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What's in Trump's Executive Actions on Coronavirus Aid—and What's Not

The president's moves on jobless assistance, payroll taxes, evictions and student loans come during an impasse in bipartisan talks

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President Trump signed four executive actions Saturday to provide additional jobless aid, suspend the collection of payroll taxes, avoid evictions and assist with student-loan payments. Mr. Trump made the moves as talks in Congress over a broad new coronavirus aid package remained deadlocked and are seen as potentially accelerating talks.

House Speaker Nancy Pelosi (D., Calif.) and others said Sunday that Mr. Trump had breached congressional spending authority with the moves, and that his plan wouldn't provide enough relief. Treasury Secretary Steven Mnuchin defended the legality of the actions and countered that holding up relief for millions of Americans could have consequences.

Here is a breakdown of the executive actions.

What did President Trump announce on jobless aid?

Mr. Trump said Saturday that the administration would roll out a \$400 weekly payment, funded 75% by the federal government and 25% by states. It wasn't clear if the states would go ahead and provide that share, given that many of them are facing budget shortfalls due to the coronavirus-sparked recession.

"We're looking at it right now to see whether we can do this," Ohio Gov. Mike DeWine, a Republican, said on CNN Sunday. New York's Democratic Gov. Andrew Cuomo rejected the plan as "just an impossibility," saying the state's 25% share would cost it \$4 billion that it doesn't have.

A Labor Department spokesman said late Sunday that states are encouraged, but not required, to provide the extra \$100 a week per person, meaning recipients could still get the additional \$300 even if their state doesn't provide extra funds.

Supplemental payments from the federal government of \$600 a week expired recently, but Congress hadn't agreed on a replacement.

Under the executive action, the additional jobless benefits will be paid from the Disaster Relief Fund, the government's primary source of money to pay for emergency costs. The extra weekly benefits would be available until Dec. 6, about a month after the Nov. 3 election, or until the disaster fund's balance drops to \$25 billion, according to the executive action. To pay for the benefits, the action sets aside \$44 billion from the disaster fund, which currently has a balance of about \$70 billion.

The administration said states could tap the \$80 billion in remaining money from an earlier round of state and local aid to help make their 25% portion.

The move by Mr. Trump came as negotiators made no progress in bridging the Democrats' proposal to restart benefits at the \$600 rate and Republicans' desire for a lower rate, of either \$200 a week or 70% of previous wages, when combined with state aid. In negotiations with Democratic leaders, Republicans proposed renewing the federal benefits at \$400 a week.

What did Trump say about evictions?

An executive order signed by the president Saturday directs the Treasury and Housing and Urban Development departments to identify funds to provide temporary financial assistance to renters and homeowners who are struggling to meet their monthly rental or mortgage obligations during the pandemic. The order also directs HUD to take action to "promote the ability of renters and homeowners to avoid eviction or foreclosure."

It doesn't reauthorize the eviction moratorium set in the Cares Act that expired at the end of July. That applied only to properties with government-backed mortgages, covering just one-third of renters. Housing experts say the best way to prevent a wave of evictions—and a domino effect of defaults and foreclosures by landlords—would be for Congress to enact a nationwide eviction moratorium and appropriate money for rental assistance.

Regulators could potentially instruct the government-sponsored mortgage corporations Fannie Mae and Freddie Mac to offer landlords forbearance on their monthly mortgage payments if their tenants can't pay rent, assuming they don't evict the tenants. But Fannie and Freddie are overseen by the Federal Housing Finance Agency, which is independent.

The order directs the FHFA to “review all existing authorities and resources that may be used to prevent evictions and foreclosures for renters and homeowners.”

Other government housing agencies such as the Federal Housing Administration fall under the president’s umbrella, but they technically can’t spend money that isn’t given to them by Congress.

What about the payroll tax?

Mr. Trump directed the Treasury Department to defer the 6.2% Social Security tax on wages for employees making less than about \$100,000 a year. That suspension would last from Sept. 1 through Dec. 31.

If employers stop withholding those taxes, the move would deliver an increase in take-home pay just as Mr. Trump is running for re-election but also create a looming liability in 2021 because the taxes would still be due eventually. Mr. Trump said he would press Congress to turn the deferral into an actual tax cut.

The tax code gives the Treasury secretary authority to delay tax filing and collection after presidentially declared disasters. The administration already used this authority to postpone a series of spring tax deadlines until July 15 and used it again Friday to delay some excise-tax collections. It is far from certain that many employers will stop withholding payroll taxes given the potential for future liability.

What did the president do about student-loan payments?

The Cares Act gave most borrowers with federal student loans a six-month interruption of their monthly payments, interest-free. The law applies to roughly 35 million borrowers whose loans are held by the federal government. It excludes about eight million borrowers whose loans are held by private lenders with a government guarantee, under a federal program that ended in 2010. The payment moratorium is set to expire Sept. 30.

Saturday’s executive memorandum from Mr. Trump said the administration would extend the payment moratorium and zero interest until the end of the coronavirus crisis.

Ahead of the announcement, Mark Kantrowitz, who has written extensively about higher-education law and is publisher of Savingforcollege.com, said the administration lacks the legal authority to extend the Cares Act provision. But more pertinent, he said, is whether anyone would actually sue the

administration to block such a move. “I doubt anybody would complain about it, but he doesn’t actually have the legal authority to do that,” Mr. Kantrowitz said.

Doug Holtz-Eakin, a former head of the Congressional Budget Office who heads the right-leaning American Action Forum, said the president could likely find a way under existing law to interrupt payments for most borrowers, but whether he could suspend interest is debatable.

One thing that experts seem to agree on: The president doesn’t have the authority to help borrowers whose loans are held by private lenders—with or without the federal guarantee. That is because helping such borrowers would require the government to spend money to reimburse those lenders, a move that must be authorized by Congress.

—Paul Kiernan, Josh Mitchell, Kristina Peterson and Richard Rubin contributed to this article.

Corrections & Amplifications

A Labor Department spokesman said late Sunday that states are encouraged, but not required, to provide the extra \$100 a week per person. An earlier version of this article incorrectly said the statement was made Monday.