



Concerning Bailout Provisions

Bailed Out Companies Can Still Lay Off Up To 10% Of Their Workers

Sec. 4003(C)(2)(G) Permits Companies Receiving Bailout Money To Reduce Employment Levels By Up To 10% Of Workers.

24 (G) the agreement provides that, until Sep-
25 tember 30, 2020, the eligible business shall
1 maintain its employment levels as of March 24,
2 2020, to the extent practicable, and in any case
3 shall not reduce its employment levels by more
4 than 10 percent from the levels on such date;

[["Final Bill Text," Politico](#), 03/25/20]



The Treasury Secretary Can Waive Prohibitions On Dividends, Stock Buybacks And Salary Increases For Companies Receiving A Bailout From The Federal Reserve.

Sec. 4003(c)(3)(A)(iii) Permits The Treasury Secretary To Waive Provisions Within Sec. 4003(c)(3)(A)(ii), Including Prohibitions On Stock Buybacks And Dividend Payments As Well As Limits On Compensation.

(iii) WAIVER.—The Secretary may waive the requirement under clause (ii) with respect to any program or facility upon a determination that such waiver is necessary to protect the interests of the Federal Government. If the Secretary exercises a waiver under this clause, the Secretary shall make himself available to testify before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the reasons for the waiver.

[[Final Bill Text](#)," *Politico*, 03/25/20]



The Treasury Secretary – A Former Banker – Can Designate Financial Institutions To Perform Duties Related To Coronavirus Response, At His Discretion.

Sec. 4003(g)(1) Gives The Treasury Secretary The Authority To Designate Financial Institutions As Financial Agents Of The United States With The Authority To ‘Perform All Reasonable Duties The Secretary Determines Necessary To Response To The Coronavirus.’”

9 (g) FINANCIAL AGENTS.—The Secretary is author-
10 ized to designate financial institutions, including but not
11 limited to, depositories, brokers, dealers, and other institu-
12 tions, as financial agents of the United States. Such insti-
13 tutions shall—

14 (1) perform all reasonable duties the Secretary
15 determines necessary to respond to the coronavirus;
16 and

17 (2) be paid for such duties using appropriations
18 available to the Secretary to reimburse financial in-
19 stitutions in their capacity as financial agents of the
20 United States.

[[“Final Bill Text,” Politico, 03/25/20](#)]

Sec. 4003(f) Provides The Treasury Secretary With \$100 Million To “Pay Costs And Administrative Expenses” Associated With Providing Loans, Including The Contracting Of Financial Agents.

14 (f) ADMINISTRATIVE PROVISIONS.—Notwithstanding
15 any other provision of law, the Secretary may use not
16 greater than \$100,000,000 of the funds made available
17 under section 4026 to pay costs and administrative ex-
18 penses associated with the loans, loan guarantees, and
19 other investments authorized under this section. The Sec-
20 retary is authorized to take such actions as the Secretary
21 deems necessary to carry out the authorities in this sub-
22 title, including, without limitation—



23 (1) using direct hiring authority to hire employ-
24 ees to administer this subtitle;

1 (2) entering into contracts, including contracts
2 for services authorized by this subtitle;

[["Final Bill Text," Politico, 03/25/20](#)]

Treasury Secretary Steve Mnuchin Has Already Courted "Executives From Goldman Sachs Group Inc. And Other Wall Street Firms To Help Oversee The Bailout Packages," And Is Also "Considering Executives With Broad Experience To Help Administer Loans To Airlines, Hotels And Other Industries." "Mnuchin is also courting executives from Goldman Sachs Group Inc. and other Wall Street firms to help oversee the bailout packages, Bloomberg News reported Friday. Treasury is considering executives with broad experience to help administer loans to airlines, hotels and other industries suffering as the virus shuts down parts of the economy, the people said." [Saleha Mohsin, "[Mnuchin May Get \\$100 Million for Investment Bank Help in Crisis](#)," *Washington Post*, 03/24/20]