DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 29, 2021

Re: 2020-03-082

Christine H. Monahan
American Oversight
1030 15th Street, NW, B255
Washington, DC 20005
christine.monahan@americanoversight.org

Dear Ms. Monahan:

This is the ninth response to the above-referenced Freedom of Information Act (FOIA) request to the Department of the Treasury (Treasury). The request asked for email communications sent by identified Treasury officials containing any of 43 separate terms related to the coronavirus from January 15, 2020 through the date of the search.

In accordance with the parties' agreed upon schedule, as memorialized in the October 30, 2020 Joint Status Report, this constitutes Treasury's ninth production in this case. Treasury has reviewed 80 documents (189 pages), of which 24 documents were responsive (66 pages, attached hereto), 4 documents were privileged responsive (16 pages), and 52 documents (107 pages) were non-responsive. Redactions were made pursuant to exemptions (b)(5) (deliberative process and Confidential Presidential Communications) and (b)(6) (protection of personal privacy). Treasury will continue to review and process documents and will provide another production not later than November 30, 2021.

If you have any questions, please contact James Bickford in the Department of Justice at James.Bickford@usdoj.gov.

Sincerely,

Richard S. Dodson

Richard S. Dodson
Senior Counsel
Office of the General Counsel
U.S. Department of the Treasury

Fwd: Preventing the Pending Collapse of the Real Estate Market

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: "Phelan, Peter" <peter.phelan@treasury.gov>
Date: Tue, 07 Apr 2020 11:53:33 -0400

From: G Krau (b)(6) [redacted]
Date: April 7, 2020 at 11:21:31 AM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: Preventing the Pending Collapse of the Real Estate Market
Importance: High

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi Justin,

I was suggested to contact you .I recently published this op-ed below in the commercial observer. I am sure you are very busy right now, but I can offer some solutions on how to mitigate a potentially catastrophic event that is currently starting to come to light. I am the CEO of KPG Funds which is a commercial real estate fund that purchases office buildings in NYC . I would be happy to help in any of your efforts. My contact information is below the article. Thank you

The commercial mortgage-backed securities (CMBS) market has essentially collapsed and the broader $20 trillion commercial real estate market is on the verge of collapse as well. We still have time to prevent this catastrophic event, but we need government intervention now.

SEE ALSO: Play by Inches

It's been just a few weeks since the global coronavirus pandemic started impacting our daily lives, and some landlords are already not being paid rent. Things may get materially worse with economists at the St. Louis Federal Reserve predicting that the US will lose 47 million jobs, leading to an unemployment rate of over 32%. In my estimation, up to 90% of all commercial tenants in the US will not pay their rent next month.

The domino effect of landlords not having rental revenue will potentially force property owners to default on their mortgages. This will in turn force banks to write down loans and attempt to raise capital to cover losses, in an environment where capital markets are paralyzed.

This is nothing like 2008. This is not the result of high leverage, risky loans. This is affecting the entire real estate market, including sectors that have historically been considered the most recession resistant. Today, even the safest investment isn't safe if people across all sectors can't pay their rent. We are not talking about office or hotel properties, we are talking about all classes, most importantly multifamily. If nobody can pay their rent, there can't be a market.

The only way to avert a complete financial system meltdown is to have the government immediately either a) mandate a temporary stop on rent payments to property owners along with banks giving a forbearance on debt service obligations or b) follow our Canadian friends from the north, with their Commercial Lease Rent Deferral Program that indemnifies quality landlords for losses incurred as a result of granting a rent deferral, pursuant to a commercial lease for business premises, to qualified businesses that have been directly impacted.

To reiterate, there either must be an immediate forbearance period for tenants, owners and lenders, basically a "Pause Period" for the next 90 days with optionality to continue on a month-to-month basis, or the government must backstop all qualified commercial rent payments.

If the Government doesn't step in by May 1st at the latest, we will have a run on the stock market and banks. The result will be materially worse than the Great Depression and more akin to a "Great Paralysis" where nothing moves or has any value.

Greg Kraut is the co-founder and CEO of New York-based KPG Funds.

https://hyperlink.services.treasury.gov/agency.do?origin=https://commercialobserver.com/2020/04/preventing-the-pending-collapse-of-the-real-estate-market/

Gregory Kraut
Co-Founder and CEO

kpg Funds

KPG Funds
433 Broadway, 4th Floor
New York, NY 10013
O: 646-665-4508 | M: [redacted]
| kpgfunds.com

Here's my scheduling link *so we can avoid the back and forth of finding a time to speak.*
KPG Funds ("KPG") is a fully integrated real estate private equity platform with Asset Management, Project Management, Development, Design, Leasing and Property Management. With over 35 years combined experience based in NYC, KPG manages fully discretionary institutional vehicles targeting middle market value-add office investments. KPG is a privately held and management-owned investment firm filed with the SEC as an exempt reportingadviser, and that maintains an unwavering commitment to put its investors needs first. Additional information about KPG and a selection of current holdings and previous transactions are available at or by calling 212-359-0743

FW: OZone dates

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>
Date: Tue, 07 Apr 2020 13:46:50 -0400

FYI

From: Warren, Mark (Finance) <Senate email [redacted]
Sent: Tuesday, April 7, 2020 12:18 PM
To: Kautter, David <David.Kautter@treasury.gov>; Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>
Subject: OZone dates

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dave/Mike – another one for the list of tax dates in need of extension. The article below suggests that the inherent 180-day reinvestment period for OZones is under pressure due to the current situation. This seems similar to the section 1031 dates, and I wanted to be sure it was on your radar (or the appropriate folks in your shops) for consideration.

Many, many thanks for all you are doing.

Mark

***

FEDERAL ··· STATE & LOCAL ··· INTERNATIONAL

Analysis

COVID-19 Pandemic May Imperil Opportunity Zone Projects

By Amy Lee Rosen · April 6, 2020, 8:00 PM EDT

Qualified opportunity zone investors face difficulty in meeting project deadlines amid the novel coronavirus pandemic and may face losing tax benefits or being forced to pull the plug on some projects if deadlines are not extended.

The Internal Revenue Service has responded to the pandemic of COVID-19, the respiratory disease caused by the novel coronavirus, by postponing tax filing and payment deadlines to July 15 from April 15. But the IRS has not overtly provided any deadline relief for opportunity zones, which allow an investor to reinvest capital gains within a 180-day window into designated low-income areas in exchange for certain tax benefits that grow the longer the money is invested in a qualified opportunity fund, up until Dec. 31, 2026.

If investments in the opportunity zone funds are held for five years, then 10% of capital gains on the prior investment will be forgiven, while 15% of capital gains will be forgiven if the investments are held for seven years. Thus an investor had until Dec. 31, 2019, to receive the higher 15% tax benefit.

The opportunity zone program is designed to bring monetary investments into low-income communities to help boost economic development in those areas, but many projects may be in eopardy because of delays related to construction, financing and receiving governmental approvals for various plans, according to Aaron S. Gaynor, an associate at Roberts & Holland LLP. If such projects are disqualified, investors may lose out on their associated tax benefits, he said.

f the government does not explicitly act to postpone certain deadlines, investors may face penalties or may even pull out of the investments, which would hurt the communities the program s designed to help, Gaynor said.

"As with the economy in general, I am seeing a general slowdown in investment in qualified opportunity zones, and the development of projects in QOZs," he said. "I have not seen much in the way of calling off a project entirely, but that may change as COVID-19 challenges persist and if the economy enters a recession."

The government needs to take action as simple as a news release or a notice to clarify what, if any, opportunity zone deadlines are postponed, Gaynor said.

n December 2019, the government issued final regulations on opportunity zones that provided two methods of investing in the program. Under a one-tiered structure, a qualified opportunity fund directly holds qualified zone property. In a two-tiered structure, a QOF invests its money into one or more opportunity zone businesses whose tangible property is substantially located in a zone and at east 50% of whose gross income comes from the active conduct of the business, according to the rules.

An investor in a one-tiered structure must invest gains into a QOF within 180 days of the sale or exchange that gave rise to that gain, according to the final rules. Many investors made sales or exchanges of capital gains right before 2019 ended in order to take advantage of the maximum 15% potential relief, meaning their 180-day window will close toward the end of June. Even though 180 days might have previously been enough time to invest those gains into a qualifying QOF, that may not be enough time now that the country is in the midst of the pandemic, Gaynor told Law360.

f an investor has already successfully invested in a QOF, generally the fund must hold 90% of its assets in qualified property, as measured every six months, or face a penalty, the final rules said. But even if the fund is successfully formed, Gaynor said, it is now harder to make sure 90% of the assets in the fund are good assets over six months. That is because many elements of the projects, such as physical construction and government approvals for projects like permits, are delayed by government shutdowns of nonessential businesses, Gaynor said.

"Six months is a long time, but given things are moving at a slower pace, people may be more nervous about their ability to close a deal," he said.

By law, each month the opportunity zone fund fails to meet the 90% test will result in a penalty. However, the QOF may not be disqualified if it is acting in a good-faith, nonabusive manner under a reasonable cause exception in the law.

"I would like to believe that coronavirus-related delays would constitute reasonable delays," Gaynor said. "I would recommend that Treasury or the IRS issue guidance to create a safe harbor or safe harbors for what will constitute reasonable cause for COVID-19 related penalties."

While QOFs may face problems with investing capital gains within 180 days or meeting the 90% asset test, two-tiered QOZ business structures may actually receive some relief because President Donald Trump declared a national emergency, according to Jessica M. Millett, a tax partner at Duval & Stachenfeld LLP.

While QOFs must hold 90% of their assets in opportunity zone property, as measured every six months, or face a penalty, the first set of opportunity zone proposed regulations relaxed the sixnonth test by providing a working capital safe harbor to allow two-tiered structured opportunity zone businesses to hold cash or other working capital for up to 31 months if the cash was held to acquire, construct or substantially improve tangible property in an opportunity zone. The final regulations then expanded the 31-month working capital safe harbor such that if a QOZB project required multiple infusions of cash, the second infusion of cash could trigger another 31-month period.

While there are already 62 months to invest opportunity zone money into QOZBs, the final regulations may actually go further in providing disaster relief, Millett told Law360. If a project otherwise meets the requirements of a 31-month working capital safe harbor and is in a federally declared disaster area, then the QOZB may receive an additional 24 months if the delay is a result of that disaster, the final rules said.

"This is a separate tolling rule in the regulations that says if the QOZB is located in an opportunity zone that is in a federal disaster area, then the QOZB can get up to an additional 24 months on top of the 31-month safe harbor," she said. "There is an interpretation of the regulations which would treat [Trump's] declaration of a national emergency as also triggering a 24-month extension nationwide, but it is not clear yet whether Treasury will explicitly approve this interpretation."

The final rules also provided QOFs an extra 12 months to reinvest proceeds if qualified zone property is delayed by

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a federally declared disaster under Section 165. Trump's declaration was issued as a national emergency, which may not be the same thing as a federally declared disaster, so it is unclear whether the extensions have been triggered, Millett said. In the past the IRS has interpreted, for purposes of Section 165, the term "disaster" to mean both a disaster and an emergency, but it would be reassuring to have guidance from Treasury clarifying the matter, Millett said.

Meanwhile, recent IRS notices extending tax deadlines may have already answered whether Section 165 has been triggered, because in postponing certain tax deadlines the government relied on a part of the Internal Revenue Code that can be used only if there is a federally declared disaster, according to Gaynor.

Under Section 7508A, the IRS has broader powers, including the ability to extend tax deadlines, when the president declares a federally declared disaster under Section 165, which is the same section that is cross-referenced to extend QOF deadlines by 12 months and QOZB deadlines by 24 months, he said.

Because the IRS already moved certain tax deadlines, it also has the authority to move other opportunity zone deadlines as well, such as the substantial improvement deadline that applies to both QOFs and QOZBs, Gaynor said.

For an existing building to qualify as property, a QOF or QOZB must substantially improve the property, which means there must be improvements to double its cost basis within 30 months, according to the final rules. This "substantial improvement" provision does not have a safety value as explicitly stated for the 12-month and 24-month extensions, but Treasury could use its general authority under Section 7508A to extend deadlines for time sensitive acts to provide relief for the 30-month substantial period, he said.

"The problem with both of these provisions is that it is unclear the extent to which they apply without explicit guidance from Treasury or the IRS," he said. "My recommendation is for the government to issue explicit guidance on this."

Treasury should also consider freezing the income tax rates for investors, according to Marc L. Schultz, a tax partner at Snell & Wilmer LLP. If tax rates go up between now and 2026, investors may be less inclined to defer gains by placing them in the funds since they would risk paying more in taxes later, he said.

Jnder the Tax Cuts and Jobs Act , the 39.6% top individual tax rate was reduced to 37%. However, since lawmakers recently committed to spending $2 trillion under the coronavirus relief legislation , it is reasonable to assume that there could be pressure to increase taxes in the future, Schultz said. The potential for an increase in taxes down the road is a major risk for nvestors, he said.

"What [the government] should do is freeze the tax rates for folks that invest in QOFs to the year of the investment so we know what our tax rates are right now," he said. "That would be a huge help to get people to invest."

--Editing by Tim Ruel and John Oudens.

RE: Economic Impact Payment Registration

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: [redacted]@treasury.gov>, "Lebryk, David" <david.lebryk@treasury.gov>
Date: Tue, 07 Apr 2020 16:43:33 -0400

[redacted]

Thanks

Dave

From: [redacted]@treasury.gov>
Sent: Tuesday, April 7, 2020 4:39 PM
To: Kautter, David <David.Kautter@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>
Subject: RE: Economic Impact Payment Registration

[redacted]

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Tuesday, April 7, 2020 4:23 PM
To: [redacted]@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>
Subject: RE: Economic Impact Payment Registration

[redacted]

I think this one is mine

Thanks

Dave

From: [redacted]@treasury.gov>
Sent: Tuesday, April 7, 2020 4:05 PM
To: Kautter, David <David.Kautter@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>
Subject: FW: Economic Impact Payment Registration

Dave and Dave –

Who should I loop into the email below from Intuit?

Thanks

From: Eubanks, Daniel [redacted]
Sent: Tuesday, April 7, 2020 3:12 PM
To: [redacted]@treasury.gov>
Cc: McCullough, Brian [redacted] Leahy, Chri[redacted]
Subject: Economic Impact Payment Registration

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

[redacted]

Wanted to give more background on the tool following our discussion. I believe at this point we are only waiting to review a final press release.

To deliver on the promise of a solution for taxpayers to file a simple form/minimal tax return that can be used to establish their eligibility for a stimulus payment, the IRS will leverage existing Free File Fillable Forms functionality, provided by Intuit, to produce the Get My Payment: IRS Free File Fillable Forms product for those individuals who do not need to file a full 2019 tax return and did not file a full 2018 tax return, and do not receive Social Security benefits. Get My Payment: IRS Free File Fillable Forms will be available soon, accessible via the IRS COVID-19 resource page and on a dedicated page. This will be hosted by Intuit on the same domain as IRS FFFF, including complete separation between Intuit commercial and Free File Fillable Forms data. This platform is now complete, thanks to an inestimable amount of work, on an extremely short time frame.

Our understanding is that this will be announced soon by the IRS and Treasury via a press release, media relations, and social media. We are ready for launch NOW. To maintain parity among Free File member companies, Intuit is not expected to be mentioned by the IRS as the creator of the Tool and Intuit will not proactively promote involvement, but we will reactively acknowledge Intuit's creation of the Tool if we receive inbound questions.

The user experience will include just two simple steps. It would mimic that of current FFFF functionality, with Intuit creating a Stimulus Form appearance with only the required data elements for this filing.

- Step 1 would deliver the appearance of a formatted "stimulus form" and would include inputs outlined by the IRS that the user needs to provide to establish eligibility for the Stimulus, including Direct Deposit information.
- Step 2 would maintain the additional filing elements needed to file a tax return and indicate the method used for stimulus (i.e. PY AGI/PIN, Driver's license info)
- Following filing, we would send email communications about the status of a filer's submission that would function and look exactly as they do in FFFF today.

I am happy to answer any questions, but know y'all are closely connected with IRS on this.
-Daniel

--

Daniel Eubanks | Federal Government Relations
W : 202-484-9016 | M : (b)(6) [redacted] E: (b)(6) [redacted]
Intuit | Powering Prosperity Around the World tm

RE: Follow Up

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: Rettig Charles P <charles.p.rettig@irs.gov>, "Myers, Baylor" <baylor.myers@treasury.gov>, "Eisner, David" <david.eisner@treasury.gov>, "Lebryk, David" <david.lebryk@treasury.gov>
Cc: Lough Sunita B <sunita.b.lough@irs.gov>, "Corbin, Kenneth" <kenneth.c.corbin@irs.gov>
Date: Tue, 07 Apr 2020 19:05:44 -0400

Chuck

(b)(5) DP [redacted]

Thanks

Dave

From: Rettig Charles P <Charles.P.Rettig@irs.gov>
Sent: Tuesday, April 7, 2020 6:52 PM
To: Myers, Baylor <Baylor.Myers@treasury.gov>; Eisner, David <David.Eisner@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>
Cc: Rettig Charles P <Charles.P.Rettig@irs.gov>; Lough Sunita B <Sunita.B.Lough@irs.gov>; Corbin, Kenneth <kenneth.c.corbin@irs.gov>
Subject: Follow Up
Importance: High

Baylor, Dave and Dave – Working the three follow ups from this am.

(b)(5) DP [redacted]

(b)(5) DP [redacted]

Best,
Chuck

Charles P. Rettig | 202.317.7070 | charles.p.rettig@IRS.gov
Commissioner | Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20024
Cell: (b)(6) [redacted]

From: Baylor.Myers@treasury.gov <Baylor.Myers@treasury.gov>
Sent: Tuesday, April 7, 2020 9:53 AM
To: Rettig Charles P <Charles.P.Rettig@irs.gov>
Cc: David.Kautter@treasury.gov; David.Lebryk@treasury.gov; (b)(6) [redacted]@treasury.gov
Subject: Follow Up

Chuck — Thanks for the call this morning, please let us know when your team has follow up on (b)(5) DP [redacted] (b)(5) DP [redacted]

RE: Follow Up

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Myers, Baylor" <baylor.myers@treasury.gov>
Date: Tue, 07 Apr 2020 19:08:58 -0400

Thanks

(b)(5) DP [redacted]

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Tuesday, April 7, 2020 7:07 PM
To: (b)(6) [redacted]@treasury.gov>; (b)(6) [redacted]@treasury.gov>
Cc: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: Follow Up

Could we please find time for Rettig tomorrow (ideally in sync with the Kautter and Lebryk time)? Thanks!

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Tuesday, April 7, 2020 7:06 PM
To: 'Rettig Charles P' <Charles.P.Rettig@irs.gov>; Myers, Baylor <Baylor.Myers@treasury.gov>; Eisner, David <David.Eisner@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>
Cc: Lough Sunita B <Sunita.B.Lough@irs.gov>; Corbin, Kenneth <kenneth.c.corbin@irs.gov>
Subject: RE: Follow Up

Chuck

(b)(5) DP [redacted]

Thanks

Dave

From: Rettig Charles P <Charles.P.Rettig@irs.gov>
Sent: Tuesday, April 7, 2020 6:52 PM
To: Myers, Baylor <Baylor.Myers@treasury.gov>; Eisner, David <David.Eisner@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>
Cc: Rettig Charles P <Charles.P.Rettig@irs.gov>; Lough Sunita B <Sunita.B.Lough@irs.gov>; Corbin, Kenneth <kenneth.c.corbin@irs.gov>
Subject: Follow Up
Importance: High

Baylor, Dave and Dave – Working the three follow ups from this am.

(b)(5) DP [redacted]

(b)(5) DP

[redacted]

Best,
Chuck

Charles P. Rettig | 202.317.7070 | charles.p.rettig@IRS.gov
Commissioner | Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20024
Cell: (b)(6) [redacted]

From: Baylor.Myers@treasury.gov <Baylor.Myers@treasury.gov>
Sent: Tuesday, April 7, 2020 9:53 AM
To: Rettig Charles P <Charles.P.Rettig@irs.gov>
Cc: David.Kautter@treasury.gov; David.Lebryk@treasury.gov[redacted]@treasury.gov
Subject: Follow Up

Chuck — Thanks for the call this morning, please let us know when your team has follow up on [redacted].

Re: USPS

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: zollarswilliam(b)(6) [redacted] Roman Martinez (b)(6) [redacted]
Date: Tue, 07 Apr 2020 19:58:10 -0400

!!

From: zollarswilliam(b)(6) [redacted]
Date: April 7, 2020 at 6:30:49 PM EDT
To: Roman Martinez (b)(6) [redacted]
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: USPS

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Trump just mentioned at the Corona update that "they tell me we have put a couple of our people on the USPS board to help fix it"—— he must be talking about you, Roman, and me��. I'm told I'm ready to go.

Be safe,
Bill
Sent from my iPad

FW: Rettig/IRS Follow Up

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) [redacted]@treasury.gov>
Date: Wed, 08 Apr 2020 08:35:35 -0400

Can you please format and print this document so it prints out on one page?

Thanks

Dave

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Tuesday, April 7, 2020 7:29 PM
To: Secretary Mnuchin [redacted]
Cc: Kautter, David <David.Kautter@treasury.gov>; (b)(6) [redacted]@treasury.gov>
Subject: Rettig/IRS Follow Up
Importance: High

Please see below and attached from Rettig. He and the IRS team are available to discuss further in the morning:

From: Rettig Charles P <Charles.P.Rettig@irs.gov>
Date: April 7, 2020 at 6:51:44 PM EDT

Baylor, Dave and Dave – Working the three follow ups from this am.

(b)(5) DP [redacted]

(b)(5) DP [redacted]

Best,
Chuck

Charles P. Rettig | 202.317.7070 | charles.p.rettig@IRS.gov
Commissioner | Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20024
Cell: (b)(6) [redacted]

From: Baylor.Myers@treasury.gov <Baylor.Myers@treasury.gov>
Sent: Tuesday, April 7, 2020 9:53 AM
To: Rettig Charles P <Charles.P.Rettig@irs.gov>
Cc: David.Kautter@treasury.gov; David.Lebryk@treasury.gov; (b)(6) [redacted]@treasury.gov
Subject: Follow Up

Chuck — Thanks for the call this morning, please let us know when your team has follow up on (b)(5) DP [redacted]

(b)(5) DP [redacted]

FW: Excise Tax Delay ASA

From: "Hinson, Alex" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=1218b249aa8a43f9b69b29005eabf6fc-hinson, alex">
To: "Morgenstern, Brian" <brian.morgenstern@treasury.gov>
Cc: marshall_critchfield[redacted] (b)(6)
Date: Wed, 08 Apr 2020 16:18:40 -0400

Hey Brian,

Let me quickly introduce myself, I'm Alex Hinson, the new White House Liaison. I used to work at Interior and one of my good friends over there needs some help. Marshall Critchfield (CC'd) runs point on external partnerships for DOI and is working with the fishing industry on a couple of issues. I know he is eager to help them out with your support.

Thanks and I look forward to meeting you in person soon.

Alex Hinson

From: Critchfield, Marshall T [redacted] (b)(6)
Sent: Wednesday, April 8, 2020 4:09 PM
To: [redacted] (b)(6) @treasury.gov>
Subject: Excise Tax Delay ASA

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[redacted] (b)(6)
Nice to speak with you earlier, I'm glad to hear you're at Treasury.
Below is a note I received from ASA - one of Interiors most strategic external partners. Wanted to see if you could help get this in the right hands over there.
The tackle industry has taken a pretty big hit with the COVID-19 situation. Any relief would be a big help for some of our county's fishing manufacturers.
Keep me posted, congrats on your new position.
Marshall

From: Mike Leonard [redacted] (b)(6)
Sent: Tuesday, April 7, 2020 1:19 PM
To: Critchfield, Marshall T [redacted] (b)(6)
Cc: Glenn Hughes [redacted] (b)(6) [redacted] (b)(6)
Subject: [EXTERNAL] Excise Tax Delay

Hi Marshall – I hope you're doing well and staying safe. Wanted to see if you could run something by Sec. Bernhardt that would be a huge help to our industry.
As you may know, in response to the COVID-19 pandemic, the payment due date on the federal excise tax on firearms and ammunition was delayed for 90 days. However, that was done by the Alcohol and Tobacco Tax and Trade Bureau. Because they don't regulate the sportfishing industry, our excise tax wasn't included in the delay.
Yesterday, we sent a letter to the Treasury Department asking for a similar delay. The Archery Trade Association has done so as well. See the attached pdf for both requests.
We would greatly appreciate it if Sec. Bernhardt could reach out to Sec. Mnuchin and flag this request.
We are thankful for all that this Administration is doing to control the pandemic and support businesses, and are confident there'd be support for this request. However, with all that's going on, we're a little worried about it getting lost in the shuffle. A delay in the payment due date of the excise tax, which is next due at the end of the month, would be a huge help to fishing tackle manufacturers all across the country.

Best,
Mike Leonard

Mike Leonard
Vice President of Government Affairs
American Sportfishing Association
1001 N. Fairfax St., Suite 501
Alexandria, VA 22314
Office Phone: 703.519.9691 x230

Mobile Phone: [redacted]
Email : [redacted]
www.as[redacted] | www.[redacted]ericaFishing.org

Re: FOR APPROVAL: 13.3 Press Release for 4/9

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: "Crowley, Monica" <monica.crowley@treasury.gov>, Secretary Mnuchin [redacted]
Cc: (b)(6) [redacted]e@treasury.gov>, "Myers, Baylor" <baylor.myers@treasury.gov>
Date: Thu, 09 Apr 2020 06:28:17 -0400

(b)(5) DP [redacted]

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Date: April 8, 2020 at 11:27:35 PM EDT
To: Secretary Mnuchin [redacted]
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, (b)(6) [redacted]@treasury.gov>, Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: FOR APPROVAL: 13.3 Press Release for 4/9

Mr Secretary,

Please find the draft press release for the 13.3 announcement tomorrow attached and below. (b)(5) DP [redacted]

(b)(5) DP [redacted]

I am sending to you and Justin simultaneously given the late hour and time constraints. The Fed is planning to issue its release at 8:00am and will will issue ours immediately after. Please advise of edits or approval.

U.S. Department of the Treasury

Office of Public Affairs

UST_000953

Date: April 9, 2020

Contact: Treasury Public Affairs, (202) 622-2960

Treasury and Federal Reserve Board Announce Main Street and Municipal Lending Programs, and Expand Credit Facilities to Support American Workers and Businesses

(b)(5) DP

[redacted]

(b)(5) DP
[redacted]

For more information and Treasury Department updates on program implementation under the CARES Act, visit www.Treasury.gov/cares .

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Primary Market Corporate Credit Facility

Effective April 9, 2020[1]

Facility: The Primary Market Corporate Credit Facility ("Facility") will serve as a funding backstop for corporate debt issued by eligible issuers. Under the Facility, the Federal Reserve Bank of New York ("Reserve Bank") will commit to lend to a special purpose vehicle ("SPV") on a recourse basis. The SPV will (i) purchase qualifying bonds as the sole investor in a bond issuance; and (ii) purchase portions of syndicated loans or bonds at issuance. The Reserve Bank will be secured by all the assets of the SPV. The Department of the Treasury will make a $75 billion equity investment in the SPV to support both the Facility and the Secondary Market Corporate Credit Facility ("SMCCF"). The initial allocation of the equity will be $50 billion toward the Facility and $25 billion toward the SMCCF. The combined size of the Facility and the SMCCF will be up to $750 billion.

Eligible Assets:

Eligible corporate bonds as sole investor. The Facility may purchase eligible corporate bonds as the sole investor in a bond issuance. Eligible corporate bonds must meet each of the following criteria at the time of bond purchase by the Facility: (i) issued by an eligible issuer; and (ii) have a maturity of 4 years or less.

Eligible syndicated loans and bonds purchased at issuance. The Facility also may purchase portions of syndicated loans or bonds of eligible issuers at issuance. Eligible syndicated loans and bonds must meet each of the following criteria at the time of purchase by the Facility: (i) issued by an eligible issuer; and (ii) have a maturity of 4 years or less. The Facility may purchase no more than 25 percent of any loan syndication or bond issuance.

Eligible Issuers: To qualify as an eligible issuer, the issuer must satisfy the following conditions:

1. The issuer is a business that is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States.
2. The issuer was rated at least BBB-/Baa3 as of March 22, 2020, by a major nationally recognized statistical rating organization ("NRSRO"). If rated by multiple major NRSROs, the issuer must be rated at least BBB-/Baa3 by two or more NRSROs as of March 22, 2020.
    a. Issuers that were rated at least BBB-/Baa3 as of March 22, 2020, but are subsequently downgraded, must be rated at least BB-/Ba3 at the time the Facility makes a purchase. If rated by multiple major NRSROs, such issuers must be rated at least BB-/Ba3 by two or more NRSROs at the time the Facility makes a purchase.
    b. In every case, issuer ratings are subject to review by the Federal Reserve.
3. The issuer is not an insured depository institution or depository institution holding company, as such terms are defined in the Dodd-Frank Act.
4. The issuer has not received specific support pursuant to the CARES Act or any subsequent federal legislation.
5. The issuer must satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act.

[1] The Board of Governors of the Federal Reserve System ("Board") and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

Leverage: The Facility will leverage the Treasury equity at 10 to 1 when acquiring corporate bonds or syndicated loans from issuers that are investment grade at the time of purchase. The Facility will leverage its equity at 7 to 1 when acquiring any other type of eligible asset.

Limits per Issuer: Issuers may approach the Facility to refinance outstanding debt, from the period of three months ahead of the maturity date of such outstanding debt. Issuers may additionally approach the Facility at any time to issue additional debt, provided their rating is reaffirmed at BB-/Ba3 or above with the additional debt by each major NRSRO with a rating of the issuer. The maximum amount of outstanding bonds or loans of an eligible issuer that borrows from the Facility may not exceed 130 percent of the issuer's maximum outstanding bonds and loans on any day between March 22, 2019 and March 22, 2020.

The maximum amount of instruments that the Facility and the SMCCF combined will purchase with respect to any eligible issuer is capped at 1.5 percent of the combined potential size of the Facility and the SMCCF.

Pricing:

<u>Eligible corporate bonds</u>: Pricing will be issuer-specific, informed by market conditions, plus a 100 bps facility fee.

<u>Eligible syndicated loans and bonds</u>: The Facility will receive the same pricing as other syndicate members, plus a 100 bps facility fee on the Facility's share of the syndication.

Program Termination: The Facility will cease purchasing eligible assets no later than September 30, 2020, unless the Facility is extended by the Board of Governors of the Federal Reserve System and the Treasury Department. The Reserve Bank will continue to fund the Facility after such date until the Facility's holdings either mature or are sold.

Paycheck Protection Program Lending Facility Term Sheet

Effective Date of Term Sheet: April 9, 2020.[1]

Facility: The Paycheck Protection Program Lending Facility ("Facility"), authorized under section 13(3) of the Federal Reserve Act, is intended to facilitate lending by eligible borrowers to small businesses under the Paycheck Protection Program ("PPP Loans") of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Under the Facility, the Federal Reserve Banks ("Reserve Banks") will lend to eligible borrowers on a non-recourse basis, taking PPP Loans as collateral.

Eligible Borrowers: All depository institutions that originate PPP Loans are eligible to borrow under the Facility. The Board is working to expand eligibility to other lenders that originate PPP Loans in the near future.

Lending Reserve Bank: Eligible borrowers participate in the Facility through the Reserve Bank in whose District the eligible borrower is located. For depository institutions, see Regulation D, 12 CFR 204.3(g)(1)–(2), for determining location.

Eligible Collateral: Only PPP Loans guaranteed by the Small Business Administration ("SBA") are eligible to serve as collateral for the Facility.

Maturity and Acceleration of Maturity: The maturity date of an extension of credit under the Facility will equal the maturity date of the PPP Loan pledged to secure the extension of credit. The maturity date of the Facility's extension of credit will be accelerated if the underlying PPP Loan goes into default and the eligible borrower sells the PPP Loan to the SBA to realize on the SBA guarantee. The maturity date of the Facility's extension of credit also will be accelerated to the extent of any loan forgiveness reimbursement received by the eligible borrower from the SBA.

Rate: Extensions of credit under the Facility will be made at a rate of 35 basis points.

Fees: There are no fees associated with the Facility.

Collateral Valuation: PPP Loans pledged as collateral to secure extensions of credit under the Facility will be valued at the principal amount of the PPP Loan.

Principal Amount: The principal amount of an extension of credit under the Facility will be equal to the principal amount of the PPP Loan pledged as collateral to secure the extension of credit.

Non-Recourse: Extensions of credit under the Facility are made without recourse to the borrower.

Regulatory Capital Treatment: Under section 1102 of the CARES Act, a PPP Loan will be assigned a risk weight of zero percent under the risk-based capital rules of the federal banking agencies. On April 9, 2020, the Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation issued an interim final rule to allow banking organizations to neutralize the effect of PPP Loans financed under the Facility on leverage capital ratios.

Facility Termination Date: No new extensions of credit will be made under the Facility after September 30, 2020, unless the Board and the Department of the Treasury determine to extend the Facility.

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[1] The Board of Governors of the Federal Reserve System ("Board") and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

Municipal Liquidity Facility

Effective April 9, 2020[1]

Facility: The Municipal Liquidity Facility ("Facility"), which has been authorized under Section 13(3) of the Federal Reserve Act, will support lending to U.S. states and the District of Columbia (together, "States"), U.S. cities with a population exceeding one million residents[2] ("Cities"), and U.S. counties with a population exceeding two million residents[3] ("Counties"). Under the Facility, a Federal Reserve Bank ("Reserve Bank") will commit to lend to a special purpose vehicle ("SPV") on a recourse basis. The SPV will purchase Eligible Notes directly from Eligible Issuers at the time of issuance. The Reserve Bank will be secured by all the assets of the SPV. The Department of the Treasury, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act, will make an initial equity investment of $35 billion in the SPV in connection with the Facility. The SPV will have the ability to purchase up to $500 billion of Eligible Notes.

Eligible Notes: Eligible Notes are tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs), and other similar short-term notes issued by Eligible Issuers, provided that such notes mature no later than 24 months from the date of issuance. In each case, a note's eligibility is subject to review by the Federal Reserve. Relevant legal opinions and disclosures will be required as determined by the Federal Reserve prior to purchase.

Eligible Issuer: An Eligible Issuer is a State, City, or County (or an instrumentality thereof that issues on behalf of the State, City, or County for the purpose of managing its cash flows), in each case subject to review and approval by the Federal Reserve. Only one issuer per State, City, or County is eligible.

Limit per State, City, and County: The SPV may purchase Eligible Notes issued by or on behalf of a State, City, or County in one or more issuances of up to an aggregate amount of 20% of the general revenue from own sources and utility revenue of the applicable State, City, or County government for fiscal year 2017.[4] States may request that the SPV purchase Eligible Notes in excess of the applicable limit in order to assist political subdivisions and instrumentalities that are not eligible for the Facility.

Pricing: Pricing will be based on an Eligible Issuer's rating at the time of purchase with details to be provided later.

Origination Fee: Each Eligible Issuer that participates in the Facility must pay an origination fee equal to 10 basis points of the principal amount of the Eligible Issuer's notes purchased by the SPV. The origination fee may be paid from the proceeds of the issuance.

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[1] The Board of Governors of the Federal Reserve System ("Board") and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

[2] Source: U.S. Census Bureau, Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018, as of April 6, 2020 (https://www.census.gov/data/tables/time-series/demo/popest/2010s-total-cities-and-towns.html).

[3] Source: U.S. Census Bureau, "Population, Population Change, and Estimated Components of Population Change: April 1, 2010 to July 1, 2019 (CO-EST2019-alldata)" dataset as of April 6, 2020 (https://www.census.gov/data/datasets/time-series/demo/popest/2010s-counties-total.html#par_textimage_739801612.)

[4] Source: U.S. Census Bureau, 2017 State & Local Government Historical Datasets and Tables, as of April 6, 2020 (https://www.census.gov/data/datasets/2017/econ/local/public-use-datasets.html).

Call Right: Eligible Notes purchased by the SPV are callable by the Eligible Issuer at any time at par.

Eligible Use of Proceeds: An Eligible Issuer may use the proceeds of Eligible Notes purchased by the SPV to help manage the cash flow impact of income tax deferrals resulting from an extension of an income tax filing deadline; potential reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic; and requirements for the payment of principal and interest on obligations of the relevant State, City, or County. An Eligible Issuer may use the proceeds of the notes purchased by the SPV to purchase similar notes issued by, or otherwise to assist, political subdivisions and instrumentalities of the relevant State, City, or County for the purposes enumerated in the prior sentence.

Termination Date: The SPV will cease purchasing Eligible Notes on September 30, 2020, unless the Board and the Treasury Department extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV's underlying assets mature or are sold.

Secondary Market Corporate Credit Facility

Effective April 9, 2020[1]

Facility: Under the Secondary Market Corporate Credit Facility ("Facility"), the Federal Reserve Bank of New York ("Reserve Bank") will lend, on a recourse basis, to a special purpose vehicle ("SPV") that will purchase in the secondary market corporate debt issued by eligible issuers. The SPV will purchase in the secondary market eligible individual corporate bonds as well as eligible corporate bond portfolios in the form of exchange-traded funds ("ETFs"). The Reserve Bank will be secured by all the assets of the SPV. The Department of the Treasury will make a $75 billion equity investment in the SPV to support both the Facility and the Primary Market Corporate Credit Facility ("PMCCF"). The initial allocation of the equity will be $50 billion toward the PMCCF and $25 billion toward the Facility. The combined size of the Facility and the PMCCF will be up to $750 billion.

Eligible Assets:

Eligible Individual Corporate Bonds. The Facility may purchase corporate bonds that, at the time of purchase by the Facility: (i) were issued by an eligible issuer; (ii) have a remaining maturity of 5 years or less; and (iii) were sold to the Facility by an eligible seller.

Eligible ETFs. The Facility also may purchase U.S.-listed ETFs whose investment objective is to provide broad exposure to the market for U.S. corporate bonds. The preponderance of ETF holdings will be of ETFs whose primary investment objective is exposure to U.S. investment-grade corporate bonds, and the remainder will be in ETFs whose primary investment objective is exposure to U.S. high-yield corporate bonds.

Eligible Issuers for Individual Corporate Bonds: To qualify as an eligible issuer, the issuer must satisfy the following conditions:

1. The issuer is a business that is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States.
2. The issuer was rated at least BBB-/Baa3 as of March 22, 2020, by a major nationally recognized statistical rating organization ("NRSRO"). If rated by multiple major NRSROs, the issuer must be rated at least BBB-/Baa3 by two or more NRSROs as of March 22, 2020.
    a. An issuer that was rated at least BBB-/Baa3 as of March 22, 2020, but was subsequently downgraded, must be rated at least BB-/Ba3 as of the date on which the Facility makes a purchase. If rated by multiple major NRSROs, such an issuer must be rated at least BB-/Ba3 by two or more NRSROs at the time the Facility makes a purchase.
3. The issuer is not an insured depository institution or depository institution holding company, as such terms are defined in the Dodd-Frank Act.
4. The issuer has not received specific support pursuant to the CARES Act or any subsequent federal legislation.
5. The issuer must satisfy the conflicts of interest requirements of section 4019 of the CARES Act.

Leverage: The Facility will leverage the Treasury equity at 10 to 1 when acquiring corporate bonds from issuers that are investment grade at the time of purchase and when acquiring ETFs whose primary investment objective is exposure to U.S. investment-grade corporate bonds. The Facility will leverage its

[1] The Board of Governors of the Federal Reserve System ("Board") and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

equity at 7 to 1 when acquiring corporate bonds from issuers that are rated below investment grade at the time of purchase and in a range between 3 to 1 and 7 to 1, depending on risk, when acquiring any other type of eligible asset.

Eligible Seller: Each institution from which the Facility purchases securities must be a business that is created or organized in the United States or under the laws of the United States with significant U.S. operations and a majority of U.S.-based employees. The institution also must satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act.

Limits per Issuer/ETF: The maximum amount of instruments that the Facility and the PMCCF combined will purchase with respect to any eligible issuer is capped at 1.5 percent of the combined potential size of the Facility and the PMCCF. The maximum amount of bonds that the Facility will purchase from the secondary market of any eligible issuer is also capped at 10 percent of the issuer's maximum bonds outstanding on any day between March 22, 2019 and March 22, 2020. The Facility will not purchase shares of a particular ETF if after such purchase the Facility would hold more than 20 percent of that ETF's outstanding shares.

Pricing: The Facility will purchase eligible corporate bonds at fair market value in the secondary market. The Facility will avoid purchasing shares of eligible ETFs when they trade at prices that materially exceed the estimated net asset value of the underlying portfolio.

Program Termination: The Facility will cease purchasing eligible corporate bonds and eligible ETFs no later than September 30, 2020, unless the Facility is extended by the Board of Governors of the Federal Reserve System and the Treasury Department. The Reserve Bank will continue to fund the Facility after such date until the Facility's holdings either mature or are sold.

Term Asset-Backed Securities Loan Facility

Effective April 9, 2020[1]

Facility: The TALF is a credit facility authorized under section 13(3) of the Federal Reserve Act intended to help meet the credit needs of consumers and businesses by facilitating the issuance of asset-backed securities ("ABS") and improving the market conditions for ABS more generally. The TALF will serve as a funding backstop to facilitate the issuance of eligible ABS on or after March 23, 2020.

Under the TALF, the Federal Reserve Bank of New York ("Reserve Bank") will commit to lend to a special purpose vehicle ("SPV") on a recourse basis. The Department of the Treasury will make an equity investment of $10 billion in the SPV, as described below.

The TALF SPV initially will make up to $100 billion of loans available. The loans will have a term of three years; will be nonrecourse to the borrower; and will be fully secured by eligible ABS.

Eligible Borrowers: All U.S. companies that own eligible collateral and maintain an account relationship with a primary dealer are eligible to borrow under the TALF. For the purpose of this document, a U.S. company is defined as a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States.

Eligible Collateral: Eligible collateral includes U.S. dollar denominated cash (that is, not synthetic) ABS that have a credit rating in the highest long-term or, in the case of non-mortgage backed ABS, the highest short-term investment-grade rating category from at least two eligible nationally recognized statistical rating organizations ("NRSROs") and do not have a credit rating below the highest investment-grade rating category from an eligible NRSRO. All or substantially all of the credit exposures underlying eligible ABS must have been originated by a U.S. company, and the issuer of eligible collateral must be a U.S. company. With the exception of commercial mortgage-backed securities ("CMBS"), eligible ABS must be issued on or after March 23, 2020. CMBS issued on or after March 23, 2020, will not be eligible. For CMBS, the underlying credit exposures must be to real property located in the United States or one of its territories.

Eligible collateral must be ABS where the underlying credit exposures are one of the following:

1) Auto loans and leases;
2) Student loans;
3) Credit card receivables (both consumer and corporate);
4) Equipment loans and leases;
5) Floorplan loans;
6) Insurance premium finance loans;
7) Certain small business loans that are guaranteed by the Small Business Administration;
8) Leveraged loans; or
9) Commercial mortgages.[2]

Eligible collateral will not include ABS that bear interest payments that step up or step down to predetermined levels on specific dates. In addition, the underlying credit exposures of eligible collateral must not include exposures that are themselves cash ABS or synthetic ABS.

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[1] The Board of Governors of the Federal Reserve System ("Board") and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

[2] The detailed terms and conditions will further define the eligible underlying credit exposures for purposes of the TALF. The definitions are expected to be broadly consistent with the defined terms used for purposes of the TALF established in 2008.

To be eligible collateral, all or substantially all of the underlying credit exposures must be newly issued, except for legacy CMBS.

The feasibility of adding other asset classes to the facility or expanding the scope of existing asset classes will be considered in the future.

Conflicts of interest: Eligible borrowers and issuers of eligible collateral will be subject to the conflicts of interest requirements of section 4019 of the CARES Act.

Restriction on single-asset single-borrower ("SASB") CMBS and commercial real estate collateralized loan obligations ("CRE CLOs"): SASB CMBS and CRE CLOs will not be eligible collateral.

Restrictions on CLO loan substitution: Only static CLOs will be eligible collateral.

Collateral Valuation: Haircut schedule is below. The haircut schedule is consistent with the haircut scheduled used for the TALF established in 2008.

Pricing: For CLOs, the interest rate will be 150 basis points over the 30-day average secured overnight financing rate ("SOFR"). For SBA Pool Certificates (7(a) loans), the interest rate will be the top of the federal funds target range plus 75 basis points. For SBA Development Company Participation Certificates (504 loans), the interest rate will be 75 basis points over the 3-year fed funds overnight index swap ("OIS") rate.

For all other eligible ABS with underlying credit exposures that do not have a government guarantee, the interest rate will be 125 basis points over the 2-year OIS rate for securities with a weighted average life less than two years, or 125 basis points over the 3-year OIS rate for securities with a weighted average life of two years or greater. The pricing for other eligible ABS will be set forth in the detailed terms and conditions.

Fees: The SPV will assess an administrative fee equal to 10 basis points of the loan amount on the settlement date for collateral.

Maturity: Each loan provided under this facility will have a maturity of three years.

Investment by the Department of the Treasury: The Department of the Treasury, using the Exchange Stabilization Fund, will make an equity investment of $10 billion in the SPV.

Non-Recourse: Loans made under the TALF are made without recourse to the borrower, provided the requirements of the TALF are met.

Prepayment: Loans made under the TALF will be pre-payable in whole or in part at the option of the borrower, but substitution of collateral during the term of the loan generally will not be allowed.

Program Termination: No new credit extensions will be made after September 30, 2020, unless the TALF is extended by the Board of Governors of the Federal Reserve System and the Department of the Treasury.

Other Terms and Conditions: More detailed terms and conditions will be provided at a later date, primarily based off of the terms and conditions used for the 2008 TALF. In addition, the Federal Reserve reserves the right to review and make adjustments to these terms and conditions – including size of program, pricing, loan maturity, collateral haircuts, and asset and borrower eligibility requirements – consistent with the policy objectives of the TALF.

Haircut Schedule:

Sector	Subsector	ABS Average Life (years)* 0-<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7
Auto	Prime retail lease	10%	11%	12%	13%	14%		
Auto	Prime retail loan	6%	7%	8%	9%	10%		
Auto	Subprime retail loan	9%	10%	11%	12%	13%		
Auto	Motorcycle/ other recreational vehicles	7%	8%	9%	10%	11%		
Auto	Commercial and government fleets	9%	10%	11%	12%	13%		
Auto	Rental fleets	12%	13%	14%	15%	16%		
Credit Card	Prime	5%	5%	6%	7%	8%		
Credit Card	Subprime	6%	7%	8%	9%	10%		
Equipment	Loans and Leases	5%	6%	7%	8%	9%		
Floorplan	Auto	12%	13%	14%	15%	16%		
Floorplan	Non-Auto	11%	12%	13%	14%	15%		
Premium Finance	Property and casualty	5%	6%	7%	8%	9%		
Small Business	SBA Loans	5%	5%	5%	5%	5%	6%	6%
Student Loan	Private	8%	9%	10%	11%	12%	13%	14%
Leveraged Loans	Static	20%	20%	20%	20%	20%	21%	22%
Commercial Mortgages	Legacy, Conduit	15%	15%	15%	15%	15%	16%	17%

* For auto, credit card, equipment, floorplan, and premium finance ABS, the weighted average life must be five years or less. For other new-issue eligible collateral, haircuts will increase by one percentage point for each additional year (or portion thereof) of average life beyond five years. For legacy CMBS with average lives beyond five years, base dollar haircuts will increase by one percentage point of par for each additional year (or portion thereof) of average life beyond five years. No securitization may have an average life beyond ten years.

Main Street New Loan Facility

Effective April 9, 2020[1]

Program: The Main Street New Loan Facility ("Facility"), which has been authorized under section 13(3) of the Federal Reserve Act, is intended to facilitate lending to small and medium-sized businesses by Eligible Lenders. Under the Facility and the Main Street Expanded Loan Facility ("MSELF"), a Federal Reserve Bank ("Reserve Bank") will commit to lend to a single common special purpose vehicle ("SPV") on a recourse basis. The SPV will purchase 95% participations in Eligible Loans from Eligible Lenders. Eligible Lenders would retain 5% of each Eligible Loan. The Department of the Treasury, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), will make a $75 billion equity investment in the single common SPV in connection with the Facility and the MSELF. The combined size of the Facility and the MSELF will be up to $600 billion.

Eligible Lenders: Eligible Lenders are U.S. insured depository institutions, U.S. bank holding companies, and U.S. savings and loan holding companies.

Eligible Borrowers: Eligible Borrowers are businesses with up to 10,000 employees or up to $2.5 billion in 2019 annual revenues. Each Eligible Borrower must be a business that is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States. Eligible Borrowers that participate in the Facility may not also participate in the MSELF or the Primary Market Corporate Credit Facility.

Eligible Loans: An Eligible Loan is an unsecured term loan made by an Eligible Lender(s) to an Eligible Borrower that was originated on or after April 8, 2020, provided that the loan has the following features:

1. 4 year maturity;
2. Amortization of principal and interest deferred for one year;
3. Adjustable rate of SOFR + 250-400 basis points;
4. Minimum loan size of $1 million;
5. Maximum loan size that is the lesser of (i) $25 million or (ii) an amount that, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed four times the Eligible Borrower's 2019 earnings before interest, taxes, depreciation, and amortization ("EBITDA"); and
6. Prepayment permitted without penalty.

Loan Participations: The SPV will purchase a 95% participation in an Eligible Loan at par value, and the Eligible Lender will retain 5% of the Eligible Loan. The SPV and the Eligible Lender will share risk on a pari passu basis.

Required Attestations: In addition to certifications required by applicable statutes and regulations, the following attestations will be required with respect to each Eligible Loan:

- The Eligible Lender must attest that the proceeds of the Eligible Loan will not be used to repay or refinance pre-existing loans or lines of credit made by the Eligible Lender to the Eligible Borrower.

- The Eligible Borrower must commit to refrain from using the proceeds of the Eligible Loan to repay other loan balances. The Eligible Borrower must commit to refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless the Eligible Borrower has first repaid the Eligible Loan in full.

[1] The Board of Governors of the Federal Reserve System ("Board") and Secretary of the Treasury may make adjustments to the terms and conditions described in this term sheet. Any changes will be announced on the Board's website.

- The Eligible Lender must attest that it will not cancel or reduce any existing lines of credit outstanding to the Eligible Borrower. The Eligible Borrower must attest that it will not seek to cancel or reduce any of its outstanding lines of credit with the Eligible Lender or any other lender.

- The Eligible Borrower must attest that it requires financing due to the exigent circumstances presented by the coronavirus disease 2019 ("COVID-19") pandemic, and that, using the proceeds of the Eligible Loan, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the Eligible Loan.

- The Eligible Borrower must attest that it meets the EBITDA leverage condition stated in section 5(ii) of the paragraph above specifying required features of Eligible Loans.

- The Eligible Borrower must attest that it will follow compensation, stock repurchase, and capital distribution restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act.

- Eligible Lenders and Eligible Borrowers will each be required to certify that the entity is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.

Facility Fee: An Eligible Lender will pay the SPV a facility fee of 100 basis points of the principal amount of the loan participation purchased by the SPV. The Eligible Lender may require the Eligible Borrower to pay this fee.

Loan Origination and Servicing: An Eligible Borrower will pay an Eligible Lender an origination fee of 100 basis points of the principal amount of the Eligible Loan. The SPV will pay an Eligible Lender 25 basis points of the principal amount of its participation in the Eligible Loan per annum for loan servicing.

Facility Termination: The SPV will cease purchasing participations in Eligible Loans on September 30, 2020, unless the Board and the Treasury Department extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV's underlying assets mature or are sold.

Main Street Expanded Loan Facility

Effective April 9, 2020[1]

Program: The Main Street Expanded Loan Facility ("Facility"), which has been authorized under section 13(3) of the Federal Reserve Act, is intended to facilitate lending to small and medium-sized businesses by Eligible Lenders. Under the Facility and the Main Street New Loan Facility ("MSNLF"), a Federal Reserve Bank ("Reserve Bank") will commit to lend to a single common special purpose vehicle ("SPV") on a recourse basis. The SPV will purchase 95% participations in the upsized tranche of Eligible Loans from Eligible Lenders. Eligible Lenders would retain 5% of the upsized tranche of each Eligible Loan. The Department of the Treasury, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), will make a $75 billion equity investment in the single common SPV in connection with the Facility and the MSNLF. The combined size of the Facility and the MSNLF will be up to $600 billion.

Eligible Lenders: Eligible Lenders are U.S. insured depository institutions, U.S. bank holding companies, and U.S. savings and loan holding companies.

Eligible Borrowers: Eligible Borrowers are businesses with up to 10,000 employees or up to $2.5 billion in 2019 annual revenues. Each Eligible Borrower must be a business that is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States. Eligible Borrowers that participate in the Facility may not also participate in the MSNLF or the Primary Market Corporate Credit Facility.

Eligible Loans: An Eligible Loan is a term loan made by an Eligible Lender(s) to an Eligible Borrower that was originated before April 8, 2020, provided that the upsized tranche of the loan has the following features:

1. 4 year maturity;
2. Amortization of principal and interest deferred for one year;
3. Adjustable rate of SOFR + 250-400 basis points;
4. Minimum loan size of $1 million;
5. Maximum loan size that is the lesser of (i) $150 million, (ii) 30% of the Eligible Borrower's existing outstanding and committed but undrawn bank debt, or (iii) an amount that, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed six times the Eligible Borrower's 2019 earnings before interest, taxes, depreciation, and amortization ("EBITDA"); and
6. Prepayment permitted without penalty.

Loan Participations: The SPV will purchase a 95% participation in the upsized tranche of the Eligible Loan, provided that it is upsized on or after April 8, 2020, at par value. The SPV and the Eligible Lender will share risk in the upsized tranche on a pari passu basis. Any collateral securing an Eligible Loan, whether such collateral was pledged under the original terms of the Eligible Loan or at the time of upsizing, will secure the loan participation on a pro rata basis.

Required Attestations: In addition to certifications required by applicable statutes and regulations, the following attestations will be required with respect to the upsized tranche of each Eligible Loan:

- The Eligible Lender must attest that the proceeds of the upsized tranche of the Eligible Loan will not be used to repay or refinance pre-existing loans or lines of credit made by the Eligible Lender to the Eligible Borrower, including the pre-existing portion of the Eligible Loan.

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- The Eligible Borrower must commit to refrain from using the proceeds of the upsized tranche of the Eligible Loan to repay other loan balances. The Eligible Borrower must commit to refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless the Eligible Borrower has first repaid the Eligible Loan in full.
- The Eligible Lender must attest that it will not cancel or reduce any existing lines of credit outstanding to the Eligible Borrower. The Eligible Borrower must attest that it will not seek to cancel or reduce any of its outstanding lines of credit with the Eligible Lender or any other lender.
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Loan Upsizing and Servicing: An Eligible Borrower will pay an Eligible Lender a fee of 100 basis points of the principal amount of the upsized tranche of the Eligible Loan at the time of upsizing. The SPV will pay an Eligible Lender 25 basis points of the principal amount of its participation in the upsized tranche of the Eligible Loan per annum for loan servicing.

Facility Termination: The SPV will cease purchasing participations in Eligible Loans on September 30, 2020, unless the Board and the Treasury Department extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV's underlying assets mature or are sold.

Fwd: TNT: Congress Asked to Clarify Tax Deductibility of PPP Loan Proceeds

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Thu, 09 Apr 2020 09:33:03 -0400

From: Warren, Mark (Finance) Senate email
Date: April 9, 2020 at 9:17:51 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>, Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>
Subject: TNT: Congress Asked to Clarify Tax Deductibility of PPP Loan Proceeds

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Next issue. I'm already getting questions this morning. The hit parade continues.

Happy to discuss when needed.

Mark

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Congress Asked to Clarify Tax Deductibility of PPP Loan Proceeds

Posted on Apr. 9, 2020

By

Eric Yauch

Contact Author

Congress is considering expanding the new loan program aimed at keeping workers employed during the coronavirus pandemic, but analysts warn that legislation on that front needs to address the tax treatment of loan proceeds used for expenses.

The expenses that Paycheck Protection Program (PPP) loan proceeds must cover to be forgivable would normally be deductible in virtually all cases under sections 162 and 163, but it is unclear whether the tax-exempt nature of the loan forgiveness functions to deny those deductions, Cornell University law professor Richard L. Reinhold said in an April 8 letter to Treasury.

"Whether such amounts should be tax-deductible is a policy question that I express no view on," Reinhold said. "However, if the intention is to afford a deduction for these amounts, I believe that needs to be written in the legislation."

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), which was signed into law March 27, gave employers options for how to keep paying their workers during the pandemic. Those options include the PPP and an employee retention credit that provides a fully refundable credit against the employer's portion of payroll taxes, but only $10,000 in wages per employee can be counted for all calendar quarters, and the credit is capped at $5,000 per employee.

Employers must forgo that credit if they want to apply for a PPP loan. The CARES Act modified section 7(a) of the Small Business Act (SBA) to create the program. Employers must jump through several hoops to qualify for the loan, but if they do qualify and a specific portion of the proceeds are used to fund payroll costs over the eight-week period after receiving the loan, it will be forgiven on a tax-free basis.

Answers Needed

But practitioners aren't sure whether the proceeds used to fund payroll costs and other items such as rent and mortgage interest expenses are deductible.

The issue stems from section 265(a)(1) and common law principles, which operate to deny deductions in specific circumstances, Reinhold pointed out.

"The rationale for these limitations is straightforward: to receive an amount tax-free and then expend the amount in tax-deductible fashion means the taxpayer has no economic cost but rather a tax benefit equal to the product of the tax rate and the amount received and paid," Reinhold said. "In other words, the loan provides the taxpayer not only with liquidity to fund expenses but also a tax subsidy."

Edward K. Zollars of Thomas, Zollars & Lynch Ltd. said the issue of deductibility came to mind right out of the gate.

"I've had concerns about section 265 and the potential lack of deductibility of the expenses used to justify the cancellation of a PPP debt since the law passed," Zollars said.

Zollars noted that the CARES Act didn't create an exclusion under section 108, which deals with the tax treatment of loan forgiveness. Section 108 doesn't deny deductions immediately, but generally reduces carryovers and basis — and thus indirectly denies future deductions to offset the exclusion — for most of the section 108 categories, he said.

"Did [Congress] do that because they wanted to avoid any negative tax consequence of the cancellation due to COVID-19?" Zollars asked. "Or did they do it to expose the expenses to the general rule of section 265?"

Reinhold pointed to Rev. Rul. 83-3, 1983-1 C.B. 72, which states that the purpose of section 265 is to "prevent a double tax benefit," and also cited *Manocchio v. Commissioner*, 78 T.C. 989 (1982), which was affirmed by the Ninth Circuit for support, albeit on different grounds. In *Manocchio* , an airline pilot paid for flight instructions that were 90 percent reimbursed under a federal program, and the reimbursed amounts weren't subject to tax. According to the Tax Court, those reimbursed expenses weren't deductible under then section 265(1), Reinhold said.

And for corporate taxpayers, section 362(c)(2) appears to require a basis reduction when a PPP loan is forgiven, Reinhold said. Under the Tax Cuts and Jobs Act, section 118(b)(2) no longer treats a non-shareholder capital contribution by a government entity as excludable, but there was no change to section 362(c), he said.

"For clarity I'm assuming 1) the contribution would be deemed to flow from the government by reason of the SBA guarantees of the PPP loans and 2) the contribution would be regarded as a contribution of money," Reinhold said. "On the basis of those assumptions, it seems appropriate to regard the forgiveness as a non-shareholder contribution in the absence of another plausible characterization, with resulting tax basis reduction."

Other Issues

Adam Sweet of Eide Bailly LLP said another question is how the PPP loan debt is treated for tax purposes.

"For instance, if a partnership incurs the PPP loan and the loan is forgiven, does that loan represent true tax indebtedness for the period it is on the partnership's books, which would give rise to tax basis for the partners and allow for a possible deduction?" Sweet asked.

When the partnership incurs the debt, there's no guarantee that it will be forgiven in whole or in part, so one theory is that the expenses are deductible because the debt basis is a real section 752 liability recognized for tax purposes, Sweet said.

"Of course, at-risk limitations could apply as well due to the nonrecourse nature of the loan," Sweet added.

But then the question is what happens if and when the debt is forgiven, Sweet said.

"We know there is no cancellation of indebtedness income to recapture previous expenses," Sweet said. "Does the forgiven loan also jeopardize the previous deductions?"

The language of the CARES Act doesn't answer those questions.

FW: Latest Press Release

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Thu, 09 Apr 2020 13:13:00 -0400
Attachments: Draft Notice 2020-23 granting broad disaster relief-j.docx (34.03 kB)

Is this the latest version?

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Thursday, April 9, 2020 1:05 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc (b)(6) [redacted]@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: FW: Latest Press Release

Kautter – could you (b)(5) DP [redacted]

From (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>
Sent: Thursday, April 9, 2020 12:48 PM
To: Myers, Baylor <Baylor.Myers@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: RE: Latest Press Release

(b)(5) DP [redacted]

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Thursday, April 9, 2020 12:44 PM
To: Kautter, David <David.Kautter@treasury.gov>; (b)(6) [redacted]
<(b)(6) [redacted]reasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: FW: Latest Press Release

(b)(5) DP [redacted]

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Thursday, April 9, 2020 9:27 AM
To: Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: FW: Latest Press Release

Baylor

Here is what I gave the Secretary.

Thanks

Dave

Fwd: WSJ: Multibillion-Dollar Tax Muddle Hovers Behind Small-Business Loan Program

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Sun, 12 Apr 2020 15:20:25 -0400

Fyi

From: Warren, Mark (Finance) <Mark_Warren@finance.senate.gov>
Date: April 12, 2020 at 11:52:51 AM EDT
To: Kautter, David <David.Kautter@treasury.gov>, Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>
Subject: WSJ: Multibillion-Dollar Tax Muddle Hovers Behind Small-Business Loan Program

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You both probably saw this. I'm hopeful we can find a way to resolve.
Thank you for all you are doing.
Mark
***

Multibillion-Dollar Tax Muddle Hovers Behind Small-Business Loan Program

Tax experts say Congress should clarify whether expenses tied to loan forgiveness are deductible

People lining up late last month at the Arkansas Workforce Center in Fayetteville, Ark.

Photo: JT Wampler/Associated Press
By
Richard Rubin
April 11, 2020 7:00 am ET

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9

WASHINGTON—A tax ambiguity that could amount to tens of billions of dollars or more is lurking in the small-business loan forgiveness program the government is using to combat the economic impact of the coronavirus pandemic.

The relief law passed by Congress last month created the $350 billion Paycheck Protection Program, designed to fill small businesses' revenue holes during the crisis and encourage them to keep workers on their payrolls. The loans can be forgiven if companies use the money for payroll, rent and other expenses. Though the money is just starting to go out to businesses now, the crucial tax consequences at the end of the loan forgiveness are murky.

"We have yet another source of confusion for beleaguered employers who are trying to figure out what to do," said Marty Sullivan, chief economist at Tax Analysts, the nonprofit publisher of Tax Notes.

The new law clearly states—contrary to typical tax law—that forgiven debt won't be counted as taxable income. But the law says nothing about whether those ordinary expenses for salaries and other costs still trigger deductions like they normally do.

If they don't yield deductions, then the program is basically a wash from a tax perspective, which limits the potential value of the program. Tax-free income comes in, nondeductible expenses go out, and businesses pay taxes only on the revenues and expenses outside the loan forgiveness program. The forgiveness would still give a significant boost to struggling firms and help them survive.

But if businesses can deduct those expenses, then the program contains a benefit much more powerful than the loan forgiveness alone. Tax-free income comes in and deductible expenses go out. Those deductions could offset other income from the business or other income generated by the business owners. Even if that leads to businesses reporting tax losses now, they can use other provisions of the new law to use those losses against prior years' profits and claim refunds.

In this case, someone who gets $50,000 of loan forgiveness to cover $50,000 of deductible expenses would have no income and $50,000 of deductions. At a 22% tax rate, that is worth $11,000.

"The bottom line is they're going to have to clarify this and clarify it very quickly," said Tony Nitti, an accountant at RubinBrown LLP. "People need to know that information now that are borrowing."

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The Senate Finance Committee is aware of the questions about deductibility, committee spokesman Michael Zona said, adding that the goal of the law is to provide as much liquidity to businesses as possible. He said the Finance Committee, which handles tax policy, is working with the Senate Small Business and Entrepreneurship Committee, the Small Business Administration and the Treasury Department on this and other implementation issues.

The result isn't a small, technical tax matter.

On a $350 billion program—one lawmakers are considering expanding to about $600 billion—the value of deductions is the size of the loan forgiveness multiplied by the tax rate of the business owners. If the program expands, that could easily top $100 billion.

It isn't precisely clear what Congress intended. On one hand, lawmakers explicitly made the loan forgiveness tax-free, suggesting they were trying to confer a benefit on small-business borrowers.

But Congress didn't turn off Section 265 of the tax code, which generally disallows deductions associated with tax-free income. Richard Reinhold, who teaches tax law at Cornell University, brought this issue to the administration's attention earlier this week, according to Tax Notes.

In other cases, Congress has encouraged such a double benefit; religious leaders who receive tax-free housing allowances can still deduct their mortgage interest and property taxes under an exception to the normal rules.

The Treasury Department and the Internal Revenue Service could try to write administrative rules that would offer guidance on the deductions but it would be easiest if Congress addresses this in future rounds of legislation, said Tom West, a former Treasury Department official now at KPMG LLP.

"It would be very helpful to have a clear uniform treatment for this forgiveness," he said.

Making the loan forgiveness tax-free without allowing the deductions almost defeats its purpose, because it yields the same basic result as making the loan forgiveness taxable and allowing the deductions. That suggests that Congress may have intended to allow deductions against tax-free income, but tax experts say they can't be sure without further clarification from the government.

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Spokespersons for Treasury and the IRS didn't comment.

In the meantime, Robert Kihm, an accountant in Centennial, Colo., isn't sure what to do. First, he told his small-business clients they could get loan forgiveness and the tax deductions. Now, he isn't so certain.

"They've thrown this out there without any regulations or any advice or anything we can use," he said. "It's maddening to us tax preparers trying to do the right thing for our clients."

Write to Richard Rubin at richard.rubin@wsj.com

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Fwd: Capstone Policymaker and Investor Forum Invitation

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: [redacted]@treasury.gov>
Date: Sun, 12 Apr 2020 20:33:20 -0400

Let's discuss

From: Jessica Pierce [redacted]
Date: April 12, 2020 at [redacted]
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: Capstone Policymaker and Investor Forum Invitation

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good evening, Mr. Muzinich

I hope this message finds you well during this hectic and difficult time. My name is Jessica Pierce and I am a Vice President of Industry Relations and Corporate Access at Capstone, a policy analysis firm for institutional investors, here in D.C. I know that our group has reached out to you previously in hopes that you would meet with some of our clients on issues such as GSE's but tonight I am reaching out in a different manner. I have attached a formal letter of invitation inviting you to join an exclusive virtual roundtable Capstone will be hosting to discuss the economic impact of COVID-19 and the upcoming legislative response between key house members and elite members of the investment community. Your participation (or a member of your staff) would provide the perspective of the White House and give you the opportunity to have a dialogue with some of the most important people driving the U.S. economy. We greatly wish for you to participate and will be most amenable to and date that works for your schedule should you be unavailable at the requested date.

Happy Easter weekend and all the best to you and your family.

Jessica

CAPSTONE

Jessica Pierce Vice President
Capstone LLC | 1400 Eye Street Northwest | Washington, DC
D: 202-813-9590
E: [redacted]https://hyperlink.services.treasury.gov/agency.do?origin=www.capstonedc.com

Fwd: Invitation from Eurasia Group

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: (b)(6) [redacted]@treasury.gov>
Date: Mon, 13 Apr 2020 15:32:42 -0400

To discuss

From: Lieber, Jon <Lieber@eurasiagroup.net>
Date: April 13, 2020 at 3:23:25 PM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury[redacted]
Cc: Griffin, Pat <Patricia.Griffin@treasury.gov> (b)(6) [redacted]@treasury.gov>
Subject: Invitation from Eurasia Group

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Justin –

Howdy. We met at Jay Khosla's farewell party in the Senate a few weeks back, when coronavirus was still something that happened to other people.

I wanted to extend an invitation to join a conference call series hosted by our president, Ian Bremmer.

The calls are a chance for policymakers like yourself to speak directly to global investors and corporate executives who are eager to hear your insights on the economy, coronavirus, and policy in general: recent participants include Larry Summers, the former Prime Minister of Australia, and the current Treasury Secretary of Brazil.

I'm sure you have plenty on your hands at the moment, but I thought in the absence of any actual gatherings a venue like this might be a great opportunity to communicate directly with some of the world's biggest asset managers and corporate decision makers.

Happy to provide further details and if it is agreeable, we can definitely accommodate your schedule.

Thanks for considering, and hope you are weathering this storm ok. If it doesn't work I hope we can connect another time.

--
Jon Lieber | Managing Director, United States
Eurasia Group | +1 202 550 2212

RE: Just checking back in —> Re: $500 billion fund oversight board

From: (b)(6) [redacted]<"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=1218b249aa8a43f9b69b29005eabf6fc(b)(6) [redacted]
To: "Myers, Baylor" <baylor.myers@treasury.gov>, (b)(6) [redacted]@treasury.gov>
Date: Tue, 14 Apr 2020 08:51:41 -0400

Yes of course.

From: Myers, Baylor <Baylor.Myers@treasury.gov>
Sent: Tuesday, April 14, 2020 8:51 AM
To: (b)(6) [redacted]@treasury.gov>; (b)(6) [redacted]@treasury.gov>
Subject: FW: Just checking back in —> Re: $500 billion fund oversight board

Alex – could you please take over as point of contact? She's very interested in Treasury, but we haven't had a fit yet.

From: Sery Kim (b)(6) [redacted]
Sent: Tuesday, April 14, 2020 8:49 AM
Cc: Myers, Baylor <Baylor.Myers@treasury.gov>
Subject: Re: Just checking back in —> Re: $500 billion fund oversight board

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hey there Baylor! I know you must be swamped but I wanted to circle back to see how I can be helpful. If you even need private sector volunteers, I'd love to help from the outside. Let me know!

Best,
Sery

On Mon, Apr 6, 2020 at 5:58 AM Sery Kim (b)(6) [redacted]> wrote:

> Good Morning!
>
> Just wanted to check back in regarding Treasury. I am still in DC and happy to help (though I know this particular role is filled, I hear there are other openings)!
>
> Best,
> Sery
>
> Sent from my iPhone
>
> > On Mar 26, 2020, at 11:36 AM, Sery Kim (b)(6) [redacted]> wrote:
> >
> > Hi Jackson, good morning! I just wanted to make sure you received the information below. I am safely to Washington, D.C. and am happy to come in anytime it is convenient.
> >
> > Thank you!
> > Sery
> >
> > On Wed, Mar 25, 2020 at 8:09 AM Sery Kim (b)(6) [redacted] wrote:
> >
> > > Certainly. Listed below!
> > >
> > > - ***NO TRAVEL TO NEW YORK CITY in all of 2020 **Last time traveled to NYC was in July 2019**** (For the Mueller report all day analysis, at the Fox News Headquarters desk: https://hyperlink.services.treasury.gov/agency.do?origin=https://www.youtube.com/watch?v=u3-JPkHCMuQ
> > > - ***NO INTERNATIONAL TRAVEL SINCE OCTOBER/NOVEMBER 2019***

- October 2019 went to Patagonia Camp in the southern most point of Chile where there are NO CASES OF CORONAVIRUS AT ALL
- November 2019 went to San Miguel de Allende where there are also NO CORONAVIRUS AT ALL

- ***2020 DOMESTIC TRAVEL:***
  - January 1 - 3, 2020: Washington, D.C.
  - January 3 - 5, 2020: Inn at Perry Cabin, St. Michaels, Maryland
  - January 6 - 17, 2020: Coppell, Texas (home) **NO CASES OF CORONAVIRUS AT ALL**
  - January 18 - 26, 2020: Washington, D.C. (specifically Alexandria, VA)
  - January 27 - February 12, 2020: Coppell, Texas
  - February 12 - February 21, 2020: Washington, D.C. (specifically Alexandria, VA)
  - February 22 - February 25, 2020: Coppell, Texas
  - February 26 - March 1, 2020: Columbus, Ohio
  - March 1 - March 11, 2020: Coppell, Texas
  - March 11 - March 19, 2020: Washington, D.C. (specifically Alexandria, VA)
  - March 19 - March 25, 2020: Coppell, Texas **WORKED FROM HOME; SHELTERED IN PLACE AS MANDATED BY LAW FIRM PER TEXAS SUPREME COURT**
  - March 26 --> Fly to Washington, D.C. via Southwest Airlines at Dallas Love Field

I land tomorrow around noon to DCA so am flexible after that. I plan to stay in D.C. for a while!

Thanks [redacted]

On Wed, Mar 25, 2020 at 7:50 AM [redacted]@treasury.gov> wrote:

> Hello Sery,
>
> Can you please provide a list of your most recent domestic and international travel? Also, have you traveled to New York City within the past 14 days?
>
> Best,
>
> **Jackson B. Miles** | o: (202) 622-5102 | c: [redacted] | [redacted]@treasury.gov
> Special Assistant | Office of the Chief of Staff | U.S. Department of the Treasury
> 1500 Pennsylvania Ave. NW , Washington, D.C. 20220
>
> **From:** Sery Kim [redacted]
> **Sent:** Wednesday, March 25, 2020 8:37 AM
> **To:** Myers, Baylor <Baylor.Myers@treasury.gov>
> **Cc:** [redacted]@treasury.gov>
> **Subject:** Re: $500 billion fund oversight board
>
> ** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **
>
> Absolutely. My resume is attached for Jackson. I am back to D.C. tomorrow (indefinitely) and am very happy to interview if you would like it! My schedule is your schedule.
>
> Best,
> Sery
>
> On Wed, Mar 25, 2020 at 7:35 AM <Baylor.Myers@treasury.gov> wrote:
>
> > Thanks – could you please send Jackson (copied) your most recent resume?
> >
> > **J. BAYLOR MYERS**
> > DEPUTY CHIEF OF STAFF
> > o: 202-622-0987 | c: [redacted]
> > U.S. Department of the Treasury, Washington, D.C. 20220
> >
> > **From:** Sery Kim <[redacted]com >
> > **Sent:** Wednesday, March 25, 2020 8:29 AM
> > **To:** Myers, Baylor < Baylor.Myers@treasury.gov >
> > **Subject:** $500 billion fund oversight board

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Hi Baylor

I hope you are doing well and saying safe. I was interested to know if you were looking for volunteers from the private sector to help Treasury with the aforementioned fund oversight board. I would love to help from the private sector. As you may remember I helped Darrell Issa run oversight when he was Chairman, and I can help y'all set up the fund so there isn't the same issues with this fund as was with ARRA.

Or it would just be fun/great to volunteer to do something awesome for my country.

I would like to stay in the private sector so I can continue to do all of media hits and continue to live in Texas near my family but let me know if helping MAGA would work.

Thank you!

RE: DRAFT “Get My Payment” Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) [redacted]@treasury.gov>, "Crowley, Monica" <monica.crowley@treasury.gov>
Date: Tue, 14 Apr 2020 12:07:30 -0400
Attachments: 2020-04-15 Treasury IRS Launch Get My Payment Web App DRAFTV2.docx (212.6 kB)

Suggestions

(b)(5) DP [redacted]

From: McLaughlin, Tricia <Patricia.McLaughlin@treasury.gov>
Sent: Tuesday, April 14, 2020 10:28 AM
To: Kautter, David <David.Kautter@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: DRAFT “Get My Payment” Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

Dave and Monica,

Please see below draft press release for launch of the Get My Payment app. Please let me know of any edits.

Dave, do you think it would be worthwhile to have a background call on this or do you think that opens us up to questions that we are not prepared to answer?

U.S. Department of the Treasury
Office of Public Affairs

Press Release: April 15, 2020
Contact: Treasury Public Affairs, (202) 622-2960

“Get My Payment” Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

(b)(5) DP [redacted]

(b)(5) DP

[redacted]

RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) [redacted]@treasury.gov>, "Crowley, Monica" <monica.crowley@treasury.gov>
Date: Tue, 14 Apr 2020 13:27:45 -0400

(b)(5) DP [redacted]

Dave

From: (b)(6) [redacted]@treasury.gov>
Sent: Tuesday, April 14, 2020 12:54 PM
To: Crowley, Monica <Monica.Crowley@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>
Subject: RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

Adjudicated edits attached

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Sent: Tuesday, April 14, 2020 12:37 PM
To: Kautter, David <David.Kautter@treasury.gov>(b)(6) [redacted]@treasury.gov>
Subject: RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

My edits incorporated in the release below

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Tuesday, April 14, 2020 12:08 PM
To: (b)(6) [redacted]@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

Suggestions

(b)(5) DP [redacted]

From (b)(6) [redacted]@treasury.gov >
Sent: Tuesday, April 14, 2020 10:28 AM
To: Kautter, David < David.Kautter@treasury.gov >; Crowley, Monica < Monica.Crowley@treasury.gov >
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Contact: Treasury Public Affairs, (202) 622-2960

"Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

(b)(5) DP

[redacted]

UST_000995

Fwd: Capstone Policymaker and Investor Forum Invitation

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: (b)(6) [redacted]@treasury.gov>
Date: Tue, 14 Apr 2020 14:11:52 -0400

From: Jessica Pierce (b)(6) [redacted]
Date: April 14, 2020 at 2:02:01 PM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: RE: Capstone Policymaker and Investor Forum Invitation

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good afternoon, Mr. Muzinich

I hope you had a nice weekend and your week is starting off well. I realize you must be quite busy and need to be judicious with your time but I would like to follow up and state that our virtual policy maker forum has been moved to 4/23/20 if you should have 15-30 minutes of time and would be willing to speak with our analyst and some senior investors.

Have a great day.

Best,

Jessica

CAPSTONE

Jessica Pierce Vice President
Capstone LLC | 1400 Eye Street Northwest | Washington, DC
D: 202-813-9590
E (b)(6) [redacted] https://hyperlink.services.treasury.gov/agency.do?origin=www.capstonedc.com

From: Jessica Pierce
Sent: Sunday, April 12, 2020 7:49 PM
To: 'justin.muzinich@treasury.gov' <justin.muzinich@treasury.gov>
Subject: Capstone Policymaker and Investor Forum Invitation

Good evening, Mr. Muzinich

I hope this message finds you well during this hectic and difficult time. My name is Jessica Pierce and I am a Vice President of Industry Relations and Corporate Access at Capstone, a policy analysis firm for institutional investors, here in D.C. I know that our group has reached out to you previously in hopes that you would meet with some of our clients on issues such as GSE's but tonight I am reaching out in a different manner. I have attached a formal letter of invitation inviting you to join an exclusive virtual roundtable Capstone will be hosting to discuss the economic impact of COVID-19 and the upcoming legislative response between key house members and elite members of the investment community. Your participation (or a member of your staff) would provide the perspective of the White House and give you the opportunity to have a dialogue with some of the most important people driving the U.S. economy. We greatly wish for you to participate and will be most amenable to and date that works for your schedule should you be unavailable at the requested date.

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Jessica

CAPSTONE

Jessica Pierce Vice President
Capstone LLC | 1400 Eye Street Northwest | Washington, DC
D: 202-813-9590
E: (b)(6) [redacted] https://hyperlink.services.treasury.gov/agency.do?origin=www.capstonedc.com

RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) [redacted]@treasury.gov>
Date: Tue, 14 Apr 2020 15:09:39 -0400

(b)(6) [redacted]

I am not going to get a chance to review these today but a couple of people in OTP are looking at them, Janet McCubbin, Krishna and Jeff.

I would suggest you get your edits back to IRS so they get incorporated.

Thanks

Dave

From: (b)(6) [redacted]@treasury.gov>
Sent: Tuesday, April 14, 2020 12:28 PM
To: Kautter, David <David.Kautter@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

Thank you. Also wanted to flag (b)(5) DP [redacted] I have shared my edits—let me know if you have thoughts.

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Tuesday, April 14, 2020 12:08 PM
To (b)(6) [redacted]treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: RE: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

Suggestions

(b)(5) DP [redacted]

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Sent: Tuesday, April 14, 2020 10:28 AM
To: Kautter, David <David.Kautter@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: DRAFT "Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

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U.S. Department of the Treasury

Office of Public Affairs

Press Release: April 15, 2020
Contact: Treasury Public Affairs, (202) 622-2960

"Get My Payment" Web App Launched for Americans to Submit Direct Deposit Information and Track Payments

(b)(5) DP

[redacted]

From: Kautter, David
Sent: Tuesday, April 14, 2020 3:17 PM
To: Charles (Chuck) Rettig
Subject: FW: See Section in Bold at end

Chuck

(b)(5) DP [redacted]

(b)(5) DP [redacted] No need to respond, just letting you know this is out there.

Dave

As the first wave of stimulus payments hits bank accounts, Americans still waiting for their payment will soon be able to track when their check is due to arrive, according to the Internal Revenue Service.

The agency expects to release an online tool on its website by the end of the week that helps people track the status of their stimulus checks. The tool will let people follow the scheduled payment date for either a direct deposit or mailed check.

Additionally, the IRS launched another tool allowing people who normally don't file taxes to provide their bank account information to get their payment by direct deposit versus waiting for a mailed check. The additional feature is unavailable if your payment has already been scheduled for delivery.

Read more: How to file taxes: The full breakdown

As part of a $2 trillion coronavirus relief package, many Americans will get government checks up to $1,200 — plus $500 per child — to help them ride out a job loss, reduced work hours, and other money challenges as the country tries to stem the pandemic.

Here's everything you need to know about the stimulus check.

Who gets a stimulus check?

"Our updated estimate is that 93.6 percent of [tax] filers will have a rebate," said Garrett Watson, senior policy analyst at The Tax Foundation. "And this works out to approximately 140 million households."

Your eligibility is based on your most recent tax return and your adjusted gross income. If you already filed your 2019 taxes, your eligibility will be based on that. If not, the Internal Revenue Service will use your 2018 taxes to determine if you qualify.

May 8, 2008, photo shows blank checks on an idle press at the Philadelphia Regional Financial Center, which disburses payments on behalf of federal agencies, in Philadelphia. (AP Photo/Matt Rourke)
More
The benefit is available not only to those who have filed taxes, but also to those who receive Social Security benefits as long as they've received their SSA-1099 or RB-1099 forms.

Read more: *Tax deadline postponed: Why you should still file as soon as you can*

Single adults with income up to $75,000 will get a $1,200 payment. Married couples with income up to $150,000 will get $2,400. Single parents who file as head of household with income up to $112,500 will get the full $1,200 check.

Additionally, Americans who qualify for the stimulus payment and have children will get an additional $500 per child under 17.

Reduced checks will be available for single adults who earn between $75,001 and $99,000 and married couples who earn between $150,001 and $198,000. The check will be reduced by $5 for every $100 over $75,000 for single adults and $150,000 for married couples.

Who doesn't get a check?

Single adults who make more than $99,000 and married couples who earn more than $198,000 won't receive stimulus checks.

Those without a Social Security number and nonresident aliens — those who aren't a U.S. citizen or U.S. national and don't have a green card or have not passed the substantial presence test — aren't eligible.

You're also ineligible if your parents claim you as a dependent on their taxes.

U.S Treasurer Anna Escobedo Cabral, right, thanks workers at the San Francisco Regional Financial Center for their efforts in the printing of stimulus check in Emeryville, Calif., Thursday, May 8, 2008. (AP Photo/Eric Risberg)
More

How will the government send you the stimulus check?

The IRS will use the direct deposit information you provided from the taxes you've filed either for 2019 or for 2018.

If you have no direct deposit information on file or if the account provided is now closed, the IRS will mail you a check, instead.

When will the stimulus check arrive? It depends.

Treasury Secretary Steven Mnuchin said at a White House briefing on April 2, that those Americans who have signed up for direct deposit will receive their payment within two weeks.

"Social Security, you'll get it very quickly after that," Mnuchin said. "If we don't have your information, you'll have a simple web portal, you'll upload it. If we don't have that, we'll send you checks in the mail."

The payments will be deposited directly into your bank account if you received your last tax refund or expect to receive this year's refund that way.

Otherwise, checks will be mailed, which could take longer to get to Americans. Adding to the complications, about 6% of U.S. adults — or about 12 million Americans — do not have a checking, savings, or other bank account, according to a 2018 Federal Reserve report.

The New York Times, citing IRS guidelines that detail how Americans who aren't usually required to file tax returns will need to do so to receive payments, noted the guidance "will almost certainly mean longer waits for those who must file new returns to be eligible to receive a stimulus payment."

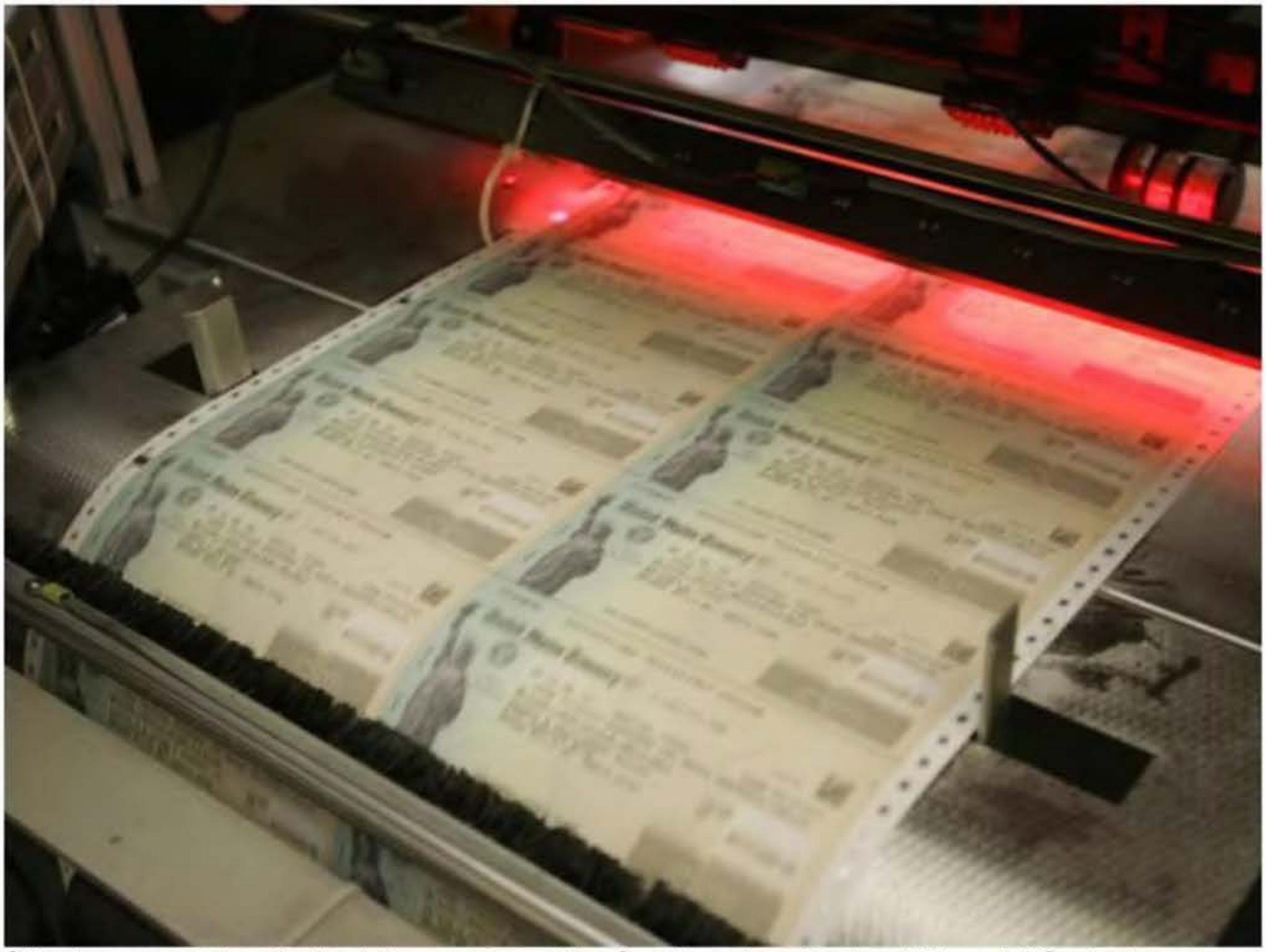
Americans with the lowest income will get mailed checks first, according to reporting by the Washington Post. Here's the timetable for the first checks, per IRS documents seen by the Post:

- **Taxpayers with income up to $10,000: April 24**
- **Taxpayers with income up to $20,000: May 1**
- **Taxpayers with income up to $40,000: May 15**

The rest of the checks will be issued by gradually increasing income increments each week. Households earning $198,000 who file jointly will get their reduced checks on Sept. 4. The last group of checks will be sent on Sept. 11 to those who didn't have tax information on file and had to apply for checks, according to the Washington Post.

How can those who don't file taxes get a payment?

Americans who don't usually file taxes can register to get their stimulus aid checks on IRS website or use Turbotax's free tool to file a minimum tax return.



Stimulus payments roll off printing presses at the San Francisco Regional Financial Center in Emeryville, Calif., Thursday, May 8, 2008. (AP Photo/Eric Risberg)
More

TurboTax's tool helps determine if you're eligible for the stimulus payment. If eligible, you need to answer a few questions and choose whether to get the payment though direct deposit or check.

"There are as many as 10 million Americans who are not required to file a tax return," TurboTax said in a statement. "Because the IRS will use the federal tax return to determine and send individual stimulus payments, these individuals are at risk of not receiving their stimulus payment."

Social Security recipients and those required to file tax returns don't need to provide additional information, but still must meet the eligibility criteria to get a payment.

Do you have to pay back the stimulus check?

No. The stimulus payment is actually a refundable credit against your 2020 tax liability, according to Kyle Pomerleau of the American Enterprise, and is paid out as an advanced refund. That means you don't have to wait to file your 2020 taxes to get the money.

It also doesn't reduce any refund you would otherwise receive, Watson said.

In fact, if you don't qualify for the stimulus check now based on your 2018 or 2019 tax returns, you may be able to qualify to take the tax credit next year when you file your 2020 taxes if your income meets the thresholds.

Denitsa is a writer for Yahoo Finance and Cashay, a new personal finance website. Follow her on Twitter @denitsa_tsekova.

Read more:

RE: Illinois Data

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Kowalski, Daniel" <daniel.kowalski@treasury.gov>
Cc: (b)(6) [redacted]@treasury.gov>
Date: Thu, 16 Apr 2020 06:43:19 -0400

Do you want it for what has already gone out or the projection for the total amounts to be paid?

From: Kowalski, Daniel <Daniel.Kowalski@treasury.gov>
Sent: Thursday, April 16, 2020 6:38 AM
To: Kautter, David <David.Kautter@treasury.gov>
Cc (b)(6) [redacted]@treasury.gov>
Subject: Fwd: Illinois Data

Is it possible to get data of the 80 million EIP payments by state?

Thanks.

From: Crozer, William F. EOP/WHO WHO_EOP [redacted]
Date: April 15, 2020 at 9:04:27 PM EDT
To: Kowalski, Daniel <Daniel.Kowalski@treasury.gov>, (b)(6) [redacted]@treasury.gov>
Subject: Illinois Data

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

(b)(5) Confidential Presidential Communications [redacted]

William F. Crozer
Special Assistant to the President/Deputy Director
White House Office of Intergovernmental Affairs
O: 202-456-8491 | C: (b)(6) [redacted] E: WHO_EOP [redacted]

RE: The IRS is sending $1,200 stimulus checks to dead people "The IRS knows 'some people will receive money even when they didn't qualify, but expedited processing was their No. 1 concern.' "

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: Rettig Charles P <charles.p.rettig@irs.gov>
Date: Thu, 16 Apr 2020 10:43:03 -0400

Good to see recognition of the challenge.

From: Rettig Charles P <Charles.P.Rettig@irs.gov>
Sent: Thursday, April 16, 2020 10:39 AM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: Rettig Charles P <Charles.P.Rettig@irs.gov>
Subject: The IRS is sending $1,200 stimulus checks to dead people "The IRS knows 'some people will receive money even when they didn't qualify, but expedited processing was their No. 1 concern.' "

The IRS is sending $1,200 stimulus checks to dead people

Published: April 16, 2020 at 8:21 a.m. ET
By
Andrew Keshner

More than 80 million Americans are expected to get their stimulus money this week, according to the Treasury Department

Some of the $1,200 stimulus checks being sent out under the CARES Act are going to deceased people.
MarketWatch photo illustration/iStockphoto

Many Americans are eagerly anticipating stimulus checks of up to $1,200 starting this week, but in a few cases the recipients won't be celebrating — because they're dead.
The IRS began distributing $290 billion in direct cash payments within the past week as part of a $2 trillion CARES Act stimulus bill, and anecdotes are already surfacing about the IRS issuing money to the deceased.

Rep. Thomas Massie, a Republican from Kentucky, said Wednesday a friend texted him to say his father, dead since 2018, had just received his $1,200 in stimulus money.

"Ok this is insane, but just the tip of the iceberg. This is a direct text to me from a friend. I called to confirm this actually just happened," Massie wrote on Twitter **TWTR, -3.88%** . The legislator became the target of bipartisan scorn late last month when he unsuccessfully asked for a roll-call vote on the stimulus bill.
In Florida, tax preparer Adam Markowitz has also seen examples among his clientele of the IRS sending stimulus money to dead people this week. (He declined to go into more specifics to protect his clients' privacy.) What's more, it appears the survivors can keep the money, he told MarketWatch.

> ***'There is nothing that the IRS has that is preventing someone who is deceased from receiving this money.'***
> — Adam Markowitz, vice president of Howard L Markowitz PA, CPA

"There is nothing that the IRS has that is preventing someone who is deceased from receiving this money," said Markowitz, an enrolled agent and vice president of Howard L Markowitz PA, CPA, based in Leesburg, Fla.

It's important to remember some of the stimulus check guidelines to understand how such a twist of events can occur.

When the IRS determines eligibility and check amounts, it's looking at the adjusted gross income on a household's 2019 tax return. (Those are the returns being filed in the current tax season that ends July 15.)
If the IRS doesn't yet have the 2019 return, it looks at the adjusted gross income on the 2018 tax return to determine the size of a household's stimulus check.

Single filers with adjusted gross incomes below $75,000 will receive a $1,200 payment and married couples making under $150,000 will receive a $2,400 check. The government will also pay $500 per qualifying child under age 17.

"The IRS claims it is going to take the data from your most recent tax return that is available," Markowitz said. "If a taxpayer filed jointly with a deceased spouse in 2018 and has not filed a 2019 tax return yet, the IRS likely has no safeguard in place to ensure that it won't make that payment to someone who is no longer with us."

Massie noted his friend filed the father's taxes for 2018. His office did not immediately respond to a request for comment beyond his tweets.

The stimulus bill's top goal was to provide quick cash to consumers and businesses, not complete precision, according to Nicole Kaeding, an economist and vice president of policy promotion at the National Taxpayers Union Foundation, a right-leaning tax think tank.

One key part of the stimulus bill is 'that if the IRS sends you too much money, you do not need to pay it back.'

— Nicole Kaeding, an economist and vice president of policy promotion at the National Taxpayers Union Foundation

"An important provision of the [Coronavirus Aid, Relief, and Economic Security] act, as it relates to these checks, is that if the IRS sends you too much money, you do not need to pay it back," Kaeding said. "It is considered a clerical or math error on behalf of the IRS. And that's important because they were trying to issue these checks quickly."

The IRS knows "some people will receive money even when they didn't qualify, but expedited processing was their No. 1 concern."

The IRS and the Treasury Department did not immediately respond to requests for comment.

The real open question was "the opposite situation, where someone didn't get enough," Kaeding noted. That might happen, for example, if a woman had a child after she filed a 2018 tax return but hasn't yet filed a 2019 return, and potentially missed out on $500 for the newborn.

"The IRS would not include the child in their check, however the child would qualify," she said. Tax experts are waiting for Treasury Department guidance on what will happen in that type of scenario, Kaeding said.

https://www.marketwatch.com/story/the-irs-is-sending-1200-stimulus-checks-to-dead-people-and-their-loved-ones-are-allowed-to-keep-the-money-experts-say-2020-04-16