



Legislative Issues

McAllen Chamber of Commerce

COVID 19 – Proposed Action by Congress

Business Operation and Revenue Disruption

- The Administration and Congress should extend all tax and employee benefit filing and premium payment deadlines occurring on or after March 15, 2020 and before October 15, 2020 to give taxpayers additional time to file and remit payments through October 15, 2020.
- The IRS should provide relief to obtain funding waivers for pension plan contributions through 2020.
- Congress should provide a premium holiday in 2020 for the variable rate premium paid to the Pension Benefit Guaranty Corporation (PBGC). The PBGC single-employer program ended its 2019 fiscal year in a positive net position of \$8.656 billion.
- Congress should enact legislation that ensures employers who implement practices to reduce the risk of the Coronavirus in the workplace are protected against frivolous litigation.
- The Administration should encourage regulators to provide financial institutions with flexibility regarding the credit conditions of small and medium-sized businesses facing short-term challenges, including offering extended grace periods and short-term loans. Some further steps include -
 - Federal banking regulators could affirm/clarify existing guidance on banks' ability to draw down liquidity reserves (including High Quality Liquid Assets) and the response to a bank that has a Liquidity Coverage Ratio (LCR) that falls below 100%.
 - The Federal Housing Finance Agency (FHFA) could relax Federal Home Loan Bank (FHLB) collateral requirements and the eligible list of counterparties by expanding

- types of eligible collateral (e.g., SBA loans) and provide advantageous advance terms to banks in affected areas.
- The Federal government could expand mortgage support through the Federal Housing Authority (FHA) to facilitate refinancing of home mortgages for individuals who apply for relief for the Coronavirus disaster.
 - Congress could expand the Community Reinvestment Act (CRA) credit so federal regulators could provide CRA credit for extensions of credit and investments in healthcare infrastructure (e.g., hospitals, public health infrastructure, etc.).
 - State insurance regulators could allow modest, temporary increases in qualifying loan and equity instruments held as reserve investments and could authorize extraordinary dividends.
- The Securities and Exchange Commission (SEC) should increase the ability of public and private companies to access the capital markets.
 - The SEC could extend its Order issued on March 4, 2020 to provide relief beyond April 30, 2020 in order to include most SEC registrants as it relates to their Form 10Q for the quarter ended March 31, 2020.
 - For registration statements of existing issuers that are current and timely, the SEC could permit for those registration statements to be effective when filed. This action would enable certain smaller issuers that do not qualify as well-known seasoned issuers to more readily access capital.
 - The SEC could use its exemptive authority to create a unique, emergency Securities Act registration exemption to facilitate timely access to capital for smaller private companies during the period impacted by the Coronavirus.
 - The Administration should declare geographic designations for GSE and Government guarantor mortgage relief:
 - Confirm disaster applicability when entities other than Federal Emergency Management Administration (FEMA) declare a disaster/crisis (state/local).
 - Utilize Extension Modification (extends maturity date without interest) which follows up to 12-month forbearance period.
 - Utilize full disaster protocols, such as no late fees and credit reporting, calls and letters.
 - Issue a specific directive, similar during to one issued during the government shutdown, to suppress negative credit reporting for those with the Coronavirus or impacted as a result of the virus.
 - To increase taxpayer liquidity, consider relief including, but not limited to, suspending or increasing the limitation for tax items such as interest deductions and net operating losses and relaxing the application of the GILTI and BEAT provisions. Additionally,

where applicable, consider allowing for temporary carryback and carryforward of certain tax items.

Employee Support

- The Administration and Congress should provide protections to employers under medical privacy laws, the Americans with Disabilities Act and the various civil rights laws to allow businesses to inquire about employee health information relating to the Coronavirus to ensure a safe workplace.
- Congress should enact liability protection legislation that will allow businesses to require employees to engage in proper hygiene procedures.
- Congress should clarify in legislation that for the duration of the national emergency, companies that offer protections to independent contractors such as masks, medical screening, or income support will not be considered employers for federal, state, or local purposes.
- The Department of Labor (DOL) should issue guidance stating that employers who provide protections to employees of other companies present at their facilities will not be considered joint employers under the Fair Labor Standards Act.
- Congress should pass legislation that would hold harmless companies that must reveal the identity of someone diagnosed with the Coronavirus. This should apply during the duration of the national emergency when such disclosure is necessary to allow other employees to seek medical care or to self-quarantine.
- The IRS should expand hardship distributions from retirement plans to allow such distributions to individuals who may not be able to work due to the Coronavirus.
- For the duration of the emergency, DOL should provide relief related to retirement plans, such as allowing for good faith compliance for loan verification, timely employee contributions and loan payments, and blackout notices.
- Employers across several industries need to have the ability to onboard new workers and reverify certain workers to maintain their operations as best they can under these unique circumstances. With many employers instituting telework arrangements to prevent the spread of the Coronavirus, requiring that this process be done in person will inhibit the ability for companies to hire new workers and maintain current workers that must be

reverified. Relaxing the enforcement for the requirement that this process be done in person and reconsidering the prohibition on the use of teleconferencing for the I-9 verification process will provide employers with the flexibility to meet their workforce needs.

- At a time when many employers have imposed telework requirements, DOL should clarify that the agency does not consider employees' homes "worksites" for purposes of OSHA enforcement and numerous posting notices, including Labor Condition Applications.
- The U.S. Citizenship and Immigration Services (USCIS) should allow employers to use scanned, photocopied, and electronic signatures as acceptable alternatives to original signatures on all USCIS forms.

Small and Medium Enterprises

- The Administration should appoint a high-level single point of contact to "synthesize" and serve as a clearinghouse of U.S. government information for small businesses. This will help small businesses navigate the many federal agencies and departments implementing measures to help small businesses weather the pandemic.
- The Administration should prioritize coordination and assistance across the federal agencies and departments that are working to assist small businesses to the greatest extent possible. For example, any small business that qualifies for a SBA Disaster Loan should automatically be given IRS quarterly tax payment forbearance without the small business needing to update the IRS.
- The Administration and Congress should take steps to ensure small businesses have working capital during the pandemic. Measures for small business bridge financing should include:
 - Waiving the requirement that small businesses prove they cannot access credit elsewhere before receiving SBA-backed financing up to \$35,000 for a limited time frame and within responsible credit-score criteria; and
 - Automatic referral by SBA to their lender-match program for other financing options if a small business does not qualify for a SBA loan.