SFAA Supports Proposed Federal Rule Change for Individual Sureties

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SFAA Supports Proposed Federal Rule Change for Individual Sureties

Within the past week, SFAA submitted a comment letter supporting the Federal Acquisition Regulation’s (FAR) proposed regulatory changes limiting the types of acceptable assets that individual sureties may pledge as security for its surety bonds. The proposed regulatory revisions stem from an SFAA and NASBP supported provision that was included and passed in the National Defense Authorization Act for Fiscal Year 2016. Individual sureties have been able to pledge assets including real estate, stocks and bonds as an acceptable form of collateral placing an additional burden on the federal procurement officers to verify the authenticity of the assets. The rule change will prevent individual sureties from posting potentially dubious assets, like real estate and will help ensure individual sureties are able to satisfy its obligation to the US Government. SFAA applauds the FAR’s decision to issue these regulations and looks forward to working with the relevant agencies to ensure their smooth implementation.
Negotiations in Congress Continue on Providing COVID-19 Relief

Conversations in Congress continue as lawmakers work to quickly advance an additional relief measure to shore up more funding for small businesses and healthcare providers that have been significantly impacted by COVID-19. The new legislative package, dubbed Phase 3.5 or CARES 2.0, is largely designed to ensure provisions included in the March 30, 2020 CARES Act Bill remain funded and operational, namely the SBA Paycheck Protection Loan Program. After less than two weeks of accepting loan applications, the SBA Payment Protection Program exhausted its $350B in lending capacity. Congress is closing in on striking a deal to replenish the SBA loan program with the hope of passing relief legislation this week. The full details of the package are not yet available but reports indicate it will likely include $300 billion in additional funds for the small business loans program, $50 billion for a disaster loans program for small businesses, $75 billion for hospitals and $25 billion for COVID-19 testing.

Construction Industry Ranks First Among Industries Seeking SBA Loans

According to early data reported by the SBA, the construction industry successfully secured the greatest proportion of Paycheck Protection Loans, compared to other industries. As a reminder, the SBA received authorization to lend approximately $350B for small businesses adversely impacted by the COVID-19 economic slowdown. The construction sector received a total of 177,905 approved loan applications worth approximately $44B. Loans for the construction sector comprised 13.12% of the program which was closely followed by the Professional, Scientific and Technical Services (12.65%) and Manufacturing (11.96%). If you are interested in learning more about how the loans have been disbursed to date, please click here. The lending authority for the SBA Paycheck Protection Program has been exhausted at the date of this publication but conversations are ongoing to re-inject capital into the program. SFAA’s step-by-step guidance on how small business contractors can apply for these loans is linked here.

Trump Administration Announces Industry Revival Working Groups to Navigate COVID-19 Economic Disruption

Last week, the Trump Administration announced the formation of Great American Economic Revival Industry Groups to ensure critical industries are able to smoothly resume operations when state and federal officials begin to reopen the economy. The Associated General Contractors (AGC) of America, Associated Builders and Contractors (ABC) and National Electrical Contractors of America (NECA) were announced as representatives for the construction industry vertical. Additionally, SFAA member, Chubb Insurance, was appointed as the lone insurer representative. SFAA looks forward to working with its industry partners to ensure construction is not adversely impacted by anticipated construction delays caused by the pandemic.
Looking to Find Relevant Compensation Data?

The annual industry Compensation Survey is underway! Members interested in participating may contact Allan Fitzgerald at afitzgerald@ccs-consultants.com. The Survey has been conducted for several years and has served as a very useful tool for collecting important trend data on industry salaries and benefits. Data collection will run through mid-May. Please contact Barbara Reiff for more information: breiff@surety.org.

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