



Daily COVID-19 Bulletin

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May 1, 2020

To Our Clients and Colleagues:

Gibson Dunn’s lawyers regularly counsel clients on issues raised by the COVID-19 pandemic, and we are working with many of our clients on their response to COVID-19. The following is a round-up of today’s client alerts on this topic prepared by the Gibson Dunn team. Our lawyers are available to assist with any questions you may have regarding developments related to the outbreak. As always, for additional information, please feel free to contact the Gibson Dunn lawyer with whom you usually work, or any member of the firm's **[Coronavirus \(COVID-19\) Response Team](#)**.

GLOBAL OVERVIEW

Federal Reserve Announces Revisions To And Expansion Of The Main Street Lending Programs

On April 9, 2020, we published an alert on the Board of Governors of the Federal Reserve System’s (“Federal Reserve”) announcement that it was creating two loan facilities, the Main Street New Loan Facility (“MSNLF”) and the Main Street Expanded Loan Facility (“MSELF”), pursuant to the *Coronavirus Aid, Relief, and Economic Security Act* (“*CARES Act*”). Yesterday, the Federal Reserve announced key changes to those Facilities, including the creation of a third program, the Main Street Priority Loan Facility (“MSPLF,” together with the MSNLF and MSELF, the “Main Street Lending Programs”), which is meant to extend assistance to more highly leveraged companies and those with lower earnings in 2019.

[Read more](#)

IRS Issues Notice Clarifying Expenses Funded with Proceeds of Small Business Administration Loans under Paycheck Protection Program

On Thursday, April 30, 2020, the Internal Revenue Service (the “IRS”) issued Notice 2020-32 (the “Notice”). The Notice clarifies that, in the IRS’s view, expenses funded using the proceeds of Small Business Administration (“SBA”) loans extended pursuant to the Paycheck Protection Program are not deductible if the loan is forgiven.

[Read more](#)

The Constitutional Consequences of Governmental Responses to COVID-19: The Right to Travel and the Dormant Commerce Clause

The COVID-19 pandemic has resulted in unprecedented governmental actions at the federal, state, and local levels. Those actions have raised substantial constitutional questions. In previous alerts, we discussed the constitutional implications of various proposed legislative and executive actions in response to COVID-19, including under the Takings, Contracts, Due Process, and Equal Protection Clauses of the U.S. Constitution. Here, we flag additional business-related constitutional questions raised by the government’s restrictions on travel, with a particular focus on the extent of a state’s authority to impose restrictions on out-of-state visitors and to restrict interstate travel. As governments continue to take swift and often unprecedented action in response to the pandemic, additional novel constitutional challenges are likely to arise.

[Read more](#)

Pandemic May Prompt Legislative Action on Court Deadlines

COVID-19 has disrupted the judiciary on a massive scale reminiscent of war. Federal and state courts are doing their best to manage the crisis with the limited tools at their disposal. What may surprise many is that the federal government and multiple state governments do not have the power to toll or pause the statutes of limitations of criminal and civil statutes, or in many cases to toll other statutory deadlines, in a sweeping fashion. *Originally published by Law360 on April 30, 2020.*

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