



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
– CHAIRWOMAN MAXINE WATERS –
FREQUENTLY ASKED QUESTIONS ABOUT THE FEDERAL RESPONSE
TO THE CORONAVIRUS (COVID-19) PANDEMIC

Prepared by Majority Staff of the House Financial Services Committee

This document was designed by the Majority staff of the House Financial Services Committee to provide additional information for consumers, renters, homeowners, small business owners, investors and others who may have questions about how the CARES Act will benefit them.

Chairwoman Waters and Financial Services Committee Members authored numerous provisions that were included in the CARES Act and continue their efforts to ensure their critical [legislation](#) is included in the ongoing legislative response to this crisis.

People Experiencing Homelessness

Q. What kind of assistance is provided for people experiencing homelessness under this bill?

A. The bill provides \$4 billion for Emergency Solutions Grants, which is an existing federal homeless assistance grant program. ESG funds can be used for emergency shelter, homelessness prevention, including short- or medium-term rental assistance for people who are homeless or at risk of homelessness, and supportive services. In addition, under the bill the program has been slightly modified to meet the needs of the current situation, and can be used for temporary emergency shelters, without the need for habitability and environmental review, as well as to train staff on disease prevention and mitigation, and for hazard pay. An amount has also been set aside for technical assistance for health care services.

Q. How can people experiencing homelessness access this assistance?

A. Local Continuums of Care (CoCs) that administer federal homeless assistance grants are required to have a “coordinated entry system” so that no matter where or how you present yourself, you should be connected to the right resources. If you are experiencing homelessness, or think you are at risk of losing your housing, you can go to the nearest homeless shelter or other homeless provider to seek assistance.

Renters

Q. What kind of relief is provided for renters under this bill?

A. For renters living in “covered dwellings” (see next Q&A below for this definition), this bill provides a temporary moratorium on evictions as well as late fees for nonpayment of rent or other charges for a period of 120 days starting on March 27, 2020. Further, landlords would not be allowed to issue a notice to vacate until after this temporary moratorium and they would not be allowed to require a tenant to actually vacate the unit until 30 days after the notice is given. Renters should be advised that the moratorium only applies to evictions for nonpayment of rent, not for other causes. Renters should also be advised that although they may be protected from eviction proceedings temporarily under this bill, the bill does not treat nonpayment of rent during this period as forgiven and these unpaid amounts will accrue during this period even if fees are not assessed.

Renters should not have to do anything to benefit from this prohibition on evictions and late fees. Renters who

believe their landlord is out of compliance with these provisions should contact their local legal aid or the relevant federal agency (i.e. the agency providing subsidies or federal mortgage backing for the property; see the next Q&A below for more info).

Q. What is a “covered dwelling”?

A. Renters are protected by this temporary moratorium on evictions and late fees if they live in a “covered dwelling,” which can generally be defined as a rental home that is receiving federal subsidies or a property with a federally backed mortgage. Specifically, this includes rental housing supported by the following federal housing programs:

- Public housing;
- Section 8 Housing Choice Vouchers;
- Section 8 Project-Based Rental Assistance;
- Section 202 Supportive Housing for the Elderly;
- Section 811 Supportive Housing for Persons with Disabilities;
- Housing Opportunities for Persons With AIDS (HOPWA);
- McKinney-Vento Homeless Assistance grants;
- Section 236 Preservation program;
- HOME investment partnerships;
- Rural Development multifamily housing (Section 516 Farm Labor Housing Grants, Section 542 Rural Development Vouchers, Section 521 Rural Rental Assistance, Section 533 Housing Preservation grants);
- the Low Income Housing Tax Credit (LIHTC) program;

It also includes rental housing with a single-family or multifamily mortgage that is

- purchased or securitized by Fannie Mae or Freddie Mac;
- insured by the Federal Housing Administration (FHA);
- guaranteed, directly provided by, or insured by the Department of Veterans Affairs (VA);
- guaranteed, directly provided by, or insured by the Department of Agriculture (USDA); or
- guaranteed under HUD’s Native American or Native Hawaiian Home Loan Guarantee programs.

Some renters will know that their home is included because they recognize the name of a federal housing program on the list above that they had to apply and qualify for. However, if you’re not sure whether your rental unit is included, you can search the [National Preservation Database](#), which includes most of the covered dwellings, but not all.

Q. Is there any other assistance provided that will actually lower rental payments?

A. Renters receiving federal rental assistance can request an income recertification at any time to adjust their rent payment to account for any loss of income. Renters receiving federal rental assistance should contact their local public housing agency or landlord immediately to request an income recertification or a hardship exemption if they have experienced a loss of income.

Homeowners

Q. Who is eligible for homeowner assistance under this bill?

A. Homeowners with “federally backed mortgages” are eligible for assistance under this bill. Federally backed mortgages are defined as mortgages for single-family homes that are:

- purchased or securitized by Fannie Mae or Freddie Mac;

- insured by the Federal Housing Administration (FHA), including reverse mortgages or Home Equity Conversion Mortgages (HECMs);
- guaranteed, directly provided by, or insured by the Department of Veterans Affairs (VA);
- guaranteed, directly provided by, or insured by the Department of Agriculture (USDA); or
- guaranteed under HUD's Native American or Native Hawaiian Home Loan Guarantee programs.

Homeowners that do not know whether their mortgage fits this definition, should reach out to their mortgage servicer to find out. Your mortgage servicer is the company that you send your mortgage payments to each month. For context, 70 percent of mortgages in the current market are federally backed. Homeowners with mortgages that are not federally backed are unfortunately not covered under the CARES Act (however, see the next Q&A below).

Q. What should homeowners do if they are not eligible to receive assistance under this bill?

A. Although homeowners with mortgages that are not federally backed are not technically covered under the CARES Act, some lenders are voluntarily aligning the relief they are providing with the relief provided for federally backed mortgages, so it is still possible that homeowners without federally backed mortgages will have access to similar relief. Reaching out to your servicer is the best way to find out what relief is available to you.

Q. What kind of assistance is available for eligible homeowners under this bill?

A. Homeowners are provided with a foreclosure moratorium of at least 60 days starting on March 18, 2020. This includes the initiation of new foreclosures as well as the continuation of foreclosures that had already been initiated; this does not include vacant or abandoned properties. They are also provided with the right to request and receive forbearance on their mortgage payments for up to 6 months, with the option to extend for an additional 6 months (total max of 1 year), as well as the option to discontinue the forbearance at any time. During the forbearance period, servicers are prohibited from charging fees or interest beyond what the borrower would have had to pay if they were making their payments as scheduled.

Homeowners should be advised that a mortgage forbearance is not a forgiveness of debt, and that they will have to work out a loan modification or repayment plan with their servicer at the end of the forbearance period to resume making payments, including all missed payments. The CARES Act is silent as to the kinds of loan modifications that will be offered after the term of forbearance, but a common type of loan modification following a forbearance period extends the mortgage term for the length of the forbearance to allow the homeowner to resume making payments in an amount that is very similar to what they were paying prior to the forbearance. Homeowners are encouraged to ask their servicers about these details and seek out housing counseling assistance as appropriate. You can look up a HUD-approved housing counseling agency [here](#).

Q. What do eligible homeowners need to do to access this assistance?

A. Homeowners who are suffering financial hardship, directly or indirectly related to COVID-19 should contact their servicer to request a forbearance. Homeowners will have to attest to financial hardship caused directly or indirectly by COVID-19 to receive a forbearance but are not required to provide any further documentation to prove such financial hardship.

Homeowners who are facing foreclosure should not have to do anything further and should immediately benefit from the foreclosure moratorium. If a homeowner is subject to an initiation of foreclosure proceedings, a continuation of foreclosure proceedings, or a foreclosure related eviction within the 60-day period beginning on March 18, 2020, they should contact their servicer immediately to receive an explanation as to why this activity has not been halted. If servicers are unresponsive and/or continue to be noncompliant, homeowners can contact the relevant federal agency or entity that is backing their mortgage or seek out legal assistance. You may want to submit a complaint with the Consumer Financial Protection Bureau through their complaints webpage, available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Q. What about third parties claiming to assist borrowers facing foreclosure?

A. Beware of scams, including anyone seeking to charge you for accessing the foreclosure relief provided under the bill. The bill provides a 60-day moratorium on foreclosures starting on March 18, 2020. Homeowners facing foreclosure should not have to take any action to benefit from the foreclosure moratorium. Immediately contact your servicer if you are subject to an initiation of foreclosure proceedings, a continuation of foreclosure proceedings, or a foreclosure related eviction within the 60-day period beginning on March 18, 2020. If your servicer is unresponsive and/or continue to be noncompliant contact the relevant federal agency or entity that is backing their mortgage or seek out legal assistance.

Q. What about third parties offering to assist borrowers eligible for forbearance on their mortgages under the bill?

A. Beware on anyone seeking to charge you for accessing the relief provided under the bill. The bill provides eligible borrowers the right to request and receive forbearance on their mortgage payments for up to 6 months, with the option to extend for an additional 6 months (total max of 1 year), as well as the option to discontinue the forbearance at any time. Contact your mortgage servicer to determine whether your mortgage is eligible for forbearance under the bill. You do not need to pay any fees if you are eligible to receive these benefits. Eligible homeowners, however, do need to contact their servicer to request a forbearance.

Q. What about third parties offering struggling borrowers assistance in modifying the terms of their mortgage?

A. Beware of anyone charging you in advance for assistance in modifying the terms of your mortgage. In most circumstances, it is unlawful to charge fees in advance for a mortgage modification. Contact your servicer to inquire about options for modifying the terms of your mortgage.

Rental Property Owners

Q. What kind of assistance is available to rental property owners under this bill?

A. Rental property owners with federally backed mortgages who may be having difficulty making mortgage payments due to nonpayment of rent will have access to mortgage forbearance. Single-family (1-4 units) rental property owners will have access to the same relief as single-family homeowners described above. Certain multifamily (5 or more units) rental property owners with federally backed loans will have access to forbearance for a period of 30 days, and that period can be extended for up to 2 additional 30-day periods upon request, with the option to discontinue the forbearance at any point. Some lenders may voluntarily provide forbearance or other relief even if they are not federally backed loans. Rental property owners should reach out to their mortgage servicers if they need assistance, regardless of whether their loan is federally backed.

Anti-Discrimination in Housing and Lending

Q. What are my fair housing and fair lending rights?

A. The Fair Housing Act of 1968 (FHA) prohibits discrimination in the sale, rental, and financing of housing based on race, color, sex, religion, national origin, familial status, and disability. The FHA also requires recipients of federal housing funding to take steps to affirmatively further fair housing; this includes funding provided in the CARES Act. Find out more about the FHA [here](#).

The Equal Credit Opportunity Act of 1974 (ECOA) prohibits discrimination based on race, color, religion, national origin, sex, marital status, age, or because you receive public assistance in financial lending transactions, including in mortgage lending. This includes accessing mortgage assistance provided under the CARES Act. Find out more about ECOA from the CFPB [here](#) and the FTC [here](#).

Q. What kind of housing and lending discrimination should I look out for during the COVID-19 pandemic?

A. If someone engages in housing or lending discrimination against someone on the basis of knowledge or perception that they are infected with COVID-19, this could be covered under the FHAct or ECOA. For example, there have been reports of increased discrimination against Asian Americans on the basis of their race, ethnicity, or national origin. Such discrimination could include denial of an application for rental housing or mortgage, as well as scams that target protected classes for predatory products. It could also include housing-related hate crimes where someone “threatens, intimidates, or interferes with a person’s enjoyment of a dwelling” (24 CFR § 100.400). Such hate crimes may include assault, arson, criminal threats and statements, or vandalism.

Q. Who should I contact if I believe I’ve been discriminated against when trying to access housing or applying for forbearance?

A. If you believe your fair housing rights have been violated, you should contact the Department of Housing and Urban Development online, by phone, or email [here](#). If you believe your fair lending rights have been violated, you should file a complaint with your lending institution, the Department of Housing and Urban Development [here](#), or with the Consumer Financial Protection Bureau [here](#).

Student Loan Borrowers

Q. Does the bill provide any relief for private student loan borrower?

A. No. All loans owned by the Department of Education are covered under the CARES Act, including having interest waived and payment suspended. Eligible loans include Direct Loans, Federal Perkins Loans, and Federal Family Education Loan (FFEL) Program loans held by the Department of Education. However, FFEL Program loans that are owned by private lenders, and Perkins Loans which are owned by the college or university you attended, are not covered. Private student loans are not eligible for protection, but you can contact your private student loan servicer to see if they, in their discretion, will provide some payment or interest relief.

Q. Who should I contact if my servicer is still taking my student loan payments?

A. If you’re having issues with your student loans, you may want to contact your student loan servicer first. If your student loan servicer is unable to assist you, you may want to submit a complaint with the Consumer Financial Protection Bureau through their complaints webpage, available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Q. What about third parties offering assistance in helping private student loan borrowers obtain relief?

A. Beware of any individuals or companies offering to cancel or lower your student loan payments in exchange for an upfront fee. Borrowers with private student loans struggling to make their student loan payments may want to assess their options through the Consumer Financial Protection Bureau’s “Repay your Debt: Know your Options” webpage, available [here](#).

Credit Scores and Credit Reports

Q. How will my non-payments of credit cards or bills affect my credit report and credit score?

A. If you are approved for a forbearance, a payment delay, or other payment arrangement with your creditor or servicer, and you are current on your accounts, then the creditor or servicer will continue to report you to the credit rating agencies (or CRAs) as current or up-to-date. In this case, your credit report and score would not be negatively impacted by these non- or delayed payments during the covered period of the arrangement. Unfortunately, if you were already reported to be behind on payments prior to the payment arrangement, the creditor or servicer can continue to report you as late to the CRAs, meaning continued non-payments may be treated negatively on your credit report and score.

Federal student loan payments, which are suspended through September 2020, are treated on credit reports as if the payments are made. Therefore, if you are unable to make payments on your federal student loan, non-payments through September 2020 will not negatively impact your credit report and score.

Q. Where can I obtain more information on addressing problems or credits with my credit report if the Consumer Reporting Agencies I contact are not responsive to my needs or questions?

A. You can contact the following agencies and offices for further assistance:

- Consumer Financial Protection Bureau (CFPB) consumer [complaint portal](#). You may also call the toll-free phone number at 1-855-411-CFPB (2372) or TTY/TDD phone number at 1-855-729-CFPB (2372).
- Federal Trade Commission (FTC) consumer complaint [portal](#). You may also call the FTC Consumer Response Center at 1-877-FTC-HELP (1-877-382-4357).
- You can get information on how to contact the Attorney General for your state or territory online [here](#) or by phone at 1-844-USA-GOV1 (1-844-872-4681).

Q. Since I am experiencing financial hardship and have fallen behind on my bills, can a third party help repair my credit?

A. The CARES Act suspends negative credit reporting for eligible federal student loan payments only, but not for any other loan obligation. However, if accommodations are made by creditors to current accounts (such as forbearance or partial payments), those accounts will continue to remain current. The suspension of student loan payments under the bill will not adversely impact your credit. Beware of any individuals or companies offering to fix or improve your credit for a fee. Under the Credit Repair Organizations Act, it is unlawful to charge upfront fees for credit repair services. For information on how to avoid credit repair scams, more information from the Consumer Financial Protection Bureau is available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372.

Consumer and Investor Fraud

Q. What action can I take if I have been a victim of fraud?

A. If you think you have been the victim of fraud related to the coronavirus, you can submit a complaint with the Consumer Financial Protection Bureau through their complaints webpage, available [here](#). You can also contact the CFPB via telephone by calling (855) 411-2372. Additionally, you can file a complaint with the Federal Trade Commission (FTC), with information [here](#), and a complaints page [here](#). You can also file a consumer complaint with the FTC by calling 1-877-382-4357.

Additionally, you can also report the fraud to your state Attorney General's office. Contact information for each state attorney general is available [here](#). You may also want to contact your local police or sheriff's office. Finally, some states have a Student Loan Ombudsperson or Student Loan Advocate – you can find a list of those resources [here](#).

Q. What should I do if I think someone fraudulently obtained your personally identifiable information such as your Social Security number, bank account information, or credit card number?

A. If you think you have been the victim of identity theft contact one of the three major credit bureaus to place a fraud alert. A fraud alert obliges creditors to verify your identity before opening a new account, providing an additional card or increasing the credit line on an existing account. You do not need to place of fraud alert with all three credit bureaus. Once you place a fraud alert with one credit bureau, that company must contact the other two credit bureaus.

For additional information on steps to take if you have been the victim of identity theft visit the CFPB's identity theft webpage, available [here](#), or contact the CFPB via telephone by calling (855) 411-2372. The FTC's identity theft webpage is available [here](#), and you can reach the FTC via telephone by calling 1-877-382-4357. You can also contact the Internal Revenue Service's through their webpage on identity theft, available [here](#).

Additional consumer resources related to Coronavirus:

- Consumer Financial Protection Bureau's [Fraud and Scams webpage](#)
- Consumer Financial Protection Bureau's webpage on [scams related to the Coronavirus](#)
- Federal Trade Commission's Consumer Information [webpage](#)
- Federal Trade Commission's webpage on [sellers of scam Coronavirus treatments](#)

Q. Where can I report potential fraudulent securities offerings, manipulation, insider trading, false or misleading statements, and other information related to potential investor scams?

A. Members of the public (whistleblowers and non-whistleblowers) are strongly encouraged to submit tips, complaints, and referrals (TCRs) using the online system and complaint form of the Securities and Exchange Commission (SEC). TCRs may include fraudulent securities offerings like Ponzi or pyramid schemes, theft or misappropriation of funds or securities, manipulation of a security's price or volume, insider trading, false or misleading statements about a company, failure to file required reports with the SEC, improper payments to foreign officials, or fraudulent transactions or conduct. When your TCR is submitted online, you will receive a notice confirming that your submission was received and the submission number for your records. You will need to provide information about what you're complaining about, who you're complaining about, which investment products are involved, and your contact information. The SEC's online TCR system can be accessed at <https://www.sec.gov/tcr>.

Q. Where can I report problems with my investments, investment account, or a financial professional?

A. Members of the public who wish to report a problem with their investments, investment account, or a financial professional can submit complaints to the SEC online [here](#). Complaints may include issues with order handling or trade execution, delivery of funds or securities, dividends, fees or commissions, inaccurate or misleading disclosures, suitability, pension plans or retirement accounts, or opening, transferring, or closing an account. The online form can also be printed and submitted via mail to U.S. Securities and Exchange Commission, Office of Investor Education and Advocacy, 100 F Street, N.E., Washington, DC 20549-0213, or by fax to (202) 772-9295.

Additional Consumer Concerns

Q. Are my deposits safe at my local bank or credit union? Will there be enough cash during a pandemic or other national disaster?

A. Under the CARES Act, the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA), the two federal agencies responsible for insuring customer deposits, reauthorized the Transaction Account Guarantee (TAG) Program. The program allows the FDIC and NCUA to fully guarantee your non-interest-bearing accounts, even beyond the current \$250,000 limit. For more information from the FDIC and NCUA about deposit insurance, see background information they have [here](#) and [here](#).

Q. I am no longer working or saw my hours reduced due to COVID-19 and don't have the income to live on and meet my payments. If I miss some loan payments, how will this affect me? Will I be charged late fees?

A. Immediately contact your creditors if you do not think you can pay your bills or make credit card or loan payments on time. Paying your debts late or not at all may result in penalties, interest charges, and damage to your

credit score. Your creditors may be able to provide forbearance or otherwise work with you on a solution, but it is important to contact them as soon as possible to discuss your situation.

Federal and state banking regulatory agencies have issued guidance and encouraged banks and credit unions to be flexible during this time and work with customers affected by COVID-19. Specifically, the Federal Reserve, FDIC, OCC, NCUA, CFPB, and CSBS issued [guidance](#) on March 9, 2020, that said, “Regulators note that financial institutions should work constructively with borrowers and other customers in affected communities. Prudent efforts that are consistent with safe and sound lending practices should not be subject to examiner criticism.”

For more information, see this [FAQs document for bank customers](#) prepared by the FDIC.

Minority-Owned Businesses

Q. How does this bill support minority businesses?

A. This bill provides \$10 million to fund the Minority Business Development Agency, a federal agency created specifically to foster the establishment and growth of minority-owned businesses (businesses that are 51% or more owned or controlled by African American, Hispanic American, Asian and Pacific Islander, and Native American individuals) in America that offers its services through a network of business centers and initiative grantees located across the country in areas with the largest concentration of minority populations and the highest number of minority businesses.

Q. What types of resources do MBDA business centers provide?

A. MBDA business centers provide a range of services to minority-owned firms seeking to expand to new markets, both foreign and domestic. The range of technical assistance and business services offered include business consulting, private equity, and venture capital opportunities, facilitating joint ventures and strategic partnerships.

Q. How much do MBDA business center services cost?

A. The services are provided on a fee-for-service basis to qualified minority business enterprises by MBDA business center operators.

Q. Where can I find an MBDA business center?

A. To locate an MBDA Business Center near you or for virtual assistance, please visit [this website](#).

Treasury and Federal Reserve Lending Programs

Q. Will Treasury or the Federal Reserve support small businesses with the \$500 billion in taxpayer funds Congress gave them, and what businesses are eligible?

A. Small businesses are included as an “eligible business” that may be able to apply for certain programs set up by the Department of Treasury on its own, or in coordination with the Federal Reserve under the CARES Act. The Treasury Department has published application procedures, minimum requirements, and FAQs for programs that are available to passenger air carriers and related businesses, cargo air carriers, and businesses critical to maintaining national security on their website [here](#). Treasury has also published information regarding other federal programs small businesses are eligible for unrelated to the \$500 billion CARES Act program [here](#). In addition, the Federal Reserve has published materials for various emergency lending programs and facilities [here](#).

Of particular note for small businesses, on March 23, the Federal Reserve [announced](#) they expect to soon establish a [Main Street Lending Program](#) “to support lending to eligible small-and-medium sized businesses,” intended to complement efforts of the Small Business Administration (SBA). On April 9, the Federal Reserve [announced](#) more

specifics about the Main Street Lending Program, including releasing term sheets for the program that are available [here](#). Treasury will invest \$75 billion of the \$500 billion CARES Act funds in the Main Street program to support up to \$600 billion in lending. Main Street loans are expected to be available through participating financial institutions in the coming weeks, either late April or May 2020.

Small businesses to mid-sized businesses with up to 10,000 employees or up \$2.5 billion in 2019 annual revenue are eligible for participation in the Main Street program. Unlike the SBA's Paycheck Protection Program (PPP) loans -- which were 2-year loans with payments deferred for six months, and the loans could be forgiven if certain conditions are met -- these Main Street loans will be 4-year loans with the principal and interest payments deferred for one year, though these are not forgivable loans. Main Street loans will be between a minimum of \$1 million and a maximum of \$25 million for new loans, or a maximum of \$150 million if being used to expand existing business loans. The Fed indicated that small businesses can take advantage of both the Main Street Lending Program and the SBA's Paycheck Protection Program (PPP).

In addition, Main Street loan borrowers must attest they will comply with the CARES Act restrictions on executive compensation, stock repurchase, and capital distribution. They must also make other attestations, such as making reasonable efforts to maintain its payroll and retain its employees during the term of the loan. Borrowers must refrain from using the proceeds to pay off other loans, and make an attestation that it requires financing due to the exigent circumstances presented by the coronavirus pandemic. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing business loans. Banks will retain a 5 percent share, selling the remaining 95 percent to the Main Street facility, which will purchase up to \$600 billion of loans.

The Federal Reserve has invited feedback from the public on the design of this and other emergency lending facilities. Chairwoman Waters sent a [letter](#) to the Federal Reserve on April 16 outlining several concerns with the original design of the Main Street Lending Program, including urging the Fed to lower the \$1 million minimum loan threshold and including non-profit organizations. For more information from the Board of Governors of the Federal Reserve System, see their COVID-19 website [here](#), call their main line at 202-452-3000, or you can fill out the Fed's [feedback form](#) to send a question or comment about the Federal Reserve's actions in response to COVID-19. For more information from the Department of the Treasury, see their website for the CARES Act [here](#) or call their main line at (202) 622-2000.

Q. Will foreign businesses with minor U.S. operations have access to the \$500 billion Treasury and Federal Reserve emergency loan program under the CARES Act?

A. No. All businesses, organizations, and entities receiving assistance through any of the programs or facilities established under [Section 4003](#) of the CARES Act must be created or organized in the United States, with significant operations and a majority of employees based in the U.S.

Q. Can the Federal Reserve waive restrictions regarding emergency lending under Section 13(3) of the Federal Reserve Act?

A. No provision of the CARES Act amends or otherwise waives requirements the Federal Reserve must follow with respect to any emergency lending facility it stands up. In addition, since at least \$454 billion of the \$500 billion funds under [Section 4003](#) may only be utilized using the Federal Reserve's Section 13(3) powers, all lending must be approved by the Treasury Secretary and compliant with the credit risk and other criteria found in the Fed's rule [here](#).

Q. Will states, territories, and cities receive relief?

A. The CARES Act established a Coronavirus Relief Fund that provides \$150 billion of funds for Treasury to distribute to States, territories, Tribal governments and units of local government based on a population proportion calculation. Treasury has information about that program [here](#).

The CARES Act also instructs the Treasury Secretary to endeavor to work with the Federal Reserve to establish a program or facility that provides liquidity to the financial system that supports lending to states, territories, and municipalities. On April 9, the Federal Reserve announced it would establish a [Municipal Liquidity Facility](#) and provided a [term sheet](#) that includes specifics on the program. According to the Fed, “The facility will purchase up to \$500 billion of short term notes directly from U.S. states (including the District of Columbia), U.S. counties with a population of at least two million residents, and U.S. cities with a population of at least one million residents. Eligible state-level issuers may use the proceeds to support additional counties and cities.” The Fed’s announcement indicated that it would monitor conditions in the primary and secondary municipal securities markets to determine if further action is necessary.

The Federal Reserve has invited feedback from the public on their response to the COVID-19 crisis. Chairwoman Waters sent a [letter](#) to the Federal Reserve on April 16 outlining several concerns with the Municipal Liquidity Facility, including highlighting that the Fed should make the facility available to all U.S. territories and dramatically lower if not eliminate the arbitrary thresholds set for eligible municipalities. For more information from the Board of Governors of the Federal Reserve System, see their COVID-19 website [here](#), call their main line at 202-452-3000, or you can fill out the Fed’s [feedback form](#) to send a question or comment about the Federal Reserve's actions in response to COVID-19.

Defense Production Act

Q. What is the Defense Production Act?

A. The Defense Production Act (DPA) was first passed during the Korean War, building on wartime authorities passed during World War II. The Act authorizes the President to take certain extraordinary actions to ensure the availability of essential supplies needed to respond to emergencies, including those involved in homeland security. These actions include prioritizing contracts with the U.S. government before other contracts, allocating scarce resources where they are needed, and incentivizing the production of essential supplies by providing loans, grants, or outright purchases. The President has delegated the authority to prioritize contracts to both the Department of Health and Human Services (HHS) to purchase needed medical supplies and the Federal Emergency Management Agency (FEMA) to address emergency needs more generally.

Q. How can I find out whether I can get assistance to help my company to produce goods that are needed to combat COVID-19?

A. The Department of Defense is partnering with FEMA, HHS, and other agencies to help increase the supply of needed medical supplies, equipment, and other necessary items. The Department of Defense (DoD) has a program under the DPA to help build industrial capacity. DoD’s Bureau of Industrial Policy has compiled a number of Department and U.S. Government responses to frequently asked questions, found [here](#). DoD has also established a portal a portal for companies that have ideas on how to help respond to the COVID-19 emergency, which can be found [here](#). You can also email FEMA’s Industry Liaison Program at DHSIndustryLiaison@hq.dhs.gov, or FEMA’s National Business Emergency Operations Center (NBEOC) at nbeoc@max.gov.

Q: I already produce goods that are needed to combat COVID-19. How do I sell or donate my goods to the US Government so they can be distributed to places of greatest need?

A. In addition to the information about DoD’s Bureau of Industrial Policy and FEMA’s Industry Liaison Program and the NBEOC , FEMA has a website for companies that want to sell or donate items to address the COVID-19 emergency, available [here](#). This website provides information on outstanding requests for medical supplies administered by FEMA that companies can participate in. Information regarding HHS offices involved in grants and contracts can be found [here](#).

Community Financial Institutions

Q. I am a community financial institution and I want to help my community – what can I do to help my community?

A. Banks and other eligible financial institutions are encouraged to provide essential lending, servicing, and investment to low- and moderate-income (LMI) communities during this crisis, which may also allow your institution to receive credit under the Community Reinvestment Act (CRA). On March 19, 2020, the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC), the three CRA regulators, issued a [joint statement](#) stating they will “favorably consider retail banking services and retail lending activities in a financial institution’s assessment areas that are responsive to the needs of low- and moderate-income individuals, small businesses, and small farms affected by COVID-19 and that are consistent with safe and sound banking practices.” Waiving fees, expanding short term credit products, increasing credit card limits, and allowing borrowers to defer payments were all given as examples of responsive activities that would help LMI communities and could be counted towards a CRA rating.

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