

## [Banking and Finance Law Daily Wrap Up, FINANCIAL STABILITY—Waters plans committee actions in response to coronavirus effects on economy, \(Mar. 19, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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The legislative package would provide a plan for fiscal stimulus and public response to the pandemic.

Representative Maxine Waters (D-Calif), Chair of the House Financial Services Committee, has released a legislative package providing a [plan](#) that would protect consumers and help bolster the economy against ill effects from the coronavirus pandemic. The plan is [intended](#) to boost workers, consumers, investors, markets, and the economy in the wake of the virus.

The plan would direct the Federal Reserve Board to fund automatic stabilizers in the form of at least \$2,000 for every adult and an additional \$1000 for every child for each month of the crisis. Adults would be eligible to withdraw these funds from financial institutions or receive them directly in the mail via the IRS. This would enable the Fed to directly stimulate the economy as well as provide families with the ability to make necessary purchases.

Waters' plan also would:

- suspend consumer and small business credit payments such as mortgages, car notes, student loans, credit cards, small business loans, and personal loans during the pandemic to eliminate debt payments during the crisis;
- finance the suspension of the credit products by establishing a facility by the Fed or Treasury to reimburse creditors and servicers for any lost revenue and expenses;
- ban the collection of consumer debts, including medical debt, and the garnishment of wages or repossession of assets for 120 days after the pandemic ends;
- ensure the same protections for persons residing in U.S. territories;
- provide \$5 million in homeless assistance;
- prohibit all evictions, foreclosures, and repossessions such as Los Angeles County has done;
- suspend rental and utility payments for assisted renters;
- suspend commercial rental payments by private sectors to support small businesses and non-profit organizations;
- provide tax rebates and additional grants for small businesses; and
- use the Community Development Financial Institutions Fund to support small businesses and low-income communities.

The plan includes measures to support state, territory, and local governments, and protect financial stability during the pandemic. For instance, under Waters' plan, federal financial regulators would be prohibited from adopting rules not directly related to responding to the coronavirus for the length of the crisis. Added to the plan are a number of provisions intended to rebuild the economy once the crisis is over. The plan calls for supporting \$100 billion in infrastructure spending to support the long-term availability of affordable housing and minimizing economic effects on women, minorities, and diverse-owned businesses. Other provisions include providing borrowers with affordable repayment options, creating a reinsurance program, and requiring a national strategy that ensures preparedness for any future crises.

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