands of families are running out of money as they lose their jobs. Days and hours matter.

But Trump comes first. America always come second.

So Trump is delaying the stimulus checks so his signature can be printed on each one.

Him first. You second.

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— Chris Murphy (@ChrisMurphyCT) April 15, 2020
Rep. Ilhan Omar, D-Minn., echoed Murphy's sentiment.

"17 million people have lost their jobs. Millions can't pay rent, afford food, and are sinking into debt. And the president is delaying relief for them so he can see his name on a check. Trump first, America second," she tweeted.

"You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you," said Rep. Brendan Boyle, D-Pa., who sits on the House Ways and Means Committee.

You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you. https://t.co/2qRpIB06sK
— US Rep Brendan Boyle (@RepBrendanBoyle) April 15, 2020

Rep. Jennifer Wexton, D-Va., a member of the House Financial Services Committee, derided "unnecessarily postponing the disbursement of stimulus checks to feed the president's ego or for political gain."

Former Treasury Secretary Lawrence Summers said he would have resigned if President Bill Clinton had asked him to add his name to such disbursement checks.

"A Secretary of the @USTreasury who permits this is a dangerous sycophant. This is using government as a propaganda tool," Summers tweeted.

And Walter Shaub, a former director of the independent Office of Government Ethics, tweeted, "Where you see the dying and suffering of your fellow Americans, Donald Trump sees another opportunity to promote himself – and, by extension, his reelection campaign. Corruption, you see, has its visionaries."

A spokesman for Senate Finance Committee Chairman Chuck Grassley, R-Iowa, told USA TODAY in a statement that there was nothing unusual about a president trying to associate their name with an economic stimulus program.

"During economic downturns in 2001 and 2008, President Bush included his name on letters sent in advance of recovery checks," said Grassley's spokesman, Michael Zona. "Notably, attaching a name to a check has a negligible expense, unlike the Obama administration's use of costly signs across the country at construction sites built as part of the 2009 recovery legislation."

#Top of the Document

The Hill

**Schumer and Mnuchin inch closer to a deal on small business lending, increased aid for hospitals and states**

By Alexander Bolton

Senate Democratic Leader Charles Schumer (N.Y.) and Treasury Secretary Steven Mnuchin appear to be inching closer to a deal to provide $250 billion in additional funding to a popular small-business lending program, which could run out of money as soon as Thursday, and tens of billions of dollars in more federal aid to hospitals and state budgets.

A spokesman for Schumer announced Wednesday morning that the Democratic leader and Mnuchin had another conversation earlier in the day and that "Democratic staff from both chambers will be meeting with Treasury" Department officials later in the day.

Some Senate Republican aides are expecting a deal between Schumer and Mnuchin by the time the Senate meets in a scheduled pro forma session on Thursday.

National Economic Council Director Larry Kudlow warned on Tuesday that the Small Business Administration's (SBA) Paycheck Protection Program, a popular lending program designed to keep workers on payroll, could run out of money as soon as Thursday.

Senate Democrats are also expecting a deal soon.

Sen. Doug Jones (D-Ala.) told reporters on a conference call Tuesday: "I understand that a fair amount of progress has been made," referring to discussions between Schumer and Mnuchin.

"We may be seeing some packages pretty soon," he said.

Senate Republicans caution, however, that Mnuchin does not speak for the entire Senate GOP conference and that all 53 Republican senators would have to sign off on any deal for it to pass by unanimous consent during Thursday's pro forma session.

Schumer and Speaker Nancy Pelosi (D-Calif.) are betting that Republicans will fall into line if President Trump endorses a deal between Democratic leaders and Mnuchin.

Trump last month blasted conservative Rep. Thomas Massie (R-Ky.) as a "third rate Grandstander" when he attempted to force a House roll call vote on the $2.2 trillion CARES Act, which passed 96-0 in the Senate.

Democrats want to pair the $250 billion in additional funding for the SBA program with at least $250 billion for hospitals and state and local budgets.

Schumer and Pelosi have called for an additional $100 billion for hospitals, $150 billion for state and local governments and a 15 percent funding increase for the Supplemental Nutrition Assistance Program for low-income families.

Democrats also want to set aside $60 billion of the small business funding program for women-, minority- and veteran-owned businesses in underserved urban, rural and tribal communities.

Many businesses in underserved and lower-income communities have had difficulty obtaining forgivable loans backed by the federal government because of the lack of existing relationships with community banks and credit unions.

#Top of the Document

Politico

**IRS launches second web tool to expedite stimulus payments**
**More than 80 million Americans have received payments since they started flowing last weekend, Treasury Secretary Steven Mnuchin said.**

By TOBY ECKERT

The IRS launched a second online tool designed to help expedite economic stimulus payments on Wednesday.

The Get My Payment portal will allow taxpayers to give the agency direct deposit information for their bank accounts if they didn't include it on their 2018 or 2019 returns. Treasury and IRS officials are hoping to get the stimulus payments to as many people as possible through direct deposit to avoid delays.

It could take as long as five months to get paper checks to people through the mail, the agency has told lawmakers. But even that timeline appears uncertain for some taxpayers, since the IRS has suspended processing paper returns, the agency's national public liaison told tax industry professionals Monday.

The Get My Payment portal will also allow people to track the status of their payments.

More than 80 million Americans have received payments since they started flowing last weekend, Treasury Secretary Steven Mnuchin said in announcing the launch of the portal.

To set up direct deposit, taxpayers will have to provide their adjusted gross income from their 2018 or 2019 returns, whichever they filed most recently; the refund or amount they owed from that return; and their bank account type, account number and routing number.

The IRS launched a different web tool last week that allows people who didn't file returns in 2018 or 2019 to provide basic personal information to the agency to receive their payments.

The program is part of the massive coronavirus-response legislation enacted last month. The payments are up to $1,200 for individuals, $2,400 for couples and an extra $500 for children under 17 who qualify.

The payments start phasing out for individuals with incomes above $75,000, or $150,000 for couples.
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Roll Call

**Negotiations ramp up on small-business aid with funds running dry**
**Democratic aides to meet with Treasury officials to try to hammer out a compromise package by this weekend**

By Jennifer Shutt

Top Democrats and the Trump administration were in talks about a new COVID-19 aid package Wednesday as new data showed a popular small-business loan program could be out of money by Friday.

Democratic staff from the House and Senate plan to meet with Treasury Department officials later on Wednesday, following a morning conversation between Senate Minority Leader Charles E. Schumer and Treasury Secretary Steven Mnuchin, according to a Schumer spokesman.

Democrats agree on the need for small-business funds. But the dispute has centered around how to allocate the money as well as provide additional relief for state and local governments, hospitals and low-income households.

"I can't guarantee we can get an agreement that we will pass on Friday, but that would be optimal if we could," House Majority Leader Steny H. Hoyer, D-Md., said on a call with reporters Wednesday.

The talks are the first real sign of progress since the White House sent Congress a request for an additional $251 billion in funding for the so-called Paycheck Protection Program last week.

The initial $349 billion provided in last month's $2.3 trillion economic rescue package for businesses shuttered by the COVID-19 pandemic is running out fast.

New data from the Small Business Administration show that as of Wednesday morning, there was just $60 billion left in the account. That's after more than $40 billion was distributed on Tuesday, a "burn rate" that's increasing as small businesses rush to their lenders for aid before the money runs out.

Top Republicans and administration officials have said for days the money could run out before this weekend. But the latest rush for cash suggests lawmakers and the White House may have even less time to strike a deal or risk leaving small businesses who haven't yet been approved on the sidelines, at least temporarily.

The PPP is in such hot demand because it allows eligible firms to skip repayment on eight weeks' worth of their loans, which are equal to up to 250 percent of monthly payroll expenses.

Companies are only able to spend up to one-fourth of the money on other fixed costs like rent and utilities, however, so Democrats want to boost allowable loans to 300 percent of payroll to enable companies to meet their nonpayroll expenses.

The average loan has been for around $239,000, according to the SBA.

Democrats also want to put $65 billion into a related disaster loan program for up to $2 million in "economic injury" expenses, of which up to $10,000 in cash advances don't need to be repaid. That program has also proven immensely popular, to the point where SBA last week started rationing the maximum loan size down to a fraction of the total.

Senate Majority Leader Mitch McConnell, R-Ky., tried to pass a two-page bill simply boosting the existing PPP allocation to $600 billion by a unanimous consent request last week, but Democrats objected.

Schumer, D-N.Y., and Speaker Nancy Pelosi have called for changes to the structure of the small business loan program, to ensure that at least half of the new funding, or $125 billion, would go to small businesses without traditional relationships with big banks. This would help women- and minority-owned businesses as well as people in rural areas and farmers access the funding, they said.

Democrats also want the package to include an additional $100 billion for hospitals and other health care facilities, $150 billion for state and local governments, and a 15 percent increase to the maximum monthly benefit for those on the Supplemental Nutrition Assistance Program.

Until now, GOP lawmakers have been resistant to entering negotiations with Democrats, saying the PPP is the only program from the $2.3 trillion package about to run out of funding. Republicans said that discussions over additional funding could wait until Congress begins work on the next COVID-19 aid package.

"Right now we are just sending the money out to the hospitals and states," Mnuchin said during Wednesday's daily White House coronavirus briefing. "They haven't come close to using that money. I know the president and vice president have said, once we get the SBA done we can go into another funding bill."

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Bloomberg

Schumer and Mnuchin Talk in Hint of Break in Stimulus Stalemate

By Steven T. Dennis, Laura Litvan and Billy House

Senate Democratic leader Chuck Schumer and Treasury Secretary Steven Mnuchin talked Wednesday and a meeting has been set with staff in the first public sign of a possible break in the stalemate over replenishing funding for a small business aid program.

Staff from the offices of Schumer and House Speaker Nancy Pelosi will meet with Treasury officials, spokesmen for Schumer and Pelosi said, amid mounting pressure on Congress to act before the Paycheck Protection Program runs out of funding.

The Democratic leaders have been at odds with Senate Majority Leader Mitch McConnell and the Trump administration over putting more money into aid programs designed to stem some of the economic damage from the nationwide shutdown caused by the coronavirus pandemic.

Republicans want to limit action now to adding $250 billion to the small business aid plan, a key part of the $2.2 trillion stimulus passed late last month. Democrats want to put an additional $250 billion into assistance for state and local governments and hospitals.

But until Wednesday there has been no sign of negotiations to bridge those differences since last week.

If all sides can put together an interim package, it would require unanimous consent in the Senate and similar support in the House to move quickly, with both chambers planning to stay away until May.

Congress faces added pressure to act after President Donald Trump's chief economic adviser, Larry Kudlow, said Tuesday that the $349 billion small business program could be exhausted by Thursday, when the Senate is scheduled to hold a pro-forma session.

Separately, National Governors Association Chairman Larry Hogan, a Maryland Republican, made a plea for $500 billion in federal aid to help states and territories meet budgetary shortfalls.

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Yahoo Money

**Coronavirus stimulus checks: New IRS tool tracks your payment — but it's down for many**

Denitsa Tsekova

While 80 million Americans have received stimulus checks, those still waiting can now track the payment on the Internal Revenue Service website.

If it works for them.

Read more: Coronavirus stimulus check: How to get one if you don't file your taxes

"The free 'Get My Payment App' will allow Americans who do not have their direct deposit inf[illegible]ation on file with the IRS to input it, track the status, and get their money fast," Secretary Steven Mnuchin said in a statement.

However, on Wednesday morning, the tool apparently wasn't working for some. Several Yahoo Finance reporters received a "Payment Status Not Available" response when they entered their information. Others on Twitter reported a similar result.

About 175 million Americans are eligible for the stimulus payments, according to the White House. Mnuchin stated on Wednesday morning that "more than 80 million Americans have already received their Economic Impact Payments by direct deposit."

The new tool allows Americans to follow the scheduled payment date for either a direct deposit or mailed check. It's an online app that works on desktops, phones, or tablets and doesn't need to be downloaded from an app store, The Treasury said.

To track your payment, you must provide basic information including:

Social Security number

Date of birth

Mailing address

The tool also lets people provide their bank account details to get their payment by direct deposit instead of waiting for a mailed check, which go out April 24.

If you filed a tax return in 2018 or 2019 but didn't provide direct deposit information, you'll be able to identify yourself, input that banking information, and receive the payment in several days in your account, according to Mnuchin.

To add direct deposit information, you will need to provide:

Adjusted gross income from your most recent tax return submitted, either 2019 or 2018

The refund or amount owed from your latest filed tax return

Bank account type, account, and routing numbers

Read more: Coronavirus stimulus check scams: How to avoid becoming a victim

As part of a $2 trillion coronavirus relief package, many Americans will get government checks up to $1,200 — plus $500 per child — to help them ride out a job loss, reduced work hours, and other money challenges as the country tries to stem the pandemic.

But some Americans could see a delay for their paper checks after the Treasury Department ordered that President Donald Trump's name to be included on the printed checks.

Here's everything you need to know about the stimulus check.

Who gets a stimulus check?

"Our updated estimate is that 93.6 percent of [tax] filers will have a rebate," said Garrett Watson, senior policy analyst at The Tax Foundation. "And this works out to approximately 140 million households."

Your eligibility is based on your most recent tax return and your adjusted gross income. If you already filed your 2019 taxes, your eligibility will be based on that. If not, the Internal Revenue Service will use your 2018 taxes to determine if you qualify.

The benefit is available not only to those who have filed taxes, but also to those who receive Social Security benefits as long as they've received their SSA-1099 or RB-1099 forms.

Read more: Tax deadline postponed: Why you should still file as soon as you can

Single adults with income up to $75,000 will get a $1,200 payment. Married couples with income up to $150,000 will get $2,400. Single parents who file as head of household with income up to $112,500 will get the full $1,200 check.

Additionally, Americans who qualify for the stimulus payment and have children will get an additional $500 per child under 17.

Reduced checks will be available for single adults who earn between $75,001 and $99,000 and married couples who earn between $150,001 and $198,000. The check will be reduced by $5 for every $100 over $75,000 for single adults and $150,000 for married couples.

Who doesn't get a check?
Single adults who make more than $99,000 and married couples who earn more than $198,000 won't receive stimulus checks.

Those without a Social Security number and nonresident aliens — those who aren't a U.S. citizen or U.S. national and don't have a green card or have not passed the substantial presence test — aren't eligible.

You're also ineligible if your parents claim you as a dependent on their taxes.

How will the government send you the stimulus check?
The IRS will use the direct deposit information you provided from the taxes you've filed either for 2019 or for 2018.

If you have no direct deposit information on file or if the account provided is now closed, the IRS will mail you a check, instead.

When will the stimulus check arrive? It depends.
Treasury Secretary Steven Mnuchin said at a White House briefing on April 2, that those Americans who have signed up for direct deposit will receive their payment within two weeks.

Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. The first batch of rebate payments started hitting bank accounts last week through direct deposits. Bush administration officials are visiting government check printing centers around the country on Thursday for events highlighting the fact that millions of rebate checks are in the mail. (AP Photo/Eric Risberg)
Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. (AP Photo/Eric Risberg)
More
"Social Security, you'll get it very quickly after that," Mnuchin said. "If we don't have your information, you'll have a simple web portal, you'll upload it. If we don't have that, we'll send you checks in the mail."

The payments will be deposited directly into your bank account if you received your last tax refund or expect to receive this year's refund that way.

Otherwise, checks will be mailed, which could take longer to get to Americans. Adding to the complications, about 6% of U.S. adults — or about 12 million Americans — do not have a checking, savings, or other bank account, according to a 2018 Federal Reserve report.

The New York Times, citing IRS guidelines that detail how Americans who aren't usually required to file tax returns will need to do so to receive payments, noted the guidance "will almost certainly mean longer waits for those who must file new returns to be eligible to receive a stimulus payment."

Americans with the lowest income will get mailed checks first, according to reporting by the Washington Post. Here's the timetable for the first checks, per IRS documents seen by the Post:

Taxpayers with income up to $10,000: April 24

Taxpayers with income up to $20,000: May 1

Taxpayers with income up to $40,000: May 15

The rest of the checks will be issued by gradually increasing income increments each week. Households earning $198,000 who file jointly will get their reduced checks on Sept. 4. The last group of checks will be sent on Sept. 11 to those who didn't have tax information on file and had to apply for checks, according to the Washington Post.

How can those who don't file taxes get a payment?
Americans who don't usually file taxes can register to get their stimulus aid checks on IRS website or use Turbotax's free tool to file a minimum tax return.

TurboTax's tool helps determine if you're eligible for the stimulus payment. If eligible, you need to answer a few questions and choose whether to get the payment though direct deposit or check.

"There are as many as 10 million Americans who are not required to file a tax return," TurboTax said in a statement. "Because the IRS will use the federal tax return to determine and send individual stimulus payments, these individuals are at risk of not receiving their stimulus payment."

Social Security recipients and those required to file tax returns don't need to provide additional information, but still must meet the eligibility criteria to get a payment.

Do you have to pay back the stimulus check?
No. The stimulus payment is actually a refundable credit against your 2020 tax liability, according to Kyle Pomerleau of the American Enterprise, and is paid out as an advanced refund. That means you don't have to wait to file your 2020 taxes to get the money.

It also doesn't reduce any refund you would otherwise receive, Watson said.

In fact, if you don't qualify for the stimulus check now based on your 2018 or 2019 tax returns, you may be able to qualify to take the tax credit next year when you file your 2020 taxes if your income meets the thresholds.

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Politico

**Republicans wary of Mnuchin's coronavirus relief talks with Dems**
**"Mnuchin can make all the deals he wants to with Speaker Pelosi ... but I think it's going to have a tough time in the Senate."**

By BURGESS EVERETT and HEATHER CAYGLE

Democratic leaders say they are talking with Treasury Secretary Steven Mnuchin about how to break a stubborn impasse over the next congressional response to the coronavirus pandemic. But there's just one problem: Senate Republicans might not go along.

Speaker Nancy Pelosi "has a lot of whole other demands. I know that Secretary Mnuchin is negotiating with her. And that's all well and good," said Sen. John Kennedy (R-La.) in an interview Wednesday. "It's still got to pass the Senate. And I think there are a lot of Republicans that are going to have a lot of questions of whatever the secretary and the speaker agree to. Just because they agreed to it, it's not a done deal."

Senate Minority Leader Chuck Schumer (D-N.Y.) spoke to Mnuchin on Wednesday, aiming to open up negotiations with him and Pelosi. The speaker, who is working remotely from San Francisco, has not talked to Mnuchin recently. But staff for the two Democratic leaders, Mnuchin and his aides are working to schedule a telephone call to discuss how to break a stalemate over what to do next in response to the virus' hit on the economy and unemployment.

"We see no reason why we can't come to an agreement," Schumer said on Wednesday.

Meanwhile, the $349 billion Paycheck Protection Program is expected to be fully subscribed as soon as Thursday, according to Republicans, when the Senate's next pro forma session is scheduled. Banks, however, have indicated the funds could run out by the end of the month. Led by Senate Majority Leader Mitch McConnell (R-Ky.), Republicans want to approve $250 billion to replenish the program immediately; Democrats want both changes to the program and $250 billion more for local governments and hospitals.

And Democrats made clear on Wednesday they are still not backing down. House Majority Leader Steny Hoyer (D-Md.) said his party is "hopeful that Republicans will agree that we need to deal with state and local and tribal government as well as our health care providers."

On a private call with House Democratic freshman lawmakers Tuesday, Pelosi also signaled as much. The speaker indicated negotiations were at a logjam, saying Democrats have laid out their offer and now it's up to Republican leaders to come to the table and compromise, according to sources on the call.

That's the fray Mnuchin is entering — and it's one that some Republicans aren't sure he's ready to navigate. That's because there's a difficult hurdle in Congress, which is now officially on recess until May 4 as lawmakers do their part to try to stop the spread of the coronavirus. One lawmaker can derail legislation in the pro forma sessions each chamber holds twice a week.

And Republicans say Mnuchin can't exactly negotiate on behalf of the entire GOP as is necessary, unlike during normal times when 60 votes rule the day in the Senate and a bipartisan coalition can steamroll objections from the right flank of the party.

"I don't see us giving in. I just don't," Kennedy said. "Secretary Mnuchin can make all the deals he wants to with Speaker Pelosi, I'll certainly look at them, but I think it's going to have a tough time in the Senate."

"Mnuchin doesn't represent congressional Republicans in their entirety," said a Senate Republican aide. "But that's what you need with UC (unanimous consent). If Mnuchin deals, he better be ready to sell this to our conference. And he better have the president on board."

Trump has said he doesn't want to add anything beyond small business relief in the interim relief bill, tweeting this week that he wants to "Replenish Account Now!"

The Treasury Department did not immediately respond to a request for comment. And Republicans have generally praised Mnuchin's responsiveness in recent weeks running Treasury, even if they aren't exactly urging him to cut a deal with Democrats.

And there's no sign of anyone bending. Sen. Susan Collins (R-Maine) said in an interview Tuesday that Democrats'requests are worthwhile but should be negotiated later. The Paycheck Protection Program, she argued, is what's needed now and she implored Democrats to abandon their demands to broaden the scope of the package.

"I am really surprised that Sen. Schumer doesn't see the need to replenish this program. This doesn't mean that there aren't other programs that don't warrant additional funding, but this program is going to run out for certain," said Collins, among the most amenable Republicans to cutting a deal.

Hoyer replied: "We think what we asked for was equally necessary" to the small business funds.

"I don't think it's the substance of our request that seems to be the problem. It was the process — they didn't like adding on to their request," he added.

McConnell may decide to try again Thursday to pass his package and force Democrats to block it. And just like last week, Democrats could decide to offer their proposal and watch McConnell spurn them.

The House has its own pro forma session Friday, a deadline Hoyer said he hopes negotiators are able to meet to pass an interim deal. But privately, aides in both parties say congressional dealmakers seem much further apart, predicting the impasse could carry over into next week.

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FOXBusiness

**Coronavirus economic threat – A mortgage industry calamity is looming**
**Under the CARES Act, Congress has invited millions of Americans to stop paying their mortgages**

By Christopher Whalen

The coronavirus pandemic is perhaps the single biggest crisis to hit the U.S. economy since the 1930s. Large swaths of the U.S. economy have been idled and particularly the services sector is being decimated in a way that harkens back to the Great Depression. Double-digit unemployment seems inevitable by June, with all of the attendant economic and financial consequences.

Amidst this chaos and dislocation, the U.S. housing industry should be a bulwark upon which the economy may find support. After all, virtually all residential mortgages and many multi-family commercial loans in the U.S. are government-guaranteed, right?

Correct, but a series of missteps and outright errors in judgment by federal regulators are turning a bad situation in housing into a calamity that may lead to a U.S. debt default.

The mortgage industry is essentially a large cooperative network. The homeowner pays the mortgage. The bank or nonbank loan servicer transfers the payment to a bond investor and retains a small fee. The loan servicer also pays the property taxes and insurance on the property, protecting not only the home but the municipal finances of communities around the country. The total flow of interest, principal, taxes and insurance made by banks on behalf of homeowners runs into the tens of billions of dollars every month.

Under the CARES Act, Congress has invited millions of Americans to stop paying their mortgages. The impact of this massive unfunded mandate is that the U.S. financial system is headed for a potential default when the cash flow expected from millions of Americans does not arrive.

Bear in mind that these same Americans will stop making payments on car loans, credit cards and other obligations at the same time that they stop paying the mortgage.

The Trump administration has been slow to fashion a solution for dealing with the cash shortfall that will hit the U.S. financial system in about 30-45 days.

The mortgage industry, including banks, nonbank lenders and servicers, and the government-sponsored enterprises (GSEs) like Fannie Mae and Freddie Mac, will be able to make required payments on $7.7 trillion in mortgage-backed securities in April. But by May, the system will run out of cash and neither the banks, the nonbanks or the GSEs will be able to pay the holders of mortgage bonds – bonds, by the way, which are guaranteed by the U.S. Treasury.

Congress has invited millions of Americans to stop paying their mortgages. The impact of this massive unfunded mandate is that the U.S. financial system is headed for a potential default when the cash flow expected from millions of Americans does not arrive.

If the issuers in the $2.2 trillion government loan market or the $5.5 trillion conventional loan market fail to make the bond payments to investors, then the Treasury must step in to honor the guarantee.

In the government market, the issuer will notify Ginnie Mae of the shortfall and ask the Treasury to honor its guarantee.

In the conventional market, the issuer will notify the GSEs of a shortfall and the GSEs will need to request funds from the Treasury. Either way, all roads in this increasingly dangerous situation end with Treasury Secretary Steven Mnuchin.

While Ginnie Mae has begun to fashion a temporary solution to fund the payment arrears in the government market, it is unlikely to be sufficient given the likely size of the loan payment shortfalls that are building each and every day. Hundreds of thousands of borrowers are seeking loan forbearance daily from banks and nonbank lenders.

The accumulated defaults on payments of interest and principal are forming a financial tsunami that could ultimately force a US debt default unless steps are taken now to prepare for this peak in loan forbearance.

Just as U.S. medical professionals must judge the rate of infection from COVID-19 and try to discern when the cases will peak, so too the U.S. financial system is facing a peak of loan defaults that must also be anticipated and managed.

In particular, Secretary Mnuchin needs to quickly fashion a consensus among federal regulators to support the cash needs of the housing finance industry in a way that will honor payments to mortgage bond investors while also giving loan servicers the resources to deal with millions of troubled borrowers.

Specifically, the Treasury needs to work with the Federal Reserve to fashion a liquidity facility for government lenders and servicers. While Ginnie Mae says that it wants to reimburse missed loan payments on a case-by-case basis, this approach will very quickly be shown to be inadequate to the task.

In the larger conventional market, the Treasury needs to take control over the GSEs and use their balance sheets to provide advances to fund missed payments on agency securities.

One big obstacle facing the Trump administration in fashioning a workable solution to fund missed mortgage payments is

Federal Housing Finance Agency head Mark Calabria. Recently, the GSEs Fannie Mae and Freddie Mac had a liquidity facility ready to put in place to support conventional issuers.

Meetings were scheduled with members of Congress to discuss the plan. Then, suddenly and without any explanation, Calabria ordered the GSEs to stand down and shelve plans to support the industry. To say that people in and around the housing industry were flabbergasted is an understatement.

Following Calabria's action to shut down the servicer liquidity facility planned by the GSEs, the Financial Stability Oversight Council or "FSOC" met and decided to take a "wait and see" approach to providing liquidity to mortgage servicers, banks and nonbanks alike. The FSOC's decision was largely taken because of erroneous advice from Director Calabria, who has never actually worked in finance much less in the housing industry. The FSOC and Director Calabria are playing with fire.

The White House, Treasury and Federal Reserve need to put aside Director Calabria's flawed advice and announce a "solution" to the liquidity issue for agency residential mortgages this week.

We then have a couple of weeks to work out the details, which in simple terms involves the bank and nonbank servicers running an overdraft secured by the mortgages and financed by the Fed.

If a solution is not put in place quickly, then the U.S. Treasury faces the unseemly prospect of financing the payments to agency and Ginnie Mae bond holders in extremis.

The U.S. will be on the edge of the precipice and within just days of a sovereign default.

Anybody who thinks that the market for U.S. Treasury securities can survive the collapse of the agency and government-insured mortgage markets should think again.

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**Treasury**

CNBC

New government app showing you the status of your coronavirus stimulus payment has rocky debut

KEY POINTS
-A new government web app has been launched to help you track the status of your stimulus payment. The new tool also lets you put in your direct deposit information for your bank account.
-The launch on April 15, usually Tax Day, comes as the government is expected to get payments of up to $1,200 per person to millions of Americans this week.
-Many users reported having difficulty both accessing and getting information from the site on Wednesday.

Millions of Americans are slated to get payments of up to $1,200 per person from the government this week, and now there's a way to track your money.

On Wednesday, the Treasury Department and IRS launched a new free web app called "Get My Payment" that allows taxpayers to find the status of their payment.

It also enables taxpayers to add their direct deposit information if they did not include that in their tax returns for 2018 or 2019.

Actually accessing the web app could prove tricky.

In the first hours after launch, many users complained on social media that they were having a difficult time getting through. Others who accessed the site still were not able to get their payment status.

"You are getting two large groups of taxpayers with slightly different needs going into one tool, and it's crashing it," said Garrett Watson, senior policy analyst at the Tax Foundation.

That may improve after this week, Watson said, once millions of Americans have received their payments and no longer need to check on their rebate status.

"The hope is that this will smooth out and it will give those who are due to get a paper check in the coming weeks an opportunity to put in their information to get their payment a bit faster," Watson said.

opportunity to put in their information to get their payment a bit faster," Watson said.

To track the status of your payments, you will need to enter your Social Security number, date of birth and mailing address.

To submit your direct deposit information, you will need to have your bank account type, and account and routing numbers. In addition, you also will need your refund amount or amount you owed, plus your adjusted gross income, from the most recent tax return you filed (either 2018 or 2019).

That information needs to be updated as soon as possible. Bank account information cannot be updated once a stimulus payment has been scheduled for delivery.

The government is starting to deploy direct deposit payments this week, with more than 80 million Americans expected to get paid. After that, it will turn to mailed checks for individuals who don't have their bank information on record.

Single individuals who earn up to $75,000 stand to get $1,200 payments, while married couples who file their income taxes jointly are eligible for up to $2,400. In addition, children under 17 are eligible for $500.

Those payments are reduced for those earning more and phase out completely for individuals with income over $99,000; or $136,500 for head of households; or $198,000 if you file jointly with your spouse and have no children.

The "Get My Payment" app can be accessed from a desktop, smartphone or tablet and does not need to be downloaded.

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American Banker (USA)

**CFPB, FHFA to share data on mortgage servicing**

Kate Berry

The Consumer Financial Protection Bureau and Federal Housing Finance Agency announced a plan to share mortgage servicing data as borrowers seek loan workout options during the coronavirus emergency.

The Borrower Protection Program initiative announced Wednesday enables the CFPB to share complaint information about servicers and analytical tools with the FHFA using a secure electronic interface. The FHFA will make loss mitigation data, related to loan forbearance and modifications, available to the CFPB.

CFPB Director Kathy Kraninger and FHFA Director Mark Calabria said the information-sharing program would help both agencies protect borrowers during the pandemic crisis. Yet the joint press release offered little detail on how the information shared between the two agencies would be used to protect borrowers.

"Through the partnership being announced today, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward," Kraninger said in the jointrelease. "Help for consumers is always here at the CFPB through our complaints process. In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."

Calabria said "protecting and helping homeowners during this national crisis is my top priority."

"No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

Both agencies have been criticized for their response to the pandemic.

Kraninger has been faulted for failing to provide more guidance to mortgage servicers, not restricting debt collectors from contacting consumers during the crisis and for allowing voluntary reporting of pandemic-related hardships to the credit bureaus.

Meanwhile, Calabria has been blamed for the lack of a government-backed liquidity plan to aid nonbank servicers.

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National Mortgage Professional Magazine

FHFA and CFPB Announce Borrower Protection Program

Keith Griffin

The Federal Housing Finance Authority (FHFA) and the Consumer Financial Protection Bureau (CFPB) have jointly launched the Borrower Protection Program. The two federal agencies say it is necessary to provide accurate information to consumers about their forbearance options.

Under the program, the CFPB will make complaint information and analytical tools available to FHFA via a secure electronic interface; and FHFA will make available to the Bureau information about forbearances, modifications and other loss mitigation initiatives undertaken by Fannie Mae and Freddie Mac.

CFPB Director Kathleen L. Kraninger said in a news release, "Through the partnership, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward." FHFA Director Mark Calabria added, "This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

In response to the COVID-19 national emergency, Fannie Mae and Freddie Mac permitted borrowers the ability to enter into forbearance, a pause or reduction in their monthly mortgage. The missed payments will have to be paid back by the borrower. The missed payments can be added to the normal monthly payments, paid back all at once, tacked on to the end of the loan, or the borrower can have the term of the loan extended.

A survey earlier in the week conducted by the Mortgage Bankers Associaiton (MBA) found the number of loans in forbearance jumped from 2.73 percent to 3.74 percent during the week of March 30-April 5, 2020.

The National Consumer Law Association is urging borrowers to call their lenders before taking on forbearance. Industry professionals have repeatedly said there is a difference between forbearance and forgiveness, a concept many homeowners are still very unaware of.

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ABA Banking Journal

FHFA, CFPB Announce Information Sharing to Facilitate COVID-19 Mortgage Relief

To support the effort to provide relief to mortgage borrowers struggling due to the coronavirus, the Federal Housing Finance Agency and the Consumer Financial Protection Bureau will begin sharing servicing information, the agencies announced today.

As part of this new Borrower Protection Program, the CFPB will share complaint information and analytical tools with FHFA through a secure interface, and FHFA will share information about Fannie Mae and Freddie Mac's efforts to offer forbearance, modifications and other loss mitigation options.

The GSEs previously announced they would offer forbearance options to borrowers facing financial hardships during the pandemic. "Borrowers are entitled to accurate information about their forbearance options," said FHFA Director Mark Calabria. "This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

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Mortgage News Daily

Fannie/Freddie Regulator and CFPB Agree Will Share Mortgage Servicing Info

By Jann Swanson

The Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB) have made arrangements to share information during the COVID-19 national emergency. CFPB is a big portal for and repository of consumer complaints about providers of financial services and has agreed to make that information as it relates to mortgage servicers along with appropriate analytical tools to FHFA available. In turn, the conservator and regulator of the GSEs Fannie Mae and Freddie Mac will provide information to the Bureau

**about forbearances, modifications and other loss mitigation initiatives undertaken by servicers of GSE loans.**

**The GSEs have instructed servicers to enter into forbearance agreements with borrower encountering financial hardship due to the pandemic. These agreements allow borrowers to pause or reduce their mortgage payments although those amounts must ultimately be paid back. Mortgage servicers are responsible for working with borrowers to set up a repayment plan that works for both parties.**

**FHFA Director Mark Calabria said the partnership with CFPB will allow the GSEs to see how servicers are working with their customers during the crisis and going forward. "No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."**

**"Help for consumers is always here at the CFPB through our complaints process," CFPB Director Kathleen L. Kraninger said. "In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."**

**Through its consumer complaint system CFPB gets responses from companies to resolve consumer issues and takes the information into account in supervisory and enforcement work. The agency has also worked to educate consumers about options to help them during the crisis including those regarding student loan payment suspension, mortgage forbearance, stimulus payments, and the Paycheck Protection Program**

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**U.S. Department of the Treasury's Daily Communications Report**

*April 15, 2020*

**CATEGORIES**

- Border/Immigration
- Foreign Policy/National Security
- General Economy & Jobs
- Infrastructure
- Opioids
- Trade
- Other [Agriculture, Education, Energy etc.]

**BOOKINGS/INTERVIEWS**

- There are no bookings or interviews to report at this time. Updates will be provided as they become available.

**SECRETARY EVENTS AND TRAVEL**

- G20 Finance Ministerial and Central Bank Governors Meeting – Video Conference – Wednesday, April 15
  - Secretary Steven T. Mnuchin
  - Foreign Policy/National Security/ Trade

**OTHER SENIOR OFFICIAL EVENTS AND TRAVEL**

- International Monetary Fund and World Bank Spring Meetings – Video Conference – Thursday, April 16, and Friday, April 17
  - Under Secretary for International Affairs Brent McIntosh
  - Foreign Policy/National Security/ Trade

**PRESS INQUIRIES**

- There are no press inquiries to report at this time. Updates will be provided as they become available.

**OP-EDS**

- There are no op-eds to report at this time. Updates will be provided as they become available.

**ROLLOUTS**

- There are no rollouts to report at this time. Updates will be provided as they become available.

**NEWSWORTHY/SUBSTANTIAL GRANTS**

- There are no grants to report at this time. Updates will be provided as they become available.

**Afternoon News Roundup**
**April 15, 2020**

**Secretary Steven Mnuchin**

- LA Times: **Americans can get stimulus payments faster with newly launched IRS site**
- FOXBusiness: **Haven't received your stimulus check yet? Here's what to do**
- USA TODAY: **Trump's name to be printed on $1,200 coronavirus stimulus checks going out to Americans**
- The Hill: **Schumer and Mnuchin inch closer to a deal on small business lending, increased aid for hospitals and states**
- Politico: **IRS launches second web tool to expedite stimulus payments**
- Roll Call: **Negotiations ramp up on small-business aid with funds running dry**
- Bloomberg: **Schumer and Mnuchin Talk in Hint of Break in Stimulus Stalemate**
- Yahoo Money: **Coronavirus stimulus checks: New IRS tool tracks your payment — but it's down for many**
- Politico: **Republicans wary of Mnuchin's coronavirus relief talks with Dems**
- FOXBusiness: **Coronavirus economic threat -- A mortgage industry calamity is looming**

**Treasury**

- CNBC: **New government app showing you the status of your coronavirus stimulus payment has rocky debut**
- American Banker (USA): **CFPB, FHFA to share data on mortgage servicing**
- National Mortgage Professional Magazine: **FHFA and CFPB Announce Borrower Protection Program**
- ABA Banking Journal: **FHFA, CFPB Announce Information Sharing to Facilitate COVID-19 Mortgage Relief**
- Mortgage News Daily: **Fannie/Freddie Regulator and CFPB Agree Will Share Mortgage Servicing Info**

**Secretary Steven Mnuchin**

LA Times

[Americans can get stimulus payments faster with newly launched IRS site]

Sarah D. Wire

Americans can speed up delivery of their up-to-$1,200 coronavirus assistance payout through a new IRS website that launched Wednesday. The site allows them to provide bank account details needed to receive electronic payment and also to check when the payment will arrive.

People will need information from their 2018 or 2019 taxes to prove their identity, Treasury Secretary Steven T. Mnuchin said this week at the White House. The site also allows people who have already provided the IRS with direct deposit information to verify which account the government has on file.

"You'll be able to put in your direct deposit information, and within several days we will automatically deposit the money into your account," Mnuchin said. "We want to do as much of this electronically as we can."

The first wave of payouts began Friday. Mnuchin said more than 80 million Americans were expected to receive the payout through direct deposit by Wednesday.

"We know how important that is to all of those hard working Americans, many of which are at home not working at the moment," Mnuchin said.

Congress approved the up-to-$1,200 onetime cash payouts last month in the $2-trillion economic relief package, and the administration has worked to rush the cash to Americans who have seen their lives upended by efforts to curb the coronavirus. But millions of Americans don't have direct deposit information on file with the IRS, either because they don't normally receive a tax refund or prefer to receive a paper check. It could take weeks or even months for people who don't now provide direct deposit information to the IRS to receive a paper check.

All U.S. residents are eligible for a payment as long as they have a work-eligible Social Security number, cannot be claimed as a dependent on another person's taxes, and meet the income requirements. Those with an adjusted gross income below $75,000 (or $150,000 for a married couple) would receive $1,200 per adult or $2,400 for a married couple. In addition, they are eligible for an additional $500 per child under 17. Americans who make from $75,000 to $99,000 (or married couples making $150,000 to $198,000) are eligible for a portion of the payment.

Taxpaying immigrants will not get a stimulus check.

Social Security recipients, even those who didn't file taxes in 2018 or 2019, should receive the money automatically. The IRS will use information on file with the Social Security Administration.

The new site is separate from the portal created Friday to allow people who do not normally have to file taxes to provide the IRS with their direct deposit information. That site is largely targeted at low-income people, the homeless and others who, it is feared, may fall through the cracks with this relief package. It should be used by people whose gross income did not exceed $12,200 for an individual or $24,400 for married couples for 2019 and who were not otherwise required to file a federal income tax return for 2019 and didn't plan to.

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FOXBusiness

**Haven't received your stimulus check yet? Here's what to do**
**Some taxpayers have already reported receiving their money**

By Megan Henney

How to spend coronavirus stimulus check if you're struggling financially

Financial expert Chris Hogan says as Americans begin to receive their coronavirus relief checks, we should be in 'conserve mode' and avoid 'any unnecessary spending.'

More than 80 million Americans are expected to receive their much-awaited stimulus check by Wednesday as the first wave of payments are deposited into taxpayers' accounts.

"If you do not receive them by Wednesday, you'll be able to put in your direct deposit information, and within several days, we will automatically deposit the money into your account," Treasury Secretary Steven Mnuchin said on Monday. "We want to do as much of this electronically as we can."

Some taxpayers have already reported receiving their money, while those who are still waiting will be able to track it online through a new portal set up this week by the Internal Revenue Service.

Those who haven't received the check yet -- filers and non-filers alike -- can also apply online by submitting their direct deposit information if it's not already on file with the agency. The "Get My Payment" tool will allow people to provide their bank information in order to get the cash. (Due to enormous volumes of people trying to check the website, there was a wait for the tool as of Wednesday morning.)

If Americans filed a 2019 or 2018 tax return, which will be used by the agency to calculate eligibility, but did not provide direct deposit information, Mnuchin said the tool can be used to input the necessary information. The payment should arrive in your account within several days.

At the heart of the largest relief plan in recent memory is $1,200 checks for individuals who earn less than $75,000 annually, $2,400 for couples who earn less than $150,000 and $500 for every child. The payments are tapered for higher-earners and phase out completely for individuals who earn more than $99,000, or couples who earn more than $198,000.

The cash is intended to blunt the financial pain for Americans caused by the coronavirus pandemic, which brought the economy grinding to a halt. In three weeks alone, more than 16 million Americans filed for unemployment, the Labor Department said last Thursday. The record-shattering number is a stunning sign of the depth of the economic calamity inflicted by the virus outbreak.

The speed at which the money is distributed depends on people's tax-filing method -- and whether the government has their banking information. Electronic payments can be disbursed quicker than cash checks, which must be printed and mailed separately.

An estimated 80 percent of tax filers will be able to easily receive the money because they already have shared account information with the IRS.

"If we have your information you'll get it within two weeks," Mnuchin said last week. "Social Security, you'll get it very quickly after that. If we don't have your information you'll have a simple web portal, we'll upload it. If we don't have that, we'll send you checks in the mail."

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Always.
— Chris Murphy (@ChrisMurphyCT) April 15, 2020
Rep. Ilhan Omar, D-Minn., echoed Murphy's sentiment.

"17 million people have lost their jobs. Millions can't pay rent, afford food, and are sinking into debt. And the president is delaying relief for them so he can see his name on a check. Trump first, America second," she tweeted.

"You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you," said Rep. Brendan Boyle, D-Pa., who sits on the House Ways and Means Committee.

You know that stimulus check you're waiting for? Trump is holding it up so he can add his signature on the check. His narcissism is costing you. https://t.co/2qRpIB06sK
— US Rep Brendan Boyle (@RepBrendanBoyle) April 15, 2020

Rep. Jennifer Wexton, D-Va., a member of the House Financial Services Committee, derided "unnecessarily postponing the disbursement of stimulus checks to feed the president's ego or for political gain."

Former Treasury Secretary Lawrence Summers said he would have resigned if President Bill Clinton had asked him to add his name to such disbursement checks.

"A Secretary of the @USTreasury who permits this is a dangerous sycophant. This is using government as a propaganda tool," Summers tweeted.

And Walter Shaub, a former director of the independent Office of Government Ethics, tweeted, "Where you see the dying and suffering of your fellow Americans, Donald Trump sees another opportunity to promote himself – and, by extension, his reelection campaign. Corruption, you see, has its visionaries."

A spokesman for Senate Finance Committee Chairman Chuck Grassley, R-Iowa, told USA TODAY in a statement that there was nothing unusual about a president trying to associate their name with an economic stimulus program.

"During economic downturns in 2001 and 2008, President Bush included his name on letters sent in advance of recovery checks," said Grassley's spokesman, Michael Zona. "Notably, attaching a name to a check has a negligible expense, unlike the Obama administration's use of costly signs across the country at construction sites built as part of the 2009 recovery legislation."

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The Hill

## [Schumer and Mnuchin inch closer to a deal on small business lending, increased aid for hospitals and states]

By Alexander Bolton

Senate Democratic Leader Charles Schumer (N.Y.) and Treasury Secretary Steven Mnuchin appear to be inching closer to a deal to provide $250 billion in additional funding to a popular small-business lending program, which could run out of money as soon as Thursday, and tens of billions of dollars in more federal aid to hospitals and state budgets.

A spokesman for Schumer announced Wednesday morning that the Democratic leader and Mnuchin had another conversation earlier in the day and that "Democratic staff from both chambers will be meeting with Treasury" Department officials later in the day.

Some Senate Republican aides are expecting a deal between Schumer and Mnuchin by the time the Senate meets in a scheduled pro forma session on Thursday.

National Economic Council Director Larry Kudlow warned on Tuesday that the Small Business Administration's (SBA) Paycheck Protection Program, a popular lending program designed to keep workers on payroll, could run out of money as soon as Thursday.

Senate Democrats are also expecting a deal soon.

Sen. Doug Jones (D-Ala.) told reporters on a conference call Tuesday: "I understand that a fair amount of progress has been made," referring to discussions between Schumer and Mnuchin.

"We may be seeing some packages pretty soon," he said.

Senate Republicans caution, however, that Mnuchin does not speak for the entire Senate GOP conference and that all 53 Republican senators would have to sign off on any deal for it to pass by unanimous consent during Thursday's pro forma session.

Schumer and Speaker Nancy Pelosi (D-Calif.) are betting that Republicans will fall into line if President Trump endorses a deal between Democratic leaders and Mnuchin.

Trump last month blasted conservative Rep. Thomas Massie (R-Ky.) as a "third rate Grandstander" when he attempted to force a House roll call vote on the $2.2 trillion CARES Act, which passed 96-0 in the Senate.

Democrats want to pair the $250 billion in additional funding for the SBA program with at least $250 billion for hospitals and state and local budgets.

Schumer and Pelosi have called for an additional $100 billion for hospitals, $150 billion for state and local governments and a 15 percent funding increase for the Supplemental Nutrition Assistance Program for low-income families.

Democrats also want to set aside $60 billion of the small business funding program for women-, minority- and veteran-owned businesses in underserved urban, rural and tribal communities.

Many businesses in underserved and lower-income communities have had difficulty obtaining forgivable loans backed by the federal government because of the lack of existing relationships with community banks and credit unions.

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Politico

**IRS launches second web tool to expedite stimulus payments**
**More than 80 million Americans have received payments since they started flowing last weekend, Treasury Secretary Steven Mnuchin said.**

By TOBY ECKERT

The IRS launched a second online tool designed to help expedite economic stimulus payments on Wednesday.

The Get My Payment portal will allow taxpayers to give the agency direct deposit information for their bank accounts if they didn't include it on their 2018 or 2019 returns. Treasury and IRS officials are hoping to get the stimulus payments to as many people as possible through direct deposit to avoid delays.

It could take as long as five months to get paper checks to people through the mail, the agency has told lawmakers. But even that timeline appears uncertain for some taxpayers, since the IRS has suspended processing paper returns, the agency's national public liaison told tax industry professionals Monday.

The Get My Payment portal will also allow people to track the status of their payments.

More than 80 million Americans have received payments since they started flowing last weekend, Treasury Secretary Steven Mnuchin said in announcing the launch of the portal.

To set up direct deposit, taxpayers will have to provide their adjusted gross income from their 2018 or 2019 returns, whichever they filed most recently; the refund or amount they owed from that return; and their bank account type, account number and routing number.

The IRS launched a different web tool last week that allows people who didn't file returns in 2018 or 2019 to provide basic personal information to the agency to receive their payments.

The program is part of the massive coronavirus-response legislation enacted last month. The payments are up to $1,200 for individuals, $2,400 for couples and an extra $500 for children under 17 who qualify.

The payments start phasing out for individuals with incomes above $75,000, or $150,000 for couples.
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Roll Call

**Negotiations ramp up on small-business aid with funds running dry**
**Democratic aides to meet with Treasury officials to try to hammer out a compromise package by this weekend**

By Jennifer Shutt

Top Democrats and the Trump administration were in talks about a new COVID-19 aid package Wednesday as new data showed a popular small-business loan program could be out of money by Friday.

Democratic staff from the House and Senate plan to meet with Treasury Department officials later on Wednesday, following a morning conversation between Senate Minority Leader Charles E. Schumer and Treasury Secretary Steven Mnuchin, according to a Schumer spokesman.

Democrats agree on the need for small-business funds. But the dispute has centered around how to allocate the money as well as provide additional relief for state and local governments, hospitals and low-income households.

"I can't guarantee we can get an agreement that we will pass on Friday, but that would be optimal if we could," House Majority Leader Steny H. Hoyer, D-Md., said on a call with reporters Wednesday.

The talks are the first real sign of progress since the White House sent Congress a request for an additional $251 billion in funding for the so-called Paycheck Protection Program last week.

The initial $349 billion provided in last month's $2.3 trillion economic rescue package for businesses shuttered by the COVID-19 pandemic is running out fast.

New data from the Small Business Administration show that as of Wednesday morning, there was just $60 billion left in the account. That's after more than $40 billion was distributed on Tuesday, a "burn rate" that's increasing as small businesses rush to their lenders for aid before the money runs out.

Top Republicans and administration officials have said for days the money could run out before this weekend. But the latest rush for cash suggests lawmakers and the White House may have even less time to strike a deal or risk leaving small businesses who haven't yet been approved on the sidelines, at least temporarily.

The PPP is in such hot demand because it allows eligible firms to skip repayment on eight weeks' worth of their loans, whicb are equal to up to 250 percent of monthly payroll expenses.

Companies are only able to spend up to one-fourth of the money on other fixed costs like rent and utilities, however, so Democrats want to boost allowable loans to 300 percent of payroll to enable companies to meet their nonpayroll expenses.

The average loan has been for around $239,000, according to the SBA.

Democrats also want to put $65 billion into a related disaster loan program for up to $2 million in "economic injury" expenses, of which up to $10,000 in cash advances don't need to be repaid. That program has also proven immensely popular, to the point where SBA last week started rationing the maximum loan size down to a fraction of the total.

Senate Majority Leader Mitch McConnell, R-Ky., tried to pass a two-page bill simply boosting the existing PPP allocation to $600 billion by a unanimous consent request last week, but Democrats objected.

Schumer, D-N.Y., and Speaker Nancy Pelosi have called for changes to the structure of the small business loan program, to ensure that at least half of the new funding, or $125 billion, would go to small businesses without traditional relationships with big banks. This would help women- and minority-owned businesses as well as people in rural areas and farmers access the funding, they said.

Democrats also want the package to include an additional $100 billion for hospitals and other health care facilities, $150 billion for state and local governments, and a 15 percent increase to the maximum monthly benefit for those on the Supplemental Nutrition Assistance Program.

Until now, GOP lawmakers have been resistant to entering negotiations with Democrats, saying the PPP is the only program from the $2.3 trillion package about to run out of funding. Republicans said that discussions over additional funding could wait until Congress begins work on the next COVID-19 aid package.

"Right now we are just sending the money out to the hospitals and states," Mnuchin said during Wednesday's daily White House coronavirus briefing. "They haven't come close to using that money. I know the president and vice president have said, once we get the SBA done we can go into another funding bill."

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Bloomberg

[Schumer and Mnuchin Talk in Hint of Break in Stimulus Stalemate]

By Steven T. Dennis, Laura Litvan and Billy House

Senate Democratic leader Chuck Schumer and Treasury Secretary Steven Mnuchin talked Wednesday and a meeting has been set with staff in the first public sign of a possible break in the stalemate over replenishing funding for a small business aid program.

Staff from the offices of Schumer and House Speaker Nancy Pelosi will meet with Treasury officials, spokesmen for Schumer and Pelosi said, amid mounting pressure on Congress to act before the Paycheck Protection Program runs out of funding.

The Democratic leaders have been at odds with Senate Majority Leader Mitch McConnell and the Trump administration over putting more money into aid programs designed to stem some of the economic damage from the nationwide shutdown caused by the coronavirus pandemic.

Republicans want to limit action now to adding $250 billion to the small business aid plan, a key part of the $2.2 trillion stimulus passed late last month. Democrats want to put an additional $250 billion into assistance for state and local governments and hospitals.

But until Wednesday there has been no sign of negotiations to bridge those differences since last week.

If all sides can put together an interim package, it would require unanimous consent in the Senate and similar support in the House to move quickly, with both chambers planning to stay away until May.

Congress faces added pressure to act after President Donald Trump's chief economic adviser, Larry Kudlow, said Tuesday that the $349 billion small business program could be exhausted by Thursday, when the Senate is scheduled to hold a pro-forma session.

Separately, National Governors Association Chairman Larry Hogan, a Maryland Republican, made a plea for $500 billion in federal aid to help states and territories meet budgetary shortfalls.

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Yahoo Money

[Coronavirus stimulus checks: New IRS tool tracks your payment — but it's down for many]

Denitsa Tsekova

While 80 million Americans have received stimulus checks, those still waiting can now track the payment on the Internal Revenue Service website.

If it works for them.

Read more: Coronavirus stimulus check: How to get one if you don't file your taxes

"The free 'Get My Payment App' will allow Americans who do not have their direct deposit information on file with the IRS to input it, track the status, and get their money fast," Secretary Steven Mnuchin said in a statement.

However, on Wednesday morning, the tool apparently wasn't working for some. Several Yahoo Finance reporters received a "Payment Status Not Available" response when they entered their information. Others on Twitter reported a similar result.

About 175 million Americans are eligible for the stimulus payments, according to the White House. Mnuchin stated on Wednesday morning that "more than 80 million Americans have already received their Economic Impact Payments by direct deposit."

The new tool allows Americans to follow the scheduled payment date for either a direct deposit or mailed check. It's an online app that works on desktops, phones, or tablets and doesn't need to be downloaded from an app store, The Treasury said.

To track your payment, you must provide basic information including:

Social Security number

Date of birth

Mailing address

The tool also lets people provide their bank account details to get their payment by direct deposit instead of waiting for a mailed check, which go out April 24.

If you filed a tax return in 2018 or 2019 but didn't provide direct deposit information, you'll be able to identify yourself, input that banking information, and receive the payment in several days in your account, according to Mnuchin.

To add direct deposit information, you will need to provide:

Adjusted gross income from your most recent tax return submitted, either 2019 or 2018

The refund or amount owed from your latest filed tax return

Bank account type, account, and routing numbers

Read more: Coronavirus stimulus check scams: How to avoid becoming a victim

As part of a $2 trillion coronavirus relief package, many Americans will get government checks up to $1,200 — plus $500 per child — to help them ride out a job loss, reduced work hours, and other money challenges as the country tries to stem the pandemic.

But some Americans could see a delay for their paper checks after the Treasury Department ordered that President Donald Trump's name to be included on the printed checks.

Here's everything you need to know about the stimulus check.

Who gets a stimulus check?
"Our updated estimate is that 93.6 percent of [tax] filers will have a rebate," said Garrett Watson, senior policy analyst at The Tax Foundation. "And this works out to approximately 140 million households."

Your eligibility is based on your most recent tax return and your adjusted gross income. If you already filed your 2019 taxes, your eligibility will be based on that. If not, the Internal Revenue Service will use your 2018 taxes to determine if you qualify.

The benefit is available not only to those who have filed taxes, but also to those who receive Social Security benefits as long as they've received their SSA-1099 or RB-1099 forms.

Read more: Tax deadline postponed: Why you should still file as soon as you can

Single adults with income up to $75,000 will get a $1,200 payment. Married couples with income up to $150,000 will get $2,400. Single parents who file as head of household with income up to $112,500 will get the full $1,200 check.

Additionally, Americans who qualify for the stimulus payment and have children will get an additional $500 per child under 17.

Reduced checks will be available for single adults who earn between $75,001 and $99,000 and married couples who earn between $150,001 and $198,000. The check will be reduced by $5 for every $100 over $75,000 for single adults and $150,000 for married couples.

Who doesn't get a check?
Single adults who make more than $99,000 and married couples who earn more than $198,000 won't receive stimulus checks.

Those without a Social Security number and nonresident aliens — those who aren't a U.S. citizen or U.S. national and don't have a green card or have not passed the substantial presence test — aren't eligible.

You're also ineligible if your parents claim you as a dependent on their taxes.

How will the government send you the stimulus check?
The IRS will use the direct deposit information you provided from the taxes you've filed either for 2019 or for 2018.

If you have no direct deposit information on file or if the account provided is now closed, the IRS will mail you a check, instead.

When will the stimulus check arrive? It depends.
Treasury Secretary Steven Mnuchin said at a White House briefing on April 2, that those Americans who have signed up for direct deposit will receive their payment within two weeks.

Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. The first batch of rebate payments started hitting bank accounts last week through direct deposits. Bush administration officials are visiting government check printing centers around the country on Thursday for events highlighting the fact that millions of rebate cheeks are in the mail. (AP Photo/Eric Risberg)
Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. (AP Photo/Eric Risberg)
More
"Social Security, you'll get it very quickly after that," Mnuchin said. "If we don't have your information, you'll have a simple web portal, you'll upload it. If we don't have that, we'll send you checks in the mail."

The payments will be deposited directly into your bank account if you received your last tax refund or expect to receive this year's refund that way.

Otherwise, checks will be mailed, which could take longer to get to Americans. Adding to the complications, about 6% of U.S. adults — or about 12 million Americans — do not have a checking, savings, or other bank account, according to a 2018 Federal Reserve report.

The New York Times, citing IRS guidelines that detail how Americans who aren't usually required to file tax returns will need to do so to reeeive payments, noted the guidance "will almost certainly mean longer waits for those who must file new returns to be eligible to receive a stimulus payment."

Americans with the lowest income will get mailed checks first, according to reporting by the Washington Post. Here's the timetable for the first checks, per IRS documents seen by the Post:

Taxpayers with income up to $10,000: April 24

Taxpayers with income up to $20,000: May 1

Taxpayers with income up to $40,000: May 15

The rest of the checks will be issued by gradually increasing income increments each week. Households earning $198,000 who file jointly will get their reduced checks on Sept. 4. The last group of checks will be sent on Sept. 11 to those who didn't have tax information on file and had to apply for checks, according to the Washington Post.

How can those who don't file taxes get a payment?
Americans who don't usually file taxes can register to get their stimulus aid checks on IRS website or use Turbotax's free tool to file a minimum tax return.

TurboTax's tool helps determine if you're eligible for the stimulus payment. If eligible, you need to answer a few questions and choose whether to get the payment though direct deposit or check.

"There are as many as 10 million Americans who are not required to file a tax return," TurboTax said in a statement. "Because the IRS will use the federal tax return to determine and send individual stimulus payments, these individuals are at risk of not receiving their stimulus payment."

Social Security recipients and those required to file tax returns don't need to provide additional information, but still must meet the eligibility criteria to get a payment.

Do you have to pay back the stimulus check?
No. The stimulus payment is actually a refundable credit against your 2020 tax liability, according to Kyle Pomerleau of the American Enterprise, and is paid out as an advanced refund. That means you don't have to wait to file your 2020 taxes to get the money.

It also doesn't reduce any refund you would otherwise receive, Watson said.

In fact, if you don't qualify for the stimulus check now based on your 2018 or 2019 tax returns, you may be able to qualify to take the tax credit next year when you file your 2020 taxes if your income meets the thresholds.

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Politico

**Republicans wary of Mnuchin's coronavirus relief talks with Dems**
**"Mnuchin can make all the deals he wants to with Speaker Pelosi ... but I think it's going to have a tough time in the Senate."**

By BURGESS EVERETT and HEATHER CAYGLE

Democratic leaders say they are talking with Treasury Secretary Steven Mnuchin about how to break a stubborn impasse over the next congressional response to the coronavirus pandemic. But there's just one problem: Senate Republicans might not go along.

Speaker Nancy Pelosi "has a lot of whole other demands. I know that Secretary Mnuchin is negotiating with her. And that's all well and good," said Sen. John Kennedy (R-La.) in an interview Wednesday. "It's still got to pass the Senate. And I think there are a lot of Republicans that are going to have a lot of questions of whatever the secretary and the speaker agree to. Just because they agreed to it, it's not a done deal."

Senate Minority Leader Chuck Schumer (D-N.Y.) spoke to Mnuchin on Wednesday, aiming to open up negotiations with him and Pelosi. The speaker, who is working remotely from San Francisco, has not talked to Mnuchin recently. But staff for the two Democratic leaders, Mnuchin and his aides are working to schedule a telephone call to discuss how to break a stalemate over what to do next in response to the virus' bit on the economy and unemployment.

"We see no reason why we can't come to an agreement," Schumer said on Wednesday.

Meanwhile, the $349 billion Paycheck Protection Program is expected to be fully subscribed as soon as Thursday, according to Republicans, when the Senate's next pro forma session is scheduled. Banks, however, have indicated the funds could run out by the end of the month. Led by Senate Majority Leader Mitch McConnell (R-Ky.), Republicans want to approve $250 billion to replenish the program immediately; Democrats want hoth changes to the program and $250 billion more for local governments and hospitals.

And Democrats made clear on Wednesday they are still not hacking down. House Majority Leader Steny Hoyer (D-Md.) said his party is "hopeful that Republicans will agree that we need to deal with state and local and tribal government as well as our health care providers."

On a private call with House Democratic freshman lawmakers Tuesday, Pelosi also signaled as much. The speaker indicated negotiations were at a logjam, saying Democrats have laid out their offer and now it's up to Repuhlican leaders to come to the table and compromise, according to sources on the call.

That's the fray Mnuchin is entering — and it's one that some Republicans aren't sure he's ready to navigate. That's because there's a difficult hurdle in Congress, which is now officially on recess until May 4 as lawmakers do their part to try to stop the spread of the coronavirus. One lawmaker can derail legislation in the pro forma sessions each chamber holds twice a week.

And Republicans say Mnuchin can't exactly negotiate on behalf of the entire GOP as is necessary, unlike during normal times when 60 votes rule the day in the Senate and a bipartisan coalition can steamroll objections from the right flank of the party.

"I don't see us giving in. I just don't," Kennedy said. "Secretary Mnuchin can make all the deals he wants to with Speaker Pelosi, I'll certainly look at them, but I think it's going to have a tough time in the Senate."

"Mnuchin doesn't represent congressional Republicans in their entirety," said a Senate Republican aide. "But that's what you need with UC (unanimous consent). If Mnuchin deals, he better be ready to sell this to our conference. And he better have the president on board."

Trump has said he doesn't want to add anything beyond small business relief in the interim relief bill, tweeting this week that he wants to "Replenish Account Now!"

The Treasury Department did not immediately respond to a request for comment. And Republicans have generally praised Mnuchin's responsiveness in recent weeks running Treasury, even if they aren't exactly urging him to cut a deal with Democrats.

And there's no sign of anyone bending. Sen. Susan Collins (R-Maine) said in an interview Tuesday that Democrats' requests are worthwhile but should be negotiated later. The Paycheck Protection Program, she argued, is what's needed now and she implored Democrats to abandon their demands to broaden the scope of the package.

"I am really surprised that Sen. Schumer doesn't see the need to replenish this program. This doesn't mean that there aren't other programs that don't warrant additional funding, but this program is going to run out for certain," said Collins, among the most amenable Republicans to cutting a deal.

Hoyer replied: "We think what we asked for was equally necessary" to the small business funds.

"I don't think it's the substance of our request that seems to be the problem. It was the process — they didn't like adding on to their request," he added.

McConnell may decide to try again Thursday to pass his package and force Democrats to block it. And just like last week, Democrats could decide to offer their proposal and watch McConnell spurn them.

The House has its own pro forma session Friday, a deadline Hoyer said he hopes negotiators are able to meet to pass an interim deal. But privately, aides in both parties say congressional dealmakers seem much further apart, predicting the impasse could carry over into next week.

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FOXBusiness

**Coronavirus economic threat -- A mortgage industry calamity is looming**
**Under the CARES Act, Congress has invited millions of Americans to stop paying their mortgages**

By Christopher Whalen

The coronavirus pandemic is perhaps the single biggest crisis to hit the U.S. economy since the 1930s. Large swaths of the U.S. economy have been idled and particularly the services sector is being decimated in a way that harkens back to the Great Depression. Double-digit unemployment seems inevitable by June, with all of the attendant economic and financial consequences.

Amidst this chaos and dislocation, the U.S. housing industry should be a bulwark upon which the economy may find support. After all, virtually all residential mortgages and many multi-family commercial loans in the U.S. are government-guaranteed, right?

Correct, but a series of missteps and outright errors in judgment by federal regulators are turning a bad situation in housing into a calamity that may lead to a U.S. debt default.

The mortgage industry is essentially a large cooperative network. The homeowner pays the mortgage. The bank or nonbank loan servicer transfers the payment to a bond investor and retains a small fee. The loan servicer also pays the property taxes and insurance on the property, protecting not only the home but the municipal finances of communities around the country. The total flow of interest, principal, taxes and insurance made by banks on behalf of homeowners runs into the tens of billions of dollars every month.

Under the CARES Act, Congress has invited millions of Americans to stop paying their mortgages. The impact of this massive unfunded mandate is that the U.S. financial system is headed for a potential default when the cash flow expected from millions of Americans does not arrive.

Bear in mind that these same Americans will stop making payments on car loans, credit cards and other obligations at the same time that they stop paying the mortgage.

The Trump administration has been slow to fashion a solution for dealing with the cash shortfall that will hit the U.S. financial system in about 30-45 days.

The mortgage industry, including banks, nonbank lenders and servicers, and the government-sponsored enterprises (GSEs) like Fannie Mae and Freddie Mac, will be able to make required payments on $7.7 trillion in mortgage-backed securities in April. But by May, the system will run out of cash and neither the banks, the nonbanks or the GSEs will be able to pay the holders of mortgage bonds – bonds, by the way, which are guaranteed by the U.S. Treasury.

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Congress has invited millions of Americans to stop paying their mortgages. The impact of this massive unfunded mandate is that the U.S. financial system is headed for a potential default when the cash flow expected from millions of Americans does not arrive.

If the issuers in the $2.2 trillion government loan market or the $5.5 trillion conventional loan market fail to make the bond payments to investors, then the Treasury must step in to honor the guarantee.

In the government market, the issuer will notify Ginnie Mae of the shortfall and ask the Treasury to honor its guarantee.

In the conventional market, the issuer will notify the GSEs of a shortfall and the GSEs will need to request funds from the Treasury. Either way, all roads in this increasingly dangerous situation end with Treasury Secretary Steven Mnuchin.

While Ginnie Mae has begun to fashion a temporary solution to fund the payment arrears in the government market, it is unlikely to be sufficient given the likely size of the loan payment shortfalls that are building each and every day. Hundreds of thousands of borrowers are seeking loan forbearance daily from banks and nonbank lenders.

The accumulated defaults on payments of interest and principal are forming a financial tsunami that could ultimately force a US debt default unless steps are taken now to prepare for this peak in loan forbearance.

Just as U.S. medical professionals must judge the rate of infection from COVID-19 and try to discern when the cases will peak, so too the U.S. financial system is facing a peak of loan defaults that must also be anticipated and managed.

In particular, Secretary Mnuchin needs to quickly fashion a consensus among federal regulators to support the cash needs of the housing finance industry in a way that will honor payments to mortgage bond investors while also giving loan servicers the resources to deal with millions of troubled borrowers.

Specifically, the Treasury needs to work with the Federal Reserve to fashion a liquidity facility for government lenders and servicers. While Ginnie Mae says that it wants to reimburse missed loan payments on a case-by-case basis, this approach will very quickly be shown to be inadequate to the task.

In the larger conventional market, the Treasury needs to take control over the GSEs and use their balance sheets to provide advances to fund missed payments on agency securities.

One big obstacle facing the Trump administration in fashioning a workable solution to fund missed mortgage payments is Federal Housing Finance Agency head Mark Calabria. Recently, the GSEs Fannie Mae and Freddie Mac had a liquidity facility ready to put in place to support conventional issuers.

Meetings were scheduled with members of Congress to discuss the plan. Then, suddenly and without any explanation, Calabria ordered the GSEs to stand down and shelve plans to support the industry. To say that people in and around the housing industry were flabbergasted is an understatement.

Following Calabria's action to shut down the servicer liquidity facility planned by the GSEs, the Financial Stability Oversight Council or "FSOC" met and decided to take a "wait and see" approach to providing liquidity to mortgage servicers, banks and nonbanks alike. The FSOC's decision was largely taken because of erroneous advice from Director Calabria, who has never actually worked in finance much less in the housing industry. The FSOC and Director Calabria are playing with fire.

The White House, Treasury and Federal Reserve need to put aside Director Calabria's flawed advice and announce a "solution" to the liquidity issue for agency residential mortgages this week.

We then have a couple of weeks to work out the details, which in simple terms involves the bank and nonbank servicers running an overdraft secured by the mortgages and financed by the Fed.

If a solution is not put in place quickly, then the U.S. Treasury faces the unseemly prospect of financing the payments to agency and Ginnie Mae bond holders in extremis.

The U.S. will be on the edge of the precipice and within just days of a sovereign default.

Anybody who thinks that the market for U.S. Treasury securities can survive the collapse of the agency and government-insured mortgage markets should think again.

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**Treasury**

CNBC

**[New government app showing you the status of your coronavirus stimulus payment has rocky debut]**

KEY POINTS
-A new government web app has been launched to help you track the status of your stimulus payment. The new tool also lets you put in your direct deposit information for your bank account.
-The launch on April 15, usually Tax Day, comes as the government is expected to get payments of up to $1,200 per person to millions of Americans this week.
-Many users reported having difficulty both accessing and getting information from the site on Wednesday.

Millions of Americans are slated to get payments of up to $1,200 per person from the government this week, and now there's a way to track your money.

On Wednesday, the Treasury Department and IRS launched a new free web app called "Get My Payment" that allows taxpayers to find the status of their payment.

It also enables taxpayers to add their direct deposit information if they did not include that in their tax returns for 2018 or 2019.

Actually accessing the web app could prove tricky.

In the first hours after launch, many users complained on social media that they were having a difficult time getting through. Others who accessed the site still were not able to get their payment status.

"You are getting two large groups of taxpayers with slightly different needs going into one tool, and it's crashing it," said Garrett Watson, senior policy analyst at the Tax Foundation.

That may improve after this week, Watson said, once millions of Americans have received their payments and no longer need to check on their rebate status.

"The hope is that this will smooth out and it will give those who are due to get a paper check in the coming weeks an opportunity to put in their information to get their payment a bit faster," Watson said.

To track the status of your payments, you will need to enter your Social Security number, date of birth and mailing address.

To submit your direct deposit information, you will need to have your bank account type, and account and routing numbers. In addition, you also will need your refund amount or amount you owed, plus your adjusted gross income, from the most recent tax return you filed (either 2018 or 2019).

That information needs to be updated as soon as possible. Bank account information cannot be updated once a stimulus payment has been scheduled for delivery.

The government is starting to deploy direct deposit payments this week, with more than 80 million Americans expected to get paid. After that, it will turn to mailed checks for individuals who don't have their bank information on record.

Single individuals who earn up to $75,000 stand to get $1,200 payments, while married couples who file their income taxes jointly are eligible for up to $2,400. In addition, children under 17 are eligible for $500.

Those payments are reduced for those earning more and phase out completely for individuals with income over $99,000; or $136,500 for head of households; or $198,000 if you file jointly with your spouse and have no children.

The "Get My Payment" app can be accessed from a desktop, smartphone or tablet and does not need to be downloaded.

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American Banker (USA)

**CFPB, FHFA to share data on mortgage servicing**

Kate Berry

The Consumer Financial Protection Bureau and Federal Housing Finance Agency announced a plan to share mortgage servicing data as borrowers seek loan workout options during the coronavirus emergency.

The Borrower Protection Program initiative announced Wednesday enables the CFPB to share complaint information about servicers and analytical tools with the FHFA using a secure electronic interface. The FHFA will make loss mitigation data, related to loan forbearance and modifications, available to the CFPB.

CFPB Director Kathy Kraninger and FHFA Director Mark Calabria said the information-sharing program would help both agencies protect borrowers during the pandemic crisis. Yet the joint press release offered little detail on how the information shared between the two agencies would be used to protect borrowers.

"Through the partnership being announced today, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward," Kraninger said in the jointrelease. "Help for consumers is always here at the CFPB through our complaints process. In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."

Calabria said "protecting and helping homeowners during this national crisis is my top priority."

"No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

Both agencies have been criticized for their response to the pandemic.

Kraninger has been faulted for failing to provide more guidance to mortgage servicers, not restricting debt collectors from contacting consumers during the crisis and for allowing voluntary reporting of pandemic-related hardships to the credit bureaus.

Meanwhile, Calabria has been blamed for the lack of a government-backed liquidity plan to aid nonbank servicers.

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National Mortgage Professional Magazine

**FHFA and CFPB Announce Borrower Protection Program**

Keith Griffin

The Federal Housing Finance Authority (FHFA) and the Consumer Financial Protection Bureau (CFPB) have jointly launched the Borrower Protection Program. The two federal agencies say it is necessary to provide accurate information to consumers about their forbearance options.

Under the program, the CFPB will make complaint information and analytical tools available to FHFA via a secure electronic interface; and FHFA will make available to the Bureau information about forbearances, modifications and other loss mitigation initiatives undertaken by Fannie Mae and Freddie Mac.

CFPB Director Kathleen L. Kraninger said in a news release, "Through the partnership, the Bureau will share our insights with FHFA and ensure we get their data on how mortgage servicers are working with their customers during this critical time and going forward." FHFA Director Mark Calabria added, "This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

In response to the COVID-19 national emergency, Fannie Mae and Freddie Mac permitted borrowers the ability to enter into forbearance, a pause or reduction in their monthly mortgage. The missed payments will have to be paid back by the borrower. The missed payments can be added to the normal monthly payments, paid back all at once, tacked on to the end of the loan, or the borrower can have the term of the loan extended.

A survey earlier in the week conducted by the Mortgage Bankers Associaiton (MBA) found the number of loans in forbearance jumped from 2.73 percent to 3.74 percent during the week of March 30-April 5, 2020.

The National Consumer Law Association is urging borrowers to call their lenders before taking on forbearance. Industry professionals have repeatedly said there is a difference between forbearance and forgiveness, a concept many homeowners are still very unaware of.

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ABA Banking Journal

**FHFA, CFPB Announce Information Sharing to Facilitate COVID-19 Mortgage Relief**

To support the effort to provide relief to mortgage borrowers struggling due to the coronavirus, the Federal Housing Finance Agency and the Consumer Financial Protection Bureau will begin sharing servicing information, the agencies announced today.

As part of this new Borrower Protection Program, the CFPB will share complaint information and analytical tools with FHFA through a secure interface, and FHFA will share information about Fannie Mae and Freddie Mac's efforts to offer forbearance, modifications and other loss mitigation options.

The GSEs previously announced they would offer forbearance options to borrowers facing financial hardships during the pandemic. "Borrowers are entitled to accurate information about their forbearance options," said FHFA Director Mark Calabria. "This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

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Mortgage News Daily

[Fannie/Freddie Regulator and CFPB Agree Will Share Mortgage Servicing Info]

By Jann Swanson

The Federal Housing Finance Agency (FHFA) and the Consumer Financial Protection Bureau (CFPB) have made arrangements to share information during the COVID-19 national emergency. CFPB is a big portal for and repository of consumer complaints about providers of financial services and has agreed to make that information as it relates to mortgage servicers along with appropriate analytical tools to FHFA available. In turn, the conservator and regulator of the GSEs Fannie Mae and Freddie Mac will provide information to the Bureau about forbearances, modifications and other loss mitigation initiatives undertaken by servicers of GSE loans.

The GSEs have instructed servicers to enter into forbearance agreements with borrower encountering financial hardship due to the pandemic. These agreements allow borrowers to pause or reduce their mortgage payments although those amounts must ultimately be paid back. Mortgage servicers are responsible for working with borrowers to set up a repayment plan that works for both parties.

FHFA Director Mark Calabria said the partnership with CFPB will allow the GSEs to see how servicers are working with their customers during the crisis and going forward. "No one should be worried about losing their home," he said. "Borrowers are entitled to accurate information about their forbearance options. This partnership with CFPB ensures FHFA can address misconceptions stemming from consumer complaints by working with Fannie and Freddie servicers."

"Help for consumers is always here at the CFPB through our complaints process," CFPB Director Kathleen L. Kraninger said. "In addition to working with your lender to get an answer for you, we analyze the information to better educate consumers, provide clear rules for financial institutions, and hold companies accountable."

Through its consumer complaint system CFPB gets responses from companies to resolve consumer issues and takes the information into account in supervisory and enforcement work. The agency has also worked to educate consumers about options to help them during the crisis including those regarding student loan payment suspension, mortgage forbearance, stimulus payments, and the Paycheck Protection Program

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# 04-16-2020 PA Senior Staff Notes

**From:** [redacted]@treasury.gov>
**Date:** Thu, 16 Apr 2020 09:13:08 -0400
**Attachments:** 04-16-2020 PA Senior Staff Notes.docx (96.23 kB)

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April 16, 2020

**Public Affairs Notes:**

**This week:**

- **Today, Thursday, April 16, and Friday, April 17,** Under Secretary Brent McIntosh will participate in the International Monetary Fund and World Bank Meetings via video conference. Closed press.

**SECRETARY MENTIONS**

**Democratic Staffers Meet With Treasury Officials As Small Business Funding Runs Dry. (CNBC, BLOOM, USAT, NYT, HILL, AP, WSJ, CQRC, NTLRVW, THEWEEK, NBCNEWS, FOX, CNN, FOXB, FT, POLITICO, WP)**

CNBC (4/15, Breuninger, Wilkie, Pramuk) reports aides to House Speaker Pelosi and Senate Minority Leader Schumer were scheduled to meet with Treasury Department officials Wednesday "to discuss the Democrats' push to pass additional coronavirus relief legislation." CNBC says Schumer "spoke with Treasury Secretary Steven Mnuchin on Wednesday morning about the 'interim' relief package," according to a Schumer spokesperson. CNBC adds that "it also reflects a desire on both sides to keep the government's fiscal spigot open and pouring money into the economy, which has been devastated by the disease and the strict policies imposed to slow its spread." CNBC says the "$349 billion fund for small businesses is quickly being wiped out: More than 1.3 million loans had been approved by Wednesday afternoon, totaling a value of more than $296 billion, according to the Small Business Administration."

Bloomberg (4/15, Dennis, Litvan, House) reports Schumer and Mnuchin "talked Wednesday and a meeting has been set with staff in the first public sign of a possible break in the stalemate over replenishing a small business aid program." Unlike what "unfolded when the last stimulus measure passed – Schumer and Pelosi gave regular updates of each conversation with Mnuchin – there had been more partisan sniping than talking until Wednesday."

USA Today (4/15, Hayes) reports Schumer "said Democratic staff from the House and Senate were planning to meet with the Treasury Department later in the day." Schumer said, "We see no reason why we can't come to an agreement." However, "he also signaled Democrats were not willing to relent."

The New York Times (4/15, Tankersley, Cochrane, Flitter) reports Mnuchin and SBA head Jovita Carranza "urged Congress to approve additional funds, as the demand 'underscores the need for hardworking Americans to have access to relief as soon as possible.'" The Times adds that Mnuchin, "Treasury staff and aides to Mr. Schumer and Ms. Pelosi conferred later in the day and were expected to continue discussions on Thursday."

The Hill (4/15, Bolton) reports Schumer and Mnuchin "appear to be inching closer to a deal to provide $250 billion in additional funding" to the PPP. Senate Republicans "caution, however, that Mnuchin does not speak for the entire Senate GOP conference and that all 53 Republican senators would have to sign off on any deal for it to pass by unanimous consent during Thursday's pro forma session."

The AP (4/15, Taylor), The Wall Street Journal (4/15, Peterson), Bloomberg (4/15, Wasson, Jacobs, Niquette), CQ Roll Call (4/15, Shutt), National Review (4/15, Evans), The Week (4/15, O'Donnell), NBC News (4/15, Hunt, Caldwell, Moe, Tsirkin), Fox News (4/15, Singman), CNN (4/15, Fox, Leblanc), Fox Business (4/15, Leggate), The Financial Times (4/15, Noonan, Fedor), and The Hill (4/15, Bolton), among other news outlets, also report.

***Senate GOP Withhold Judgment On Mnuchin-Schumer Negotiations.*** Politico (4/15, Everett, Caygle) reports that while "Democratic leaders say they are talking with Treasury Secretary Steven Mnuchin about how to break [the] stubborn impasse...there's just one problem: Senate Republicans might not go along." Schumer "expressed optimism the two sides could cut a deal – but Democrats acknowledge President Donald Trump needs to empower Mnuchin to bring everyone on board." Sen. John Kennedy (R-LA) said Wednesday, "It's still got to pass the Senate. And I think there are a lot of Republicans that are going to have a lot of questions of whatever the secretary and the speaker agree to. Just because they agreed to it, it's not a done deal."

The Hill (4/15, Bolton) reports Democratic leaders "are trying to box out" Senate Majority Leader McConnell by negotiating a deal with Mnuchin and President Trump to provide the new funding. Pelosi and Schumer "have largely worked with Mnuchin instead of McConnell, betting that if Trump signs on to a $500 billion deal to extend small-business lending, send funds to hospitals and rescue cash-strapped states, McConnell and other GOP lawmakers will fall in line."

***Commentary: Trump, Mnuchin Don't Care About Small Business Owners.*** In her column for The Washington Post (4/15), Helaine Olen writes about small business owner Carol Barash, who "is waiting for money from the Paycheck Protection Program." Barash "has been approved for the program – after the third bank she approached helped her process an application. But she hasn't received the money. Her staff is waiting." Barash said, "I can't pay my people this week unless the government pays me." Olen says that Americans "like to boast of our devotion to small business," but the pandemic crisis "reveals just how cheap these sentiments are." Olen says Barash "is a professional storyteller. She can spot a villain. It starts at the top, she tells me. Trump doesn't care about small business owners, and neither does Treasury Secretary Steven Mnuchin." Barash said, "They are about turning money into more money for people who already have money. They don't care about small business owners any more than they care about any small person, anywhere."

**IRS Rolls Out New App As Tens Of Millions Of Americans Receive Emergency Aid Payments. (AP, MCT, WT, FOX, NBCNEWS, USAT, POLITICO, LAT, HILL, BIZINDER, NEWSHR, FOXB, CNBC, WP, CNN, NPR, REU, NYT, MSNBC, VOX, VANFAIR, CALLER)**

The AP (4/15, Rugaber) reports that "government relief checks began arriving in Americans' bank accounts" on Wednesday. The AP says the Treasury "began issuing one-time payments this week to tens of millions of people as part of its $2.2 trillion coronavirus relief package, with adults receiving up to $1,200 each and $500 per child to help them pay the rent or cover other bills." The AP adds, "In an unprecedented move, President Donald Trump's name will be printed on the paper checks."

McClatchy (4/15, Irby) reports the IRS on Wednesday launched a new feature on its website that "allows people to update their bank account information or address to receive their checks." The service also users to "check when you're likely to receive your payment if the IRS already has your information." The Washington Times (4/15, Boyer) reports Treasury Secretary Steven Mnuchin said, "We are pleased that more than 80 million Americans have already received their Economic Impact Payments by direct deposit in record time. The free 'Get My Payment App' will allow Americans who do not have their direct deposit information on file with the IRS to input it, track the status, and get their money fast."

Fox News (4/15, Singman), NBC News (4/15, Kapur, Lederman), USA Today (4/15, Tompor), Politico (4/15, Eckert), Los Angeles (CA) Times (4/15, Wire), The Hill (4/15, Jagoda), and Business Insider (4/10, Loudenback) also report.

***Administration Says Supplemental Security Income Recipients Will Automatically Receive Coronavirus Payments.*** Business Insider (4/15, Zeballos-Roig) reports that consumers "receiving Supplemental Security Income benefits will no longer need to file a tax return to get a stimulus check, the Treasury Department announced on Wednesday." Secretary Mnuchin stated, "SSI recipients with no qualifying children do not need to take any action in order to receive their $1,200 economic impact payment. The payments will be automatic."

The Hill (4/15, Jagoda) reports "the Trump Administration on Wednesday announced that Supplemental Security Income (SSI) recipients will automatically receive their coronavirus rebates, expanding the number of people who will not need to file a tax return in order to get their payment." Mnuchin "encouraged SSI recipients with children to use an online tool on the IRS's website so that they receive the $500 per child that they are entitled to in addition to the $1,200 per adult."

PBS NewsHour (4/15, Norwood), Fox Business (4/15, De Lea), and CNBC (4/15, Konish) also report.

***Treasury Denies Adding Trump's Signature Delayed Relief Payments.*** The Washington Post (4/15, Olorunnipa, Rein) reports "the effort to put Trump's name on millions of 'Economic Impact Payment' checks began shortly after the president on March 27 signed the bipartisan $2 trillion legislation aimed at stemming the financial fallout from a global pandemic that has halted much of the economy." The Post says, "After privately suggesting to Treasury Secretary Steven Mnuchin that he be allowed to formally sign the checks, Trump settled for having his name printed in the memo section, according to administration officials, who spoke on the condition of anonymity to discuss internal deliberations." The Post adds that House Speaker Nancy Pelosi "pushed Mnuchin during negotiations on the economic rescue package to ensure that as many checks as possible were deposited though direct deposit; she told House Democrats that she had told Mnuchin that to the extent there had to be paper checks, she didn't want to see them held up for Trump's signature or anything similar."

CNN (4/15, Foran) reports on its website that Pelosi "on Wednesday called the decision for President Donald Trump's name to appear on stimulus checks amid the coronavirus pandemic 'shameful.'"

NPR (4/15, Kurtzleben), The Associated Press (4/15), Reuters (4/15, Lawder), the New York Times (4/15, Rappeport), Fox News (4/15, Olson), MSNBC (4/15, Benen), Vox (4/15, Burns), Vanity Fair (4/15, Levin), The Hill (4/15, Marcos), and Daily Caller (4/15, Talcott) also report.

**Debt Collectors Able To Garnish Coronavirus Stimulus Checks Due To Loophole In Law. (USAT)**

USA Today (4/15, Picchi, Today) reports debt collectors are able to garnish money from coronavirus stimulus checks to households due to a loophole in the law. The loophole "has prompted 25 state attorneys general and Hawaii's Office of Consumer Protection to ask Treasury Secretary Steven Mnuchin to ensure that debt collectors and creditors can't take Americans' stimulus checks." The officials, in a letter sent Monday to Mnuchin, said, "During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment."

**Democrats Say Coronavirus Stimulus Should Not Bail Out Fossil Fuel Companies. (HILL)**

The Hill (4/15, Beitsch) reports that more than 40 Democratic lawmakers sent a letter to Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell demanding that fossil fuel companies not be included in any assistance under the coronavirus relief package passed by Congress last month. The lawmakers wrote: "Giving that money to the fossil fuel industry will do nothing to stop the spread of the deadly virus or provide relief to those in need. It will only artificially inflate the fossil fuel industry's balance sheets."

**Democrats Urge Treasury And Fed To Provide Lifeline To Mortgage Servicers. (BLOOM)**

Bloomberg (4/16, Dexheimer) reports, "Key Democrats in the U.S. House and Senate are calling on Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell to provide a lifeline to mortgage-servicing firms that are bracing for a wave of missed payments." The Fed and Treasury "should use powers given to them under recent stimulus measures to provide liquidity to servicers facing shortfalls, House Financial Services Chairwoman Maxine Waters and Sherrod Brown, the top Democrat on the Senate Banking Committee, said in a letter Wednesday." They argue that the steps Ginnie Mae has already taken may not be enough, as mortgage servicers are "expected to face increased strain as millions of homeowners and renters lose jobs, are furloughed, or see reduced hours, all of which will keep them from making mortgage and rent payments, as a result of this public health crisis."

**Oversight Commission Calls On Fed To Release Details About Bailouts. (NYT)**

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## POLITICO MORNING MONEY

**Get ready for some more dismal numbers** — It's that dreaded day of the week again when the weekly jobless claims report hits at 8:30 a.m.. It also happens to be the day the White House plans to roll out new guidelines on social distancing. Make of that what you will.

In any event, the number is likely to be horrible but not as horrible as last week. Consensus is around 5 million, which would be down from 6.6. million the last two weeks but still atrociously bad.

**Professors Paul Goldsmith-Pinkham and Aaron Sojourner**, who have been pretty well on the mark thus far: "We're predicting 4.8m UI claims for the week ending on 4/11 seasonally adjusted and 4.5m non-seasonally adjusted." They note that Google searches for how to get unemployment are down somewhat, a hopeful sign.

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"The good news—all things are relative at this point— is that we expect today's report for the week ended April 11 to show that claims dropped sharply last week, to about 4,500K from 6,606K. That would still be an awful number, but it would mark the beginning of the end of the initial hit."

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Goldman Sachs CEO David Solomon couldn't be on the call because of earnings. Neither could JPMorganCEO Jamie Dimon, though not because of earnings. Bank of America CEO Brian Moynihan was able to dial in right after his earnings call ended. Another senior executive from JPMorgan attempted to get on the call in Dimon's place, two sources told POLITICO, but couldn't get through for 20 minutes and finally gave up.

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**Several executives called for more Covid-19 testing**. And that was pretty much it, according to people on or briefed on the call. "It was really nothing," one person briefed on the call said.

Beyond the haphazard nature of the call, senior bankers are getting increasingly frustrated with Trump's approach to the crisis. They say pressure tactics to reopen the economy as fast as possible make no sense if the virus isn't fully under control and consumers and businesses don't feel safe to resume anything close to normal activities.

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**CORONAVIRUS EFFECTS**

**MORE PPP ISSUES** — Also via Zach: "Major U.S. restaurant chains are starting to secure government-backed loans that Congress created to protect small businesses during the pandemic, fueling concerns that big corporations will siphon away rapidly dwindling funds.

"Potbelly Corp. — the nationwide sandwich shop operator — and Ruth's Hospitality Group, which runs a chain of steakhouses, are among the large companies that have disclosed receiving the government-backed loans. Before the Covid-19 outbreak, they reported employing thousands of people. ... [L]awmakers ... gave flexibility for larger restaurant and hotel operators to apply."

**WHAT WILL REOPENING LOOK LIKE?** — Via Goldman Sachs: "Absent a vaccine or treatment breakthrough, reopening will be gradual. New evidence suggests that the share of the population that has been infected is higher than test counts imply, but still too low to achieve herd immunity soon.

"As a result, the public will have to be persuaded that reopening is safe. We see a few prerequisites: further declines in confirmed new infections, sufficient hospital and testing capacity, and the ability to trace and quarantine those who might be infected. These look achievable in coming months, but there is much uncertainty about the feasibility of controlling virus spread during reopening"

**GIG WORKERS STRUGGLING FOR BENEFITS** — Our Megan Cassella and Rebecca Rainey: "The $2 trillion rescue package was supposed to help out Uber drivers, freelance workers and other independent contractors who usually aren't eligible for unemployment benefits.

"But so far, this 23 million-strong group of working Americans is running into dead ends, delays and bureaucracy trying to collect an unemployment check. One reason for the delay is that the Department of Labor didn't put out its first set of guidelines for the new program until April 5, more than a week after the stimulus passed, leaving state unemployment offices stalled."

**NJ NOT GOING BACK TO NORMAL** — Our Samantha Maldonado on MM's home state: "New Jersey Gov. Phil Murphy said ... that the coronavirus has created a 'new normal' for the state that's likely to continue long after businesses are allowed to reopen.

"'The notion that we're going to go back to some sort of, let's just turn the clock back to three months ago, I just don't see it,' Murphy said ... 'People talk about a new normal and I think that's a reality.' Murphy floated the idea of restaurants taking customers' temperatures or issuing saliva tests, if available, before allowing diners to enter. He painted a picture of establishments filled to only 50 percent capacity"

**TARRIFFS MAKE TIMES HARDER** — Our Adam Behsudi: "Amid the worst recession in nearly a century, a wide range of U.S. businesses hit by ... Trump's tariffs are starting to face an increasingly stark juggling act of trying to keep employees on the payroll while paying staggering tariff bills, some as high as 25 percent.

"Every month, Kevin Feig sends the Treasury roughly $300,000 in tariffs to import auto parts that he supplies to national retail chains. He said his tariff bill matches his monthly payroll expenses for the 110 workers he is hoping to keep employed through a federally backed loan from the government's new Paycheck Protection Program."

**G-20 FREEZES POOR COUNTRIES' DEBTS** — Our John Rega in Brussels: "G-20 countries agreed to suspend poor countries' debt payments for a year, freeing up $20 billion for them to spend on treating the coronavirus pandemic and shore up their economies.

"Banks and other private creditors, along with multinational development banks, should voluntarily do the same, the finance chiefs from the economic powers said … after a teleconference on containing the economic damage from Covid-19."

**TRUMP CRITIC LARRY LINDSEY NAMED TO CORONA COUNCIL** — Our Matthew Choi: "He called … Trump a 'total narcissist.' Now he may be advising the president on economic policy in the face of the coronavirus pandemic.

"Larry Lindsey, director of the National Economic Council for President George W. Bush, was named part of … Trump's cryptic White House economic advisory group … to help deal with the fallout of the coronavirus crisis."

**BIG JOB LOSSES FOR NYC** — Our Erin Durkin: "The coronavirus pandemic could plunge New York City into the worst economic crisis since the 1970s, costing the city 475,000 jobs and nearly $10 billion in revenue, a budget watchdog found.

"According to a new report from the Independent Budget Office, the local economy is expected to lose 475,000 jobs over the next 12 months. That would lead to a shortfall of $9.7 billion in tax revenue in 2020 and 2021, compared to previous projections."

**FOR YOUR RADAR**

**SHOULD WE FORGIVE CONSUMER DEBT?** — Columbia Business School Professor Tomasz Piskorski and Stanford Grad School of Business Professor Amit Seru argue in Barron's that we should: "By our estimates, more than 30% of all borrowers could default on their mortgage, about 1.5 times the level of defaults during the 2008 crisis.

"As we learned in that recession, the pain of defaults does not stop with the borrower: The damage creates ripple effects that slow down the economy."

**DEALING WITH THE UNBANKED** — Former Ex-Im bank chief Fred Hochberg in The Hill: "Now is not the time to think small. Washington should take strides to address systemic inequities that have left too many Americans behind and ensure that all Americans have banking and broadband access as we start to think through what the long road to recovery looks like."

April 16, 2020

**Public Affairs Notes:**

**This week:**

- **Today, Thursday, April 16, and Friday, April 17,** Under Secretary Brent McIntosh will participate in the International Monetary Fund and World Bank Meetings via video conference. Closed press.

**SECRETARY MENTIONS**

**Democratic Staffers Meet With Treasury Officials As Small Business Funding Runs Dry. (CNBC, BLOOM, USAT, NYT, HILL, AP, WSJ, CQRC, NTLRVW, THEWEEK, NBCNEWS, FOX, CNN, FOXB, FT, POLITICO, WP)**

CNBC (4/15, Breuninger, Wilkie, Pramuk) reports aides to House Speaker Pelosi and Senate Minority Leader Schumer were scheduled to meet with Treasury Department officials Wednesday "to discuss the Democrats' push to pass additional coronavirus relief legislation." CNBC says Schumer "spoke with Treasury Secretary Steven Mnuchin on Wednesday morning about the 'interim' relief package," according to a Schumer spokesperson. CNBC adds that "it also reflects a desire on both sides to keep the government's fiscal spigot open and pouring money into the economy, which has been devastated by the disease and the strict policies imposed to slow its spread." CNBC says the "$349 billion fund for small businesses is quickly being wiped out: More than 1.3 million loans had been approved by Wednesday afternoon, totaling a value of more than $296 billion, according to the Small Business Administration."

Bloomberg (4/15, Dennis, Litvan, House) reports Schumer and Mnuchin "talked Wednesday and a meeting has been set with staff in the first public sign of a possible break in the stalemate over replenishing a small business aid program." Unlike what "unfolded when the last stimulus measure passed – Schumer and Pelosi gave regular updates of each conversation with Mnuchin – there had been more partisan sniping than talking until Wednesday."

USA Today (4/15, Hayes) reports Schumer "said Democratic staff from the House and Senate were planning to meet with the Treasury Department later in the day." Schumer said, "We see no reason why we can't come to an agreement." However, "he also signaled Democrats were not willing to relent."

The New York Times (4/15, Tankersley, Cochrane, Flitter) reports Mnuchin and SBA head Jovita Carranza "urged Congress to approve additional funds, as the demand 'underscores the need for hardworking Americans to have access to relief as soon as possible.'" The Times adds that Mnuchin, "Treasury staff and aides to Mr. Schumer and Ms. Pelosi conferred later in the day and were expected to continue discussions on Thursday."

The Hill (4/15, Bolton) reports Schumer and Mnuchin "appear to be inching closer to a deal to provide $250 billion in additional funding" to the PPP. Senate Republicans "caution, however, that Mnuchin does not speak for the entire Senate GOP conference and that all 53 Republican senators would have to sign off on any deal for it to pass by unanimous consent during Thursday's pro forma session."

The AP (4/15, Taylor), The Wall Street Journal (4/15, Peterson), Bloomberg (4/15, Wasson, Jacobs, Niquette), CQ Roll Call (4/15, Shutt), National Review (4/15, Evans), The Week (4/15, O'Donnell), NBC News (4/15, Hunt, Caldwell, Moe, Tsirkin), Fox News (4/15, Singman), CNN (4/15, Fox, Leblanc), Fox Business (4/15, Leggate), The Financial Times (4/15, Noonan, Fedor), and The Hill (4/15, Bolton), among other news outlets, also report.

***Senate GOP Withhold Judgment On Mnuchin-Schumer Negotiations.*** Politico (4/15, Everett, Caygle) reports that while "Democratic leaders say they are talking with Treasury Secretary Steven

Mnuchin about how to break [the] stubborn impasse...there's just one problem: Senate Republicans might not go along." Schumer "expressed optimism the two sides could cut a deal – but Democrats acknowledge President Donald Trump needs to empower Mnuchin to bring everyone on board." Sen. John Kennedy (R-LA) said Wednesday, "It's still got to pass the Senate. And I think there are a lot of Republicans that are going to have a lot of questions of whatever the secretary and the speaker agree to. Just because they agreed to it, it's not a done deal."

The Hill (4/15, Bolton) reports Democratic leaders "are trying to box out" Senate Majority Leader McConnell by negotiating a deal with Mnuchin and President Trump to provide the new funding. Pelosi and Schumer "have largely worked with Mnuchin instead of McConnell, betting that if Trump signs on to a $500 billion deal to extend small-business lending, send funds to hospitals and rescue cash-strapped states, McConnell and other GOP lawmakers will fall in line."

***Commentary: Trump, Mnuchin Don't Care About Small Business Owners.*** In her column for The Washington Post (4/15), Helaine Olen writes about small business owner Carol Barash, who "is waiting for money from the Paycheck Protection Program." Barash "has been approved for the program – after the third bank she approached helped her process an application. But she hasn't received the money. Her staff is waiting." Barash said, "I can't pay my people this week unless the government pays me." Olen says that Americans "like to boast of our devotion to small business," but the pandemic crisis "reveals just how cheap these sentiments are." Olen says Barash "is a professional storyteller. She can spot a villain. It starts at the top, she tells me. Trump doesn't care about small business owners, and neither does Treasury Secretary Steven Mnuchin." Barash said, "They are about turning money into more money for people who already have money. They don't care about small business owners any more than they care about any small person, anywhere."

**IRS Rolls Out New App As Tens Of Millions Of Americans Receive Emergency Aid Payments. (AP, MCT, WT, FOX, NBCNEWS, USAT, POLITICO, LAT, HILL, BIZINDER, NEWSHR, FOXB, CNBC, WP, CNN, NPR, REU, NYT, MSNBC, VOX, VANFAIR, CALLER)**

The AP (4/15, Rugaber) reports that "government relief checks began arriving in Americans' bank accounts" on Wednesday. The AP says the Treasury "began issuing one-time payments this week to tens of millions of people as part of its $2.2 trillion coronavirus relief package, with adults receiving up to $1,200 each and $500 per child to help them pay the rent or cover other bills." The AP adds, "In an unprecedented move, President Donald Trump's name will be printed on the paper checks."

McClatchy (4/15, Irby) reports the IRS on Wednesday launched a new feature on its website that "allows people to update their bank account information or address to receive their checks." The service also users to "check when you're likely to receive your payment if the IRS already has your information." The Washington Times (4/15, Boyer) reports Treasury Secretary Steven Mnuchin said, "We are pleased that more than 80 million Americans have already received their Economic Impact Payments by direct deposit in record time. The free 'Get My Payment App' will allow Americans who do not have their direct deposit information on file with the IRS to input it, track the status, and get their money fast."

Fox News (4/15, Singman), NBC News (4/15, Kapur, Lederman), USA Today (4/15, Tompor), Politico (4/15, Eckert), Los Angeles (CA) Times (4/15, Wire), The Hill (4/15, Jagoda), and Business Insider (4/10, Loudenback) also report.

***Administration Says Supplemental Security Income Recipients Will Automatically Receive Coronavirus Payments.*** Business Insider (4/15, Zeballos-Roig) reports that consumers "receiving Supplemental Security Income benefits will no longer need to file a tax return to get a stimulus check, the Treasury Department announced on Wednesday." Secretary Mnuchin stated, "SSI recipients with no qualifying children do not need to take any action in order to receive their $1,200 economic impact payment. The payments will be automatic."

The Hill (4/15, Jagoda) reports "the Trump Administration on Wednesday announced that Supplemental Security Income (SSI) recipients will automatically receive their coronavirus rebates, expanding the number of people who will not need to file a tax return in order to get their payment." Mnuchin "encouraged SSI recipients with children to use an online tool on the IRS's website so that they receive the $500 per child that they are entitled to in addition to the $1,200 per adult."

PBS NewsHour (4/15, Norwood), Fox Business (4/15, De Lea), and CNBC (4/15, Konish) also report.

***Treasury Denies Adding Trump's Signature Delayed Relief Payments.*** The Washington Post (4/15, Olorunnipa, Rein) reports "the effort to put Trump's name on millions of 'Economic Impact Payment' checks began shortly after the president on March 27 signed the bipartisan $2 trillion legislation aimed at stemming the financial fallout from a global pandemic that has halted much of the economy." The Post says, "After privately suggesting to Treasury Secretary Steven Mnuchin that he be allowed to formally sign the checks, Trump settled for having his name printed in the memo section, according to administration officials, who spoke on the condition of anonymity to discuss internal deliberations." The Post adds that House Speaker Nancy Pelosi "pushed Mnuchin during negotiations on the economic rescue package to ensure that as many checks as possible were deposited though direct deposit; she told House Democrats that she had told Mnuchin that to the extent there had to be paper checks, she didn't want to see them held up for Trump's signature or anything similar."

CNN (4/15, Foran) reports on its website that Pelosi "on Wednesday called the decision for President Donald Trump's name to appear on stimulus checks amid the coronavirus pandemic 'shameful.'"

NPR (4/15, Kurtzleben), The Associated Press (4/15), Reuters (4/15, Lawder), the New York Times (4/15, Rappeport), Fox News (4/15, Olson), MSNBC (4/15, Benen), Vox (4/15, Burns), Vanity Fair (4/15, Levin), The Hill (4/15, Marcos), and Daily Caller (4/15, Talcott) also report.

**Debt Collectors Able To Garnish Coronavirus Stimulus Checks Due To Loophole In Law. (USAT)**

USA Today (4/15, Picchi, Today) reports debt collectors are able to garnish money from coronavirus stimulus checks to households due to a loophole in the law. The loophole "has prompted 25 state attorneys general and Hawaii's Office of Consumer Protection to ask Treasury Secretary Steven Mnuchin to ensure that debt collectors and creditors can't take Americans' stimulus checks." The officials, in a letter sent Monday to Mnuchin, said, "During this public health and economic crisis, the States do not believe that the billions of dollars appropriated by Congress to help keep hard-working Americans afloat should be subject to garnishment."

**Democrats Say Coronavirus Stimulus Should Not Bail Out Fossil Fuel Companies. (HILL)**

The Hill (4/15, Beitsch) reports that more than 40 Democratic lawmakers sent a letter to Treasury Secretary Steven Mnuchin and Fed Chair Jerome Powell demanding that fossil fuel companies not be included in any assistance under the coronavirus relief package passed by Congress last month. The lawmakers wrote: "Giving that money to the fossil fuel industry will do nothing to stop the spread of the deadly virus or provide relief to those in need. It will only artificially inflate the fossil fuel industry's balance sheets."

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Bloomberg (4/16, Dexheimer) reports, "Key Democrats in the U.S. House and Senate are calling on Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell to provide a lifeline to mortgage-servicing firms that are bracing for a wave of missed payments." The Fed and Treasury "should use powers given to them under recent stimulus measures to provide liquidity to servicers facing shortfalls, House Financial Services Chairwoman Maxine Waters and Sherrod Brown, the top Democrat on the Senate Banking Committee, said in a letter Wednesday." They argue that the steps Ginnie Mae has already taken may not be enough, as mortgage servicers are "expected to face increased strain as millions of homeowners and renters lose jobs, are furloughed, or see reduced hours, all of which will keep them from making mortgage and rent payments, as a result of this public health crisis."

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**React** — ABA's Rob Nichols: "America's banks were standing by their small business customers before [PPP] and will stand by them now that PPP money is nearly depleted, which we hope is only temporary"

**TRUMP THREATENS HISTORIC ADJOURNMENT** — Our John Bresnahan: "President Donald Trump is threatening to invoke a never-before-used authority to push through dozens of executive-branch nominees while Congress remains out of Washington due to the coronavirus crisis.

"The move would almost certainly set off a legal battle between the White House and Congress over the limits of presidential power. Complaining that the Senate Democrats are using so-called 'pro forma sessions' to prevent him from making recess appointments, Trump threatened to formally adjourn Congress and install his nominees without a vote. Those nominees could potentially serve though the end of 2021"

**CORONAVIRUS EFFECTS**

**MORE PPP ISSUES** — Also via Zach: "Major U.S. restaurant chains are starting to secure government-backed loans that Congress created to protect small businesses during the pandemic, fueling concerns tbat big corporations will siphon away rapidly dwindling funds.

"Potbelly Corp. — the nationwide sandwich shop operator — and Ruth's Hospitality Group, which runs a chain of steakhouses, are among the large companies that have disclosed receiving the government-backed loans. Before the Covid-19 outbreak, they reported employing thousands of people. … [L]awmakers … gave flexibility for larger restaurant and hotel operators to apply."

**WHAT WILL REOPENING LOOK LIKE?** — Via Goldman Sachs: "Absent a vaccine or treatment breakthrough, reopening will be gradual. New evidence suggests that the share of the population that has been infected is higher than test counts imply, but still too low to achieve herd immunity soon.

"As a result, the public will have to be persuaded that reopening is safe. We see a few prerequisites: further declines in confirmed new infections, sufficient hospital and testing capacity, and the ability to trace and quarantine those who might be infected. These look achievable in coming months, hut there is much uncertainty about the feasibility of controlling virus spread during reopening"

**GIG WORKERS STRUGGLING FOR BENEFITS** — Our Megan Cassella and Rebecca Rainey: "The $2 trillion rescue package was supposed to help out Uber drivers, freelance workers and other independent contractors who usually aren't eligible for unemployment benefits.

"But so far, this 23 million-strong group of working Americans is running into dead ends, delays and bureaucracy trying to collect an unemployment check. One reason for the delay is that the Department of Labor didn't put out its first set of guidelines for the new program until April 5, more than a week after the stimulus passed, leaving state unemployment offices stalled."

**NJ NOT GOING BACK TO NORMAL** — Our Samantha Maldonado on MM's home state: "New Jersey Gov. Phil Murphy said … that the coronavirus has created a 'new normal' for the state that's likely to continue long after businesses are allowed to reopen.

"'The notion that we're going to go back to some sort of, let's just turn the clock back to three months ago, I just don't see it,' Murphy said … 'People talk about a new normal and I think that's a reality.' Murphy floated the idea of restaurants taking customers' temperatures or issuing saliva tests, if available, before allowing diners to enter. He painted a picture of establishments filled to only 50 percent capacity"

**TARRIFFS MAKE TIMES HARDER** — Our Adam Behsudi: "Amid the worst recession in nearly a century, a wide range of U.S. businesses hit by … Trump's tariffs are starting to face an increasingly stark juggling act of trying to keep employees on the payroll while paying staggering tariff bills, some as high as 25 percent.

"Every month, Kevin Feig sends the Treasury roughly $300,000 in tariffs to import auto parts that he supplies to national retail chains. He said his tariff bill matches his monthly payroll expenses for the 110 workers he is hoping to keep employed through a federally backed loan from the government's new Paycheck Protection Program."

**G-20 FREEZES POOR COUNTRIES' DEBTS** — Our John Rega in Brussels: "G-20 countries agreed to suspend poor countries' debt payments for a year, freeing up $20 billion for them to spend on treating the coronavirus pandemic and shore up their economies.

"Banks and other private creditors, along with multinational development banks, should voluntarily do the same, the finance chiefs from the economic powers said … after a teleconference on containing the economic damage from Covid-19."

**TRUMP CRITIC LARRY LINDSEY NAMED TO CORONA COUNCIL** — Our Matthew Choi: "He called … Trump a 'total narcissist.' Now he may be advising the president on economic policy in the face of the coronavirus pandemic.

"Larry Lindsey, director of the National Economic Council for President George W. Bush, was named part of … Trump's cryptic White House economic advisory group … to help deal with the fallout of the coronavirus crisis."

**BIG JOB LOSSES FOR NYC** — Our Erin Durkin: "The coronavirus pandemic could plunge New York City into the worst economic crisis since the 1970s, costing the city 475,000 jobs and nearly $10 billion in revenue, a budget watchdog found.

"According to a new report from the Independent Budget Office, the local economy is expected to lose 475,000 jobs over the next 12 months. That would lead to a shortfall of $9.7 billion in tax revenue in 2020 and 2021, compared to previous projections."

**FOR YOUR RADAR**

**SHOULD WE FORGIVE CONSUMER DEBT?** — Columbia Business School Professor Tomasz Piskorski and Stanford Grad School of Business Professor Amit Seru argue in Barron's that we should: "By our estimates, more than 30% of all borrowers could default on their mortgage, about 1.5 times the level of defaults during the 2008 crisis.

"As we learned in that recession, the pain of defaults does not stop with the borrower: The damage creates ripple effects that slow down the economy."

**DEALING WITH THE UNBANKED** — Former Ex-Im bank chief Fred Hochberg in The Hill: "Now is not the time to think small. Washington should take strides to address systemic inequities that have left too many Americans behind and ensure that all Americans have banking and broadband access as we start to think through what the long road to recovery looks like."

# Re: Request for comment from TIME Magazine

From: Madeleine Carlisle <madeleine.carlisle@time.com>
To: [redacted]@treasury.gov>
Date: Thu, 16 Apr 2020 10:49:39 -0400

** Caution: External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Thanks so much [redacted]!

—
Madeleine Carlisle
Reporter
TIME
o: (212) 522-9986
c: [redacted]
@maddiecarlisle2

On Apr 16, 2020, at 10:48 AM, [redacted]@treasury.gov> <[redacted]@treasury.gov> wrote:

Hi Madeleine,

Attributable to a Treasury spokesperson: No. Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

[redacted]
Deputy Assistant Secretary (Acting)
Public Affairs
U.S. Department of the Treasury
[redacted] – direct
[redacted]@Treasury.gov

**From:** Madeleine Carlisle <madeleine.carlisle@time.com>
**Sent:** Wednesday, April 15, 2020 6:35 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** Re: Request for comment from TIME Magazine

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hello,

My name is Madeleine Carlisle and I'm a reporter with TIME Magazine. Earlier this week The Washington *Post* reported that the Treasury Department has ordered President Trump's name be printed on the paper stimulus checks that are being sent to millions of Americans. According to the *Post*, this move may delay their delivery by a few days.

I asked the IRS for comment, who directed me to the Treasury Department. Does the Treasury Department have a comment in response to the Post's reporting?

Best,
Madeleine

---
**Madeleine Carlisle**
Reporter
TIME
o: (212) 522-9986
c: [redacted]
@maddiecarlisle2

On Apr 15, 2020, at 1:33 PM, Madeleine Carlisle <madeleine.carlisle@time.com> wrote:

Hello,

My name is Madeleine Carlisle and I'm a reporter with TIME Magazine. I'm reaching out because I'm writing a story on how people can best access their stimulus checks that are beginning to be sent out by the IRS.

My questions are as follows:

For those who don't elect for direct deposit, when will their stimulus checks arrive in the mail?

How will people who don't have bank accounts receive their check?

My deadline is the end of the day. Feel free to call me at 212-522-9986 or respond directly to this email.

Best,
Madeleine

---
**Madeleine Carlisle**
Reporter
TIME
o: (212) 522-9986
c: [redacted]
@maddiecarlisle2

# Flagging: The Washington Post: Glitches prevent $1,200 stimulus checks from reaching millions of Americans

**From:** (b)(6) [redacted]@treasury.gov>
**To:** _DL_Public Affairs <publicaffairsdl@do.treas.gov>
**Date:** Thu, 16 Apr 2020 11:42:18 -0400

The Washington Post: **Glitches prevent $1,200 stimulus checks from reaching millions of Americans (Heather Long, Michelle Singletary, 4.16.20)**

Many Americans woke up Wednesday expecting to find a payment of $1,200 or more from the U.S. government in their bank account, but instead they realized nothing had arrived yet — or the wrong amount was deposited. Parents of young children complained they did not receive the promised $500 check for their dependent children.

U.S. Treasury Secretary Steven Mnuchin has instructed the Internal Revenue Service to get payments out as fast as possible to help offset the pain of losing jobs and shutting down businesses, but numerous glitches — affecting filers who used tax preparers, parents of dependent children and people with 2019 tax returns still to be processed — are delaying payments and causing confusion.

Several million people who filed their taxes via H&R Block, TurboTax and other popular services were unable to get their payments because the IRS did not have their direct deposit information on file, according to the Treasury, companies and experts.

The IRS launched a "Get My Payment" tool Wednesday for people to track the status of their payment and enter direct deposit information, but many who used it said they received a message saying "Payment Status Not Available," a frustration that left them without answers.

How to spend the coronavirus stimulus checks

Some parents told The Washington Post that they received a $1,200 payment for a single head of household or a $2,400 check for a married couple but that the IRS left out the $500-per-child-under-17 payments.

IRS and Treasury officials acknowledged they are aware of these issues and are working to fix them. A Treasury spokeswoman noted that the IRS processed nearly 80 million payments in less than three weeks. That's just over half the 150 million payments expected to go out under the Economic Impact Payment program.

Social Security recipients will automatically receive the payments later this month. Paper checks will have President Trump's name on them and are expected to start going out in the coming days. Low-income Americans who do not normally file a tax return, including the homeless, are also eligible to receive the $1,200 check, but only if they enter their information in a new non-filers tool on the IRS.gov website.

Below is a rundown of the most common issues preventing people from getting the payments and what steps the IRS recommends to rectify them.

The $1,200 stimulus checks are arriving. People are mostly spending them on food

Millions of H&R Block, TurboTax and Jackson Hewitt customers didn't get their payments

Customers who use popular tax preparation services such as H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to The Post that they didn't get their stimulus payment on Wednesday.

Up to 21 million tax filers could be affected, said consumer law expert Vijay Raghavan, because the IRS does not have these people's direct deposit information on file if they received an advance on their tax refund from these companies or had the fee for tax preparation taken out of their tax refund.

The tax preparation companies received these people's tax refund first, deducted their fees and then distributed the remaining refund to the customers. Because of that, the IRS had a "temporary bank account" on file that the tax preparer created for the 2019 tax season, Raghavan said.

Matt Sielen of Chino, Calif., who recently lost his job, was shocked to discover that he would not be receiving the payment on his H&R Block Emerald Card, the debit card on which he received his tax refund. Sielen and his wife, a nurse who cares for homebound people, have two young children and were counting on the $3,400 payment to pay rent and other bills. The couple had H&R Block take their tax preparation fee out of their refund earlier this year, which means the IRS didn't have their bank details.

"I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

After he was unable to get through to anyone on H&R Block's phone line, Sielen went on the IRS website and was told to enter the couple's bank information. He did that but wishes H&R Block had been clearer about what to do. The company's website says that "we are still waiting for answers from the IRS regarding the majority of Emerald Card holders."

The Post spoke with six other people in a similar situation who did not get the IRS payment. A Treasury spokesperson said they are aware of the problem.

Frustrated taxpayers also took to Twitter to vent about their inability to track when and how they would be getting their money. Some posted a image of the message they received after entering their information: "Payment Status Not Available."

There are a number of reasons the tool can't check the status of a stimulus payment, the IRS said.

- You aren't eligible for a payment.
- Your payment is based on your status as a Social Security, disability or railroad retirement beneficiary. In this case, the IRS will use your SSA or RRB Form 1099 payment information. Your payment information isn't available on the Get My Payment website.
- You have not filed a 2018 or 2019 federal tax return.
- You filed your 2019 return, but it hasn't been fully processed.
- You used the non-filers tool, but the information you entered is still being processed.
- There's a problem verifying your identity when answering the security questions.
- Information on the site is updated only once a day, so checking more than once in a 24-hour period won't yield a different result.

**Receiving the wrong payment amount or no money for dependent children**

A number of people indicated that they received the incorrect payment amount. Five people contacted The Post saying that they didn't receive any money for their children or that they received only one child payment when they have three kids.

People whose adjusted gross income qualifies them to receive a stimulus check are supposed to receive an additional $500 for every dependent child under 17. But one reader from Kentucky with three children under age 15 said she received only $1,200 on Wednesday. She double-checked her 2019 tax return and verified that all three children were listed as dependents.

Individuals who receive Social Security retirement, survivors or disability (Social Security Disability Insurance) benefits or Railroad Retirement benefits will automatically receive the $1,200 stimulus payment if they are eligible. The IRS announced that it has added to this group Supplemental Security Income (SSI) recipients. The automatic payments for SSI recipients will go out no later than early May, according to the agency statement.

However, the IRS says that if you fall into one of those categories and have children under 17, you have to use the non-filers tool at IRS.gov to claim the $500 payment per child. You'll need a valid Social Security number or Adoption Taxpayer Identification Number for each dependent you want to claim the stimulus payment.

Jamie Jones, a Virginia widow and mother of three receiving Social Security survivor benefits, said she received her $1,200 payment, but her deposit did not include the extra $1,500 for her children. Because she filed a tax return for 2019, she couldn't use the non-filers tool, she said. She listed her children ages 8, 10 and 12 on her tax return, so the IRS should have made the additional payment.

"I've never been one to look for handouts, and work hard to try to keep my family afloat," Jones said. "My oldest daughter currently has outgrown her tennis shoes and even though the stores were shut down, I had planned to allocate some of this money to an online purchase to get her a new pair of shoes."

A spokesman for the IRS wasn't sure why Jones's payment didn't include the money for the children. Jones may have to wait for the letter in the mail to correct the underpayment.

People who receive what they believe is an incorrect amount will have an opportunity to let the IRS know. The agency is required to mail a letter to your last known address 15 days after sending your payment. The letter is supposed to explain how the payment was made and provide instructions on how to report any issues.

**The IRS website locks you out if you try too many times**

To thwart fraudsters, the IRS tool locks out people who try multiple times a day. This has become a problem for people trying to give the IRS direct deposit information.

Andrea Tasan and her husband were eventually locked out of the Get My Payment site after trying to check the status of their payment.

The Maryland couple filed tax returns in 2018 and 2019, each time requesting that their refunds be applied to pay the following year's taxes. Because of this, the IRS has no direct deposit information for them. The Get My Payment tool confirmed they were eligible for a stimulus payment based on their 2019 return, but they couldn't get any more information.

"The system returned with the response that our information did not match their records," Tasan said.

They tried again using their adjusted gross income and refund amounts for their 2018 return. Again they were told the information doesn't match the IRS records. The system then locked them out because they made "too many attempts" to access the tool.

They now have to wait a day to try again. The IRS is also preventing people from changing the bank account information already on file as a measure to prevent fraud.

**People who owed $0 in taxes can't check their payment status**

Others complained about a glitch in the tool that won't allow them to move forward because they neither owed any money to the IRS nor received a refund for 2018 or 2019. Typing in zero didn't work.

"I could not give an affirmative answer to any of these questions since I owed no tax and did not receive a refund," one reader wrote. "Submitting the form returned an error so I tried again and answered 'yes' to owing tax and 'zero' to the amount. Error again."

"We are aware of the problem and are checking into it," IRS spokesman Eric Smith said.

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# WaPo: Glitches prevent $1,200 stimulus checks from reaching millions of Americans

**From:** [redacted]@fiscal.treasury.gov>
**To:** "Till, Gregory" <gregory.till@treasury.gov>, Ronda L. Kent <ronda.kent@fiscal.treasury.gov>, "[redacted]@treasury.gov>
**Cc:** [redacted]@fiscal.treasury.gov>, [redacted]@fiscal.treasury.gov>
**Date:** Thu, 16 Apr 2020 12:54:32 -0400

This message was sent securely using Zix

https://www.washingtonpost.com/business/2020/04/16/coronavirus-cares-stimulus-check/

**Glitches prevent $1,200 stimulus checks from reaching millions of Americans**

Several million people who filed their taxes via H&R Block, TurboTax and other popular services were unable to get their payments. Some parents reported they didn't get the $500 promised for their dependent children.

By Heather Long and Michelle Singletary
April 16, 2020 at 11:29 a.m. EDT

Many Americans woke up Wednesday expecting to find a payment of $1,200 or more from the U.S. government in their bank account, but instead they realized nothing had arrived yet — or the wrong amount was deposited. Parents of young children complained they did not receive the promised $500 check for their dependent children.

U.S. Treasury Secretary Steven Mnuchin has instructed the Internal Revenue Service to get payments out as fast as possible to help offset the pain of losing jobs and shutting down businesses, but numerous glitches — affecting filers who used tax preparers, parents of dependent children and people with 2019 tax returns still to be processed — are delaying payments and causing confusion. Several million people who filed their taxes via H&R Block, TurboTax and other popular services were unable to get their payments because the IRS did not have their direct deposit information on file, according to the Treasury, companies and experts.

The IRS launched a "Get My Payment" tool Wednesday for people to track the status of their payment and enter direct deposit information, but many who used it said they received a message saying "Payment Status Not Available," a frustration that left them without answers.

Some parents told The Washington Post that they received a $1,200 payment for a single head of household or a $2,400 check for a married couple but that the IRS left out the $500-per-child-under-17 payments. IRS and Treasury officials acknowledged they are aware of these issues and are working to fix them. A Treasury spokeswoman noted the IRS processed nearly 80 million payments in less than three weeks. That's just over half the 150 million payments expected to go out under the Economic Impact Payment program.

Social Security recipients will automatically receive the payments later this month. Paper checks will have President Trump's name on them and are expected to start going out in coming days. Low-income Americans who do not normally file a tax return, including the homeless, are also eligible to receive the $1,200 check, but only if they enter their information in a new non-filers tool on IRS.gov. Below is a rundown of the most common issues preventing people from getting the payments and what steps the IRS recommends to rectify them.

Millions of H&R Block, TurboTax and Jackson Hewitt customers didn't get their payments
Customers who use popular tax preparation services such as H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to The Post that they didn't get their stimulus payment on Wednesday. Up to 21 million tax filers could be affected, said consumer law expert Vijay Raghavan, because the IRS does not have these people's direct deposit information on file if they received an advance on their tax refund from these companies or had the fee for tax preparation taken out of their tax refund. The tax preparation companies received these people's tax refund first, deducted their fees and then distributed the remaining refund to the customers. Because of that, the IRS had a "temporary bank account" on file that the tax preparer created for the 2019 tax season, Raghavan said.

Matt Sielen of Chino, Calif., who recently lost his job, was shocked to discover that he would not be receiving the payment on his H&R Block Emerald Card, the debit card on which he received his tax refund. Sielen and his wife, a nurse who cares for homebound people, have two young children and were counting on the $3,400 payment to pay rent and other bills. The couple had H&R Block take their tax preparation fee out of their refund earlier this year, which means the IRS didn't have their bank details. "I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

After he was unable to get through to anyone on H&R Block's phone line, Sielen went on the IRS website and was told to enter the couple's bank information. He did that but wishes H&R Block had been clearer about what to do. The company's website says that "we are still waiting for answers from the IRS regarding the majority of Emerald Card holders." The Post spoke with six other people in a similar situation who did not get the IRS payment. The Treasury is aware of the problem, a spokesman said.

'Payment Status Not Available'
Frustrated taxpayers also took to Twitter to vent about their inability to track when and how they would be getting their money. Some posted an image of the message they received after entering their information: "Payment Status Not Available."

There are a number of reasons the tool can't check the status of a stimulus payment, the IRS said.

- You aren't eligible for a payment.
- Your payment is based on your status as a Social Security, disability or Railroad Retirement beneficiary. In this case, the IRS will use your SSA or RRB Form 1099 payment information. Your payment information isn't available on the Get My Payment tool.
- You have not filed a 2018 or 2019 federal tax return.
- You filed your 2019 return, but it hasn't been fully processed.
- You used the non-filers tool, but the information you entered is still being processed.
- There's a problem verifying your identity when answering the security questions.

Receiving the wrong payment amount or no money for dependent children.
A number of people indicated they received the incorrect payment amount. Five people contacted The Post saying they didn't receive any money for their children or they received only one child payment when they have three kids. People whose adjusted gross income qualifies them to receive a stimulus check are supposed to receive an additional $500 for every dependent child under 17. But one reader from Kentucky with three children under age 15 said she received only $1,200 on Wednesday. She double-checked her 2019 tax return and verified that all three children were listed as dependents. Individuals who receive Social Security retirement, survivors or disability (Social Security Disability Insurance) benefits or Railroad Retirement benefits will automatically receive the $1,200 stimulus payment if they are eligible. The IRS announced it has added to this group Supplemental Security Income (SSI) recipients. The automatic payments for SSI recipients will go out no later than early May, according to the agency statement.

However, the IRS says if you fall into one of those categories and have children under 17, you have to use the non-filers tool at IRS.gov to claim the $500 payment per child. You'll need a valid Social Security number or Adoption Taxpayer Identification Number for each of your dependents. Jamie Jones, a Virginia widow and mother of three receiving Social Security survivor benefits, said she received her $1,200 payment, but her deposit did not include the extra $1,500 for her children. Because she filed a tax return for 2019, she couldn't use the non-filers tool, she said. She listed her children, ages 8, 10 and 12, on her tax return, so the IRS should have made the additional payment.

"I've never been one to look for handouts, and work hard to try to keep my family afloat," Jones said. "My oldest daughter currently has outgrown her tennis shoes, and even though the stores were shut down, I had planned to allocate some of this money to an online purchase to get her a new pair of shoes." A spokesman for the IRS wasn't sure why Jones's payment didn't include the money for the children.
People who receive what they believe is an incorrect amount will have an opportunity to let the IRS know. The agency is required to mail a letter to your last known address 15 days after sending your payment. The letter is supposed to explain how the payment was made and provide instructions on how to report any issues. The IRS website locks you out if you try too many times. To thwart fraudsters, the IRS tool locks out people who try multiple times a day. This has become a problem for people trying to give the IRS direct deposit information.

Andrea Tasan and her husband were eventually locked out of the Get My Payment site after trying to check the status of their payment.
The Maryland couple filed tax returns in 2018 and 2019, each time requesting their refunds be applied to pay the following year's taxes. Because of this, the IRS has no direct deposit information for them. The Get My Payment tool confirmed they were eligible for a stimulus payment based on their 2019 return, but they couldn't get any more information. "The system returned with the response that our information did not match their records," Tasan said. They tried again using their adjusted gross income and refund amounts for their 2018 return. Again they were told the information doesn't match IRS records. The system then locked them out because they made "too many attempts" to access the tool.

They now have to wait a day to try again. The IRS is also preventing people from changing the bank account information already on file as a measure to prevent fraud. People who owed $0 in taxes can't check their payment status. Others complained about a glitch in the tool that won't allow them to move forward because they neither owed any money to the IRS nor received a refund for 2018 or 2019. Typing in zero didn't work. "I could not give an affirmative answer to any of these questions since I owed no tax and did not receive a refund," one reader wrote. "Submitting the form returned an error so I tried again and answered 'yes' to owing tax and 'zero' to the amount. Error again." "We are aware of the problem and are checking into it," IRS spokesman Eric Smith said.

# Flagging: New York Post: Tax preparer glitches reportedly delay millions of coronavirus stimulus checks

**From:** [redacted]@treasury.gov>
**To:** _DL_Public Affairs <publicaffairsdl@do.treas.gov>
**Date:** Thu, 16 Apr 2020 14:18:36 -0400

New York Post: **Tax preparer glitches reportedly delay millions of coronavirus stimulus checks (Bob Fredericks, 4.16.20)**

Millions of Americans — especially those who use income tax preparers such as H&R Block and TurboTax — are still waiting for their promised stimulus checks, according to a report Thursday.

While many did find their $1,200 check deposited into their accounts by the IRS on Wednesday, millions of others were greeted with the words "Payment Status Not Available" when they logged on to find out where their money was, The Washington Post reported.

Others got the wrong amount, including many couples who didn't get the $500 check for their dependent children.

Treasury Secretary Steven Mnuchin told the IRS to get the checks out as quickly as possible to aid struggling families and boost the coronavirus-ravaged economy.

Several million people who filed their taxes with H&R Block, TurboTax and other services, as well as private preparers, couldn't get their payments because the IRS did not have their banking direct deposit information, the paper reported, citing the Treasury, companies and other experts.

The IRS launched a "Get My Payment" tool on its website Wednesday so people could check on the status of their payments.

But many taxpayers who used it who used it got the message saying "Payment Status Not Available."

A Treasury spokeswoman that the IRS processed almost 80 million payments in three weeks, but that's only a little over half of the 150 million payments expected to go out under the administration's and Congress' Economic Impact Payment program.

Customers who use H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to the paper that they didn't get their checks on Wednesday.

Up to 21 million filers could be affected, consumer law expert Vijay Raghavan said, because the IRS does not have these people's direct deposit information on file or had the tax prep fees taken out of their refunds.

Matt Sielen of Chino, Calif., who lost his job, said he was stricken to learn that he would not get the payment on his H&R Block Emerald Card, where he gets his usual refund.

"I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

Another man said the IRS system couldn't find the status of his payment — and then locked him out for a full day.

"After long wait times to log in, the system fails to locate the information and after several attempts to retry, it locks you out for 24 hours," Alfred Nordgren, 59, of Philadelphia, said in an email to NBC News. "Obviously they didn't test it sufficiently prior to the 'rushed' launch!"

Some other Americans say they haven't gotten their coronavirus stimulus checks because the feds sent the money to the wrong bank accounts.

Several taxpayers tried to check the status of their payments on the IRS website only to discover the agency put the money in accounts they didn't recognize or no longer use.

"My stimulus got sent to the wrong account and it won't let me update it despite you guys saying we could. I guess I'll just get evicted," one Twitter user griped to the IRS on Wednesday.

"You sent my check to the wrong account number!" Lydia Cooper tweeted Thursday morning. "I've had my account for years. Bank says there's nothing they can do."

The problem appeared when people logged into the IRS' "Get My Payment" app, which encountered glitches Wednesday as millions of Americans waited for their share of the $2.2 trillion stimulus bill Congress passed last month.

The app told some taxpayers their money had been deposited and displayed the last four digits of the account number where it was sent. But some users said the account number was outdated or just plain wrong.

Others who don't have bank accounts or direct deposit might also see their paper checks later than expected after the Treasury Department ordered the IRS to add President Trump's name to them, reportedly causing delays, which Treasury has denied.

# RE: Flagging: New York Post: Tax preparer glitches reportedly delay millions of coronavirus stimulus checks

**From:** [redacted]@treasury.gov>
**To:** [redacted]@treasury.gov>
**Date:** Thu, 16 Apr 2020 14:56:13 -0400

I believe it's either bfredericks@nypost.com or rfredericks@nypost.com

**From:** [redacted]@treasury.gov>
**Sent:** [redacted]
**To:** [redacted]@treasury.gov>
**Subject:** RE: Flagging: New York Post: Tax preparer glitches reportedly delay millions of coronavirus stimulus checks

Do you have his email?

**From:** [redacted]@treasury.gov>
**Sent:** Thursday, April 16, 2020 2:19 PM
**To:** _DL_Public Affairs <PublicAffairsDL@do.treas.gov>
**Subject:** Flagging: New York Post: Tax preparer glitches reportedly delay millions of coronavirus stimulus checks

New York Post: **Tax preparer glitches reportedly delay millions of coronavirus stimulus checks (Bob Fredericks, 4.16.20)**

Millions of Americans — especially those who use income tax preparers such as H&R Block and TurboTax — are still waiting for their promised stimulus checks, according to a report Thursday.

While many did find their $1,200 check deposited into their accounts by the IRS on Wednesday, millions of others were greeted with the words "Payment Status Not Available" when they logged on to find out where their money was, The Washington Post reported.

Others got the wrong amount, including many couples who didn't get the $500 check for their dependent children.

Treasury Secretary Steven Mnuchin told the IRS to get the checks out as quickly as possible to aid struggling families and boost the coronavirus-ravaged economy.

Several million people who filed their taxes with H&R Block, TurboTax and other services, as well as private preparers, couldn't get their payments because the IRS did not have their banking direct deposit information, the paper reported, citing the Treasury, companies and other experts.

The IRS launched a "Get My Payment" tool on its website Wednesday so people could check on the status of their payments.

But many taxpayers who used it who used it got the message saying "Payment Status Not Available."

A Treasury spokeswoman that the IRS processed almost 80 million payments in three weeks, but that's only a little over half of the 150 million payments expected to go out under the administration's and Congress' Economic Impact Payment program.

Customers who use H&R Block, TurboTax and Jackson Hewitt complained on Twitter and to the paper that they didn't get their checks on Wednesday.

Up to 21 million filers could be affected, consumer law expert Vijay Raghavan said, because the IRS does not have these people's direct deposit information on file or had the tax prep fees taken out of their refunds.

Matt Sielen of Chino, Calif., who lost his job, said he was stricken to learn that he would not get the payment on his H&R Block Emerald Card, where he gets his usual refund.

"I'm not happy with H&R Block. I probably won't be doing business with them ever again," Sielen said.

Another man said the IRS system couldn't find the status of his payment — and then locked him out for a full day.

"After long wait times to log in, the system fails to locate the information and after several attempts to retry, it locks you out for 24 hours," Alfred Nordgren, 59, of Philadelphia, said in an email to NBC News. "Obviously they didn't test it sufficiently prior to the 'rushed' launch!"

Some other Americans say they haven't gotten their coronavirus stimulus checks because the feds sent the money to the wrong bank accounts.

Several taxpayers tried to check the status of their payments on the IRS website only to discover the agency put the money in accounts they didn't recognize or no longer use.

"My stimulus got sent to the wrong account and it won't let me update it despite you guys saying we could. I guess I'll just get evicted," one Twitter user griped to the IRS on Wednesday.

"You sent my check to the wrong account number!" Lydia Cooper tweeted Thursday morning. "I've had my account for years. Bank says there's nothing they can do."

The problem appeared when people logged into the IRS' "Get My Payment" app, which encountered glitches Wednesday as millions of Americans waited for their share of the $2.2 trillion stimulus bill Congress passed last month.

The app told some taxpayers their money had been deposited and displayed the last four digits of the account number where it was sent. But some users said the account number was outdated or just plain wrong.

Others who don't have bank accounts or direct deposit might also see their paper checks later than expected after the Treasury Department ordered the IRS to add President Trump's name to them, reportedly causing delays, which Treasury has denied.

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# RE: 2 Questions regarding stimulus checks

**From:** [redacted]

**To:** [redacted]@mail.missouri.ed

**Date:** Fri, 17 Apr 2020 15:34:50 -0400

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1. Attributable to Treasury spokeswoman

   Economic Impact Payment checks are scheduled to go out on time and exactly as planned—there is absolutely no delay whatsoever. In fact, we expect the first checks to be in the mail early next week which is well in advance of when the first checks went out in 2008 and well in advance of initial estimates.

   Treasury and the IRS have worked around the clock to get fast and direct economic assistance to hardworking Americans. During the 2008/09 financial crisis, it took the government almost 2 months to distribute 800,000 payments. So far, this Administration distributed more than 80 million payments in less than 2 ½ weeks. This in and of itself is a major achievement.

2. No they do not need to pay it back. No obligations, no advance.

**From:** Treasury Public Affairs <Press@treasury.gov>
**Sent:** Friday, April 17, 2020 3:33 PM
**To:** [redacted]@treasury.gov>
**Subject:** FW: 2 Questions regarding stimulus checks

**From:** Kitchin, David (MU-Student) [redacted]@mail.missouri.edu>
**Sent:** Friday, April 17, 2020 3:25 PM
**To:** Treasury Public Affairs <Press@treasury.gov>
**Subject:** 2 Questions regarding stimulus checks

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hello,

My name is David Kitchin and I'm a reporter at the Columbia Missourian in Columbia, MO. I am currently writing a story that will help clear up a lot of the confusion going around the community and internet about the stimulus checks, and I have two questions that I'd like to have cleared.

1. There seems to be confusion and mixed reporting on whether or not the President's signature on the physical checks will cause a delay in the delivery. Can you confirm whether or not this is happening?
2. There are small (but still alarming) rumors of these stimulus checks having to be payed back in some way? Apparently, the 2008 stimulus checks just had you file them in your state taxes, is this the same case in 2020?

Any answers you could give me for these two questions would be very helpful to my story and to the community here in Mid-Missouri.

Thank you,
David Kitchin
Columbia Missourian reporter
221 S 8th St
Columbia, MO 65203
[redacted]
[redacted]@mail.missouri.edu

# Re: 2 Questions regarding stimulus checks

**From:** [redacted]
**To:** "Kitchin, David (MU-Student)" <[redacted]@mail.missouri.edu>
**Date:** Fri, 17 Apr 2020 16:06:47 -0400

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Right

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**From:** Kitchin, David (MU-Student) <[redacted]@mail.missouri.edu>
**Date:** April 17, 2020 at 4:05:41 PM EDT
**To:** [redacted]@treasury.gov>
**Subject:** Re: 2 Questions regarding stimulus checks

**** Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Ok, just to double confirm, this stimulus check is NOT an advance on next year taxes, correct.

**From:** [redacted]@treasury.gov <[redacted]@treasury.gov>
**Sent:** Friday, April 17, 2020 2:36 PM
**To:** Kitchin, David (MU-Student) <[redacted]@mail.missouri.edu>
**Subject:** RE: 2 Questions regarding stimulus checks

David-

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