COVID-19 Update
March 18, 2020

Update on the Administration and Congress’ Actions related to COVID-19

Yesterday, U.S. Treasury Secretary Stephen Mnuchin announced the Administration would back a $1 trillion stimulus package to help Americans and the economy weather the impact of the coronavirus (COVID-19) outbreak. As part of that package, there is discussion about including direct cash payments to taxpayers. Click here to read more about the package proposed by Secretary Mnuchin.

This proposal is the third federal intervention being considered by policymakers as the national emergency escalates. This week, Congress is finalizing the second intervention, called the “Families First Coronavirus Response Act”, which passed the House Saturday with additional revisions on Monday. This bill guarantees free COVID-19 testing, secures paid emergency leave, enhances Unemployment Insurance, strengthens food security initiatives, and increases federal Medicaid funding to states. The Senate is expected to vote on the second package this week. The first federal intervention was an $8.3 billion package for small businesses adversely impacted by COVID-19, which was signed into law on March 6.

On Sunday, the Federal Reserve reduced interest rates to close to zero to help stabilize the economy. In addition, the Federal Reserve Board, Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), National Credit Union Administration (NCUA), Consumer Financial Protection Bureau (CFPB) and Conference of State Bank Supervisors (CSBS) issued joint guidance to the nation’s financial services providers, encouraging them to “work constructively with borrowers and other customers in affected communities,” and pledging that examiners will not criticize “prudent efforts . . . consistent with safe and sound lending practices.” The regulators said they would expedite any requests to make changes in service availability because of staffing challenges or community needs.

President Trump just announced that he is invoking the Defense Production Act (DPA) to expedite and expand the supply of resources from the U.S. industrial base. Invoking the DPA allows the federal government to accelerate production of needed equipment. In addition, he said that his Administration would suspend all foreclosures and evictions through until the end of April. The Federal Housing Finance Agency also announced today that it is directing Fannie Mae and Freddie Mac to suspend foreclosures and evictions for “at least 60 days.” That would mean the moratorium lasts through mid-May, at least. MHI is working with the White House, HUD and the Federal Emergency Management Agency (FEMA) to determine how our industry can help support the federal government’s efforts to curb the spread of the virus. To inquire about becoming a supplier for FEMA, contact FEMA-Industry@fema.dhs.gov.

These actions come after President Trump declared a national emergency Friday in response to the ongoing COVID-19 threat. This action increased federal support to the Department of Health and Human Services (HHS) in its role as the lead federal agency for the ongoing COVID-19 pandemic response. In addition, FEMA was directed to assist state, local, tribal, territorial governments and other eligible entities with the health and safety actions they take. The declaration does not make direct
financial assistance available to individuals. Additionally, the White House released Monday “The President's Coronavirus Guidelines for America—15 Days to Slow the Spread,” a short document providing guidance for mitigating the spread of the virus. MHI will continue to monitor this rapidly evolving situation and provide updates when available.