

[Banking and Finance Law Daily Wrap Up, TOP STORY—Democrats roll out stimulus and public policy legislation in response to COVID-19 crisis, \(Mar. 24, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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By Nicole D. Prysby, J.D.

Congressional Democrats have released legislation aimed at protecting consumers, small businesses, community financial institutions, financial markets, and state and local governments in response to the COVID-19 pandemic.

On March 23, 2020, a number of Congressional Democrats [announced](#) the release of legislation in response to the COVID-19 crisis. Representative Maxine Waters (D-Calif), Chair of the House Financial Services Committee, announced [H.R. 6321](#), the Financial Protections and Assistance for America's Consumers, States, Businesses, and Vulnerable Populations Act. The bill would provide broad protections for individuals; small businesses; community financial institutions; state, territory, and local governments; and financial markets. Other legislation also announced on March 23 includes protections for the U.S. financial markets and individual credit information, housing and debt collection relief, and a COVID-19 taxpayer spending oversight panel.

Waters said that H.R. 6321 is a comprehensive stimulus and public policy response to the coronavirus pandemic and includes protections and/or assistance for individuals; small businesses; community financial institutions; state, territory, and local governments; and financial markets. For example, it would provide direct payments of up to \$2,000 per month per eligible adult; ban evictions, debt collection, and negative consumer credit reporting; provide loans and commercial rental relief for small businesses; purchase municipal debt securities; impose rules protecting financial markets such as a temporary ban on stock buy-backs; and require pandemic planning and guidance from regulators.

Representative Jennifer Wexton (D-Va) [announced](#) legislation that would improve coordination and communication among financial regulators in order to better protect U.S. economic and financial systems in the event of a global pandemic. The Interagency Pandemic Guidance for Consumers Act would require swift interagency regulatory guidance for financial institutions, as well as require regulators to convene joint public-private exercises every five years to simulate a severe global pandemic. The bill would also require regulators to carry out joint simulations with financial institutions in order to test the resiliency of the financial sector in the event of a pandemic or major disaster. Joint global pandemic exercises have not been done since 2007.

Representative Brad Sherman (D-Calif) [introduced](#) legislation to ensure that individuals' credit scores are not negatively impacted as a result of the coronavirus outbreak. The Disaster Protection for Workers' Credit Act would put in place an immediate four-month moratorium on all negative credit reporting. Individuals who face continued financial hardship as a result of the outbreak would also be covered by additional longer-lasting protections. In addition, the bill would specifically prevent any negative information associated with medical debt incurred for treatment of COVID-19 from impacting credit reports and credit scores.

Representative David Scott (D-Ga) [introduced](#) H.R. 6368, the State Housing Relief Act, creating a Housing Assistance Fund to aid homeowners harmed by the global coronavirus pandemic. The Act would provide \$35 billion in funding to states, and deliver essential support for homeowners in need of mortgage payment assistance, principal reduction, or utility payment assistance.

Representative Dean Phillips (D-Minn) [introduced](#) the COVID-19 Congressional Oversight Panel Act to create a Congressional panel to provide oversight over the spending of taxpayer money in response to the COVID-19 pandemic and related economic fallout. The five-member panel would review data around spending, conduct

hearings, and provide regular reports to Congress. The bill would also authorize the Special Inspector General for the Troubled Asset Relief Program to coordinate audits and investigations in connection with the receipt of Federal aid related to the COVID-19 emergency response.

Finally, Rep. Al Lawson (D-Fla) [introduced](#) the Debt Collection Moratorium Act, which would suspend debt collection activity on personal loans, and loans to small businesses and non-profits during the coronavirus epidemic. The suspension would last 120 days and would prevent debt collectors from adding extra interest or fees, suing, continuing litigation, repossessing or foreclosing, seizing funds, or freezing utility service.

Previously, 63 consumer and civil rights organizations released a [letter](#) calling on Congress to enact credit and debt protections to address financial distress caused by COVID-19. The letter urged Congress to stop foreclosures, eviction, repossessions, and other debt collection, cancel some student loan debt, stop negative credit reporting, and place caps on interest rates to protect consumers against predatory lenders and other profiteers.

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