

September 5, 2019



## **Yes, it's Been Quite a Summer**

After an eventful July and a healthy August recess, Congress comes back in town next week facing a busy September, with the main efforts still focused on FY2020 government funding. Even though a budget deal was reached over the summer, details and specifics still need to be worked out, likely necessitating a temporary spending extension into November or December. Along with the fact that the agreement was not reached until late July, and even after coming off of a long break from Washington, Congress is only in session for 13 days this month before leaving town for a two-week recess at the end of the month (starting on the 27<sup>th</sup>) and into October for Rosh Hashanah and Yom Kippur. Additionally this month, we could see major policy positions from the Administration, such as the imminent release of a plan to reform the nation's housing finance system, including how eventually to remove Fannie Mae and Freddie Mac from conservatorship. September also will see the first whittled-down Democratic presidential debate, as only ten candidates qualified this month to be on the Texas stage next Thursday the 12<sup>th</sup>. One other political event guaranteed to receive attention next week is a special congressional election in North Carolina to determine the representative for a district that has been without a House Member since ballot fraud invalidated its 2018 election. We highlight these and other issues below as we briefly preview what we believe will be the focus in Washington in September, subject as always to external or unexpected events that could disrupt the schedule.

### **Expected Senate Banking Committee (SBC) Activity**

September is shaping up to be a busy month in the SBC as Chairman Crapo (R-ID) is setting up an aggressive hearing schedule. Next week, straight out of the gate, the Committee will hold two hearings – one on housing finance and another on international insurance. On Tuesday, the Committee will hear from Treasury Secretary Mnuchin, Housing and Urban Development (HUD) Secretary Carson, and Federal Housing Finance Agency (FHFA) Director Calabria on the Administration's plans for housing finance reform. As we will discuss in depth later, this hearing provides an opportunity for members to dissect and question these officials regarding the Treasury and HUD reports on housing finance, which is expected to be released before the hearing. We believe that Republicans will focus on reforms that can be accomplished before any recapitalization and release of the GSEs (Fannie Mae and Freddie Mac) takes place. Democrats are likely to criticize the Administration for lack of focus on affordable housing. On Thursday, Team USA (the Federal Insurance Office, the National Association of Insurance Commissioners (NAIC), and the Federal Reserve) will testify on the progress of the development of the international capital standard by the International Association of Insurance Supervision. We expect this hearing to be less contentious with most supporting a unified Team USA approach internationally, and encouraging tangible and measurable progress on the finalization of capital standards by the NAIC and Fed. The rest of the month is likely to include a hearing on real-time payments, and possibly ones on privacy and Bank Secrecy Act/Anti-Money Laundering (BSA/AML) reform.

## **Nominations and Expected Senate Floor Activity**

Just before recess, Majority Leader McConnell (R-KY) filed cloture on several nominations, setting up votes for next week when the Senate returns – the first vote will be on cloture on Kelly Craft’s nomination to the UN General Assembly. Following this vote, the Senate will begin working through additional nominations, which include Michelle Bowman’s nomination to a new 14-year term to the Federal Reserve Board.

In addition to these, the Senate will consider Thomas Feddo’s nomination for Assistant Secretary of Treasury for Investment Security and Jennifer Nordquist’s nomination for US Executive Director of the World Bank. Other priority nominations include Brent McIntosh to replace David Malpass as Under Secretary of the Treasury, Brian McGuire for Deputy Under Secretary of the Treasury, and Eugene Scalia to be Department of Labor (DOL) Secretary. We anticipate votes on McIntosh and McGuire in early September, as the two have already had their confirmation hearing and were discharged from the Senate Finance Committee at the end of July. It is also likely the Senate will hold a confirmation hearing for Scalia later this month, where he is likely to be asked to discuss his potential recusal from crafting a DOL fiduciary rule.

Looking forward, the Federal Deposit Insurance Commission (FDIC) still awaits a selection for the vacant Democratic seat on their board, and we anticipate a nominations hearing for Judy Shelton and Christopher Waller to fill the two remaining seats on the Federal Reserve Board of Governors this fall (official nominations still pending).

As for work beyond nominations, the Senate entered into a consent agreement before recess for consideration of S. 1340, the Ebola Eradication Act of 2019. Other items for possible consideration during the September work period and through the fall include health care related issues, a National Defense Authorization Act (NDAA) conference, potentially legislation regarding gun control as well as a continuing resolution and potentially a minibus (discussed in more detail below).

## **Expected House Financial Services Committee (HFSC) Activity**

Only days after the House finished its work in Washington for the summer, HFSC Chairwoman Waters (D-CA) released her committee’s planned schedule for September, which includes eleven hearings (the first was a field hearing yesterday) and a mark-up. Over the next few weeks, the committee will hear from all five Securities and Exchange Commission (SEC) commissioners, potentially mark-up Ex-Im Bank reauthorization legislation and look at financial services identity concerns and real-time payments, among other issues. Chair Waters was busy during August, leading a congressional delegation to Europe and the Middle East and releasing reports on diversity and CEO-to-worker pay gaps at large banks. She also looked back at the work of HFSC during the first eight months under her leadership and said that along with the announced hearings, HFSC this fall would continue to look at Facebook’s Libra and Calabria, examine the Terrorism Risk Insurance Program (TRIA), continue to look at workforce diversity, explore data privacy and would hear from Trump Administration officials such as Treasury Secretary Mnuchin, Consumer Financial Protection Bureau (CFPB) Director Kraninger, FHFA Director Calabria and Federal Reserve Vice Chair Quarles.

Here is the full planned schedule for HFSC for September:

- Tuesday, 9/10 — Full Committee hearing entitled, “A \$1.5 Trillion Crisis: Protecting Student Borrowers and Holding Student Loan Servicers Accountable.”

- Wednesday, 9/11 (morning) — Capital Markets Subcommittee hearing entitled, “Examining Private Market Exemptions as a Barrier to IPOs and Retail Investment.”
- Wednesday, 9/11 (afternoon) — International Development and Monetary Policy Subcommittee hearing entitled, “Examining the Macroeconomic Impacts of a Changing Climate.”
- Thursday, 9/12 — Artificial Intelligence Task Force hearing entitled, “The Future of Identity in Financial Services: Threats, Challenges, and Opportunities.”
- Wednesday 9/18 and Thursday 9/19 – Full Committee markup.
- Tuesday, 9/24 (morning) — Full Committee hearing, “Oversight of the Securities and Exchange Commission: Wall Street’s Cop on the Beat.” *All SEC Commissioners expected to appear.*
- Tuesday, 9/24 (afternoon) — Diversity and Inclusion Subcommittee hearing entitled, “Examining the Racial and Gender Wealth Gap in America.”
- Wednesday 9/25 (morning) — Financial Institutions Subcommittee hearing entitled, “Promoting Financial Stability: Assessing Threats to the U.S. Financial System.”
- Wednesday, 9/25 (afternoon) — Housing Subcommittee hearing entitled, “Protecting Seniors: A Review of the FHA’s Home Equity Conversion Mortgage (HECM) Program.”
- Thursday, 9/26 (morning) – Full Committee hearing, “Examining Legislation to Protect Consumers and Small Business Owners from Abusive Debt Collection Practices.”
- Thursday, 9/26 (afternoon) — Fin Tech Task Force hearing, “The Future of Real-Time Payments.”

### **Expected House Floor Activity**

When the House returns next week, it will consider three natural resources bills dealing with prohibitions of oil and gas leasing, preleasing and related activities in various areas. Beyond these items and potential consideration of a continuing funding resolution (discussed next), there continues to be discussion of potential gun legislation, as well as upcoming deadlines at the end of the month for reauthorization of the National Flood Insurance Program (NFIP) and the Ex-Im Bank (discussed in more detail below) as well as several health extenders. As with the Senate, we expect work to continue on the NDAA conference in September, as well as finding a path forward for cannabis banking legislation.

### **Appropriations/Budget/Debt Ceiling**

On August 2<sup>nd</sup>, the President signed a two-year budget deal on budget caps and the debt limit, preventing roughly \$120 million in across-the-board spending cuts from becoming effective and averting another battle over the debt ceiling and potential of default. This deal was critical in making real progress towards funding the government for FY2020, but several challenges remain. While we expect the Senate to start moving funding bills through the Senate Appropriations Committee in September, it is unclear how many may be ready for Floor consideration. In addition to time constraints, the issue of border wall funding will continue to be of consequence in moving a package forward. We expect that Congress will look to move a small package of appropriations bills this month and pass a continuing resolution for those remaining, setting up another potential deadline closer to the holiday season.

### **Regulatory Agenda**

The Administration took a significant step in August by finalizing most of the Volcker Rule reproposal. This rule has served as the centerpiece of an aggressive regulatory reform agenda, and its slow progress has demonstrated the continued challenges with interagency rulemakings. September also could shape up for an additional industry priority to see agency action as we expect a joint Federal Deposit Insurance

Corporation (FDIC), Office of the Comptroller of the Currency (OCC) and Federal Reserve proposal to ease initial margin requirements for inter-affiliate transactions to be made public. The rest of the fall will be incredibly active as the agencies work to finalize the domestic and foreign banking organization (FBO) tailoring proposals (by November), the Financial Stability Oversight Council's (FSOC) shift to an activities-based approach (by the end of the year), and changes to the Community Reinvestment Act (also by the end of the year). Additional regulatory action is expected with the OCC and FDIC making progress on clarifying "valid-when-made," and the CFPB working aggressively on the qualified mortgage rule and patch changes, which is discussed in more detail below.

### **BSA/AML-Beneficial Ownership Legislation**

We expect that both the House and Senate will continue to work on anti-money laundering and beneficial ownership legislation this month. SBC Chairman Crapo and Ranking Member Brown (D-OH) spent the better part of August working on joint legislation that could be released as soon as this month – but introduction could slip. Their bill will address both BSA/AML modernization and beneficial ownership, and will incorporate components of Rep. Cleaver's (D-MO) BSA/AML modernization bill (HR 2514, the COUNTER Act), Rep. Maloney's (D-NY) beneficial ownership legislation (HR 2513, the Corporate Transparency Act), and legislation expected (as soon as next week) from Sens. Rounds (R-SD), Cotton (R-AR), Warner (D-VA) and Jones (D-AL). The Crapo-Brown product is expected to be the primary vehicle for reform in the Senate, and probably offers the best chance for bipartisan legislation to move this year in the SBC.

In the House, we continue to believe that the Cleaver BSA/AML bill (HR 2514) and Maloney beneficial ownership bill (HR 2513) will be paired together before they are considered on the Floor. Timing of full House consideration is still up in the air, but we do not expect it will be during this work period.

### **Data Privacy**

With the legislative calendar shrinking, prospects for a national data privacy law are becoming slimmer by the month. The next few months will be crucial for any legislation to make it to the President's desk, although challenges remain around unresolved policy disagreements (e.g. scope of preemption) and committee jurisdiction between the Commerce, Judiciary, and Financial Services Committees. Furthermore, Senate Banking and maybe House Financial Services are expected to hold oversight hearings on the Capital One breach in the fall, taking up more committee time and resources.

We are expecting draft legislation (and accompanying hearings) in the fall from several disparate working groups across committees, including from Sens. Wicker (R-MS) and Cantwell (D-WA) in Senate Commerce; Reps. Pallone (D-NJ) and Schakowsky (D-IL) in House Energy and Commerce; and Sens. Crapo and Brown in Senate Banking. We believe narrower privacy legislation focusing on the role of consumer data in offering financial services could emerge as the frontrunner to make it into law, although Crapo and Brown continue to struggle to turn bipartisan concern into specific legislative changes within their jurisdiction. The next two months could be pivotal for SBC's efforts to lead on this issue, but it is unlikely that Congress will be able to broker a comprehensive policy solution this session.

### **Retirement Savings**

As we had predicted, the Senate did not take up the SECURE Act prior to the August recess, despite the bipartisan vote it received in the House. Senate Majority Leader McConnell has not found a way around the objections posed by Sen. Cruz (R-TX) and some of his fellow Republicans. They are disappointed that

a provision to allow families to use 529 accounts to pay for homeschooling expenses was removed from the bill by Speaker Pelosi (D-CA), in response to opposition from teachers unions and others.

Many now expect Leader McConnell to include both the SECURE Act, addressing defined contribution plans, and provisions addressing multiemployer defined benefit plans in a must-pass spending bill to keep the Federal government running past September 30<sup>th</sup>. In July, the House passed HR 397, the “Rehabilitation for Multiemployer Pensions Act,” with 29 Republicans joining all Democrats in supporting the bill. This legislation would allow critically underfunded multiemployer plans to receive 30-year loans from the Federal government. While no Republicans have signed on to the Senate version of this bill, Senate Finance Committee Chairman Grassley (R-IA) and Senate HELP Committee Chairman Alexander (R-TN) have been working with colleagues on a solution. As Kentucky and Ohio are among the states with the largest numbers of multiemployer plan beneficiaries, Sens. McConnell and Portman (R-OH) are expected to support including some version of Federal support for the plans in a spending bill.

Finally, the leadership of the Senate Finance and House Ways and Means Committees are looking at retirement provisions beyond those addressed above. Ways and Means Chairman Neal (D-MA) may schedule a vote this fall on HR 860, the “Social Security 2100” bill introduced by Rep. Larson (D-CT). This bill, which has the support of 210 House Democrats but not a single Republican, would increase both Social Security benefits and the income subject to Social Security taxes. Other issues that Chairman Neal is discussing with Ranking Member Brady (R-TX) include raising the age for Required Minimum Distributions from the current 70½ and increasing the scope for including Qualified Longevity Annuity Contracts (QLACs) in 401(k)s, to provide guaranteed retirement income. Also in the mix is legislation introduced by Sens. Portman and Cardin (D-MD) that is intended to increase plan participation by establishing new auto-enrollment.

### **Housing Finance Reform**

The highly anticipated reports from Treasury and HUD on housing finance reform are expected to be released before next week’s SBC hearing with Mnuchin, Carson and Calabria. As we have previously written, we expect the reports to address key issues around housing finance reform, such as the path to end conservatorship, loan limits, GSE capital levels, the role of nonbank lenders and systemic risk.

In late July, the CFPB issued an Advanced Notice of Proposed Rulemaking (ANPR) on the “GSE patch” to the Qualified Mortgage rule. First, the ANPR took a more aggressive approach than many expected, with the Bureau expressing its intent to let the GSE patch expire on January 2021 or possibly after a short extension. This indicates that the Bureau and FHFA would rather tackle the underlying Ability-to-Repay/QM rule rather than create an interim and transitional patch. Second, it is noteworthy that the CFPB decided to issue an ANPR, as opposed to a Notice of Proposed Rulemaking (NPR), which gives them a longer runway and more latitude to change their posture based on public comments. Once the CFPB receives and assesses these comments, an NPR likely will be issued late this year or early next year.

### **Federal Reserve’s Real-Time Payments (RTP) Announcement**

On August 5<sup>th</sup>, the Federal Reserve ended years of speculation about its involvement in real-time payments when it announced it will build and operate its own real-time gross settlement service (RTGS), called FedNow, which will compete with private offerings. The effort will be led by Kenneth Montgomery, First Vice President and COO of the Boston Fed, and will tentatively be operable in 2023 or 2024. In the meantime, the Fed plans to consult with the private sector on specifications for the

service and publish a final description in the Federal Register. The Fed also plans to put out a separate proposal on its liquidity management tool. It said its preferred method to implement such a tool would be to expand the Fedwire Funds and National Settlement Services to be 24x7x365 but that the services were not originally designed to accommodate 24x7x365, so further study is needed.

Supporters of the Fed being an operator, while happy the service is being created, were unhappy with how long it will take for the Fed to have the service up and running. TCH and its member banks likewise were disappointed that the Fed decided to move forward but said they will continue to focus on growing their RTP service. The Fed itself also seemed split on the proposal. Governor Brainard, long seen as a champion of the Fed developing such a service, announced the proposal at a town hall at the Kansas City Fed. However, Vice Chair for Supervision Quarles dissented (his first under Powell's chairmanship) saying in a statement "In this case, I do not see a strong justification for the Federal Reserve to move into this area and crowd out innovation when viable private-sector alternatives are available."

There is a long way between now and the launch of FedNow. Stakeholders already seem to be gearing up for the next round in what has already been a multi-year battle, and Congress seems to have finally taken notice. When it became clear the Fed was approaching an announcement, competing bills were introduced in Congress: some explicitly telling the Fed to be an operator; and others telling the Fed it would need to justify itself thoroughly if it wants to offer such a service. HFSC has announced a hearing on the subject, and Chair Waters has called the Fed proposal "long overdue," highlighting many of the benefits some think tanks, consumer groups, and Congressional Black Caucus members highlighted in a 2018 letter. The Senate also seems to be exploring the topic. No hearing has officially been announced, but our understanding is staff continues to do due diligence and an eventual hearing is likely.

## **International**

### *Trade/USMCA*

The USMCA trade deal is expected to be hotly debated as Congress returns to Washington this month, and while there are still signs that progress continues to be made on the deal, lawmakers have mixed views on timing. Following August, House Ways and Means Chairman Neal, who also chairs the USMCA working group, says the deal is still not ready for approval and that Democrats will only proceed once their concerns regarding labor standards, environmental provisions, enforcement and access to medicines have been met. With these concerns in mind, US Trade Representative (USTR) Lighthizer remains optimistic that September will be the month Democrats and labor unions get on board, but a September timeline seems overly optimistic to many. Any deal approval will ultimately depend on whether the USTR response to Democratic concerns is enough to garner support from Speaker Pelosi and the Democratic leadership. If new USTR proposals are deemed insufficient, negotiations surrounding approval will continue and could even seep into next year. There is not an official deadline for a vote, but Senate Minority Leader Schumer (D-NY) and Speaker Pelosi have acknowledged that an agreement will become more difficult as the 2020 elections loom closer.

### *Tariffs*

On September 1<sup>st</sup>, the US imposed a new 15% duty on \$112 billion of Chinese products and will target consumer staples. This is in addition to the existing 25% tax on \$250 billion of goods and followed weeks of negotiations but ultimately ended with Washington rejecting Beijing's request to delay tariffs. In response to the September 1<sup>st</sup> tariffs, China is moving forward on duties on \$75 billion in US goods.

Furthermore, Beijing said that it plans to file a complaint at the World Trade Organization (WTO) against the US tariffs under the dispute settlement process. A separate wave of tariffs targeting \$160 billion in Chinese goods will go into effect on December 15<sup>th</sup>. However, China and the US agreed today to resume trade talks in Washington in October, signaling that discussions may be getting back on track after a tumultuous month of escalating rhetoric and tit-for-tat tariffs.

### **Other Issues of Interest**

Some other potential issues in Washington this month include reauthorization of the Commodity Futures Trading Commission (CFTC), the National Flood Insurance Program (NFIP), the Export-Import Bank (Ex-Im) and the Terrorism Risk Insurance Act (TRIA).

#### *CFTC Reauthorization and Agenda Items*

Heath Tarbert has now both assumed office as the new Chairman of the CFTC and appointed the commission's executive leadership for his term extending until April 2024. Tarbert comes to the CFTC at an important time with the agency still pending reauthorization as well as considering several priority issues, including the proposed Position Limits rulemaking, as well as Cross-Border Guidance including CCP cross-border rules and SEF Exemptions. In addition to these frontline items, Tarbert has noted that it will be a priority of his to resist any foreign regulatory creep into American clearinghouses after Brexit and to protect consumers against cyber risks while developing a framework for financial technology innovations and digital currencies, such as blockchain.

Tarbert has cited reauthorization and reform of the agency as top of mind and has begun conducting meetings with lawmakers in an attempt to develop a reauthorization strategy by the end of this year. While the timeline for a CFTC reauthorization is unclear, the topic has already gained legislative attention from Senate Agriculture Committee Chairman Roberts (R-KS) and Ranking Member Stabenow (D-MI), as well as House Agriculture Committee Chairman Peterson (D-MN), who have each indicated the matter as a priority of their committees as the agency has not seen a reauthorization in over a decade. In a hearing on the topic earlier this summer, Sen. Stabenow said giving the CFTC more tools to deal with enforcement and cyber security must be part of any measure, an area Tarbert has said will be front of mind for the CFTC under his leadership.

#### *National Flood Insurance Program (NFIP)*

Shortly before the August recess, a bipartisan group of Senators, including those from coastal and flood-prone states, unveiled their own version of comprehensive flood insurance reform, the National Flood Insurance Program Reauthorization and Reform Act of 2019 (NFIP Re). The proposal, led by Sen. Menendez (D-NJ), attempts to address the sustainability and affordability issues that some believe were missed in the recent flood reform measure passed out of HFSC in June. Additional Senators on the bill include Sens. Cassidy (R-LA), Booker (D-NJ), Kennedy (R-LA), Warren (D-MA), Rubio (R-FL), Gillibrand (D-NY), Reed (D-RI) and Van Hollen (D-MD). There is also companion House legislation introduced by Reps. Pallone (D-NJ), Pascrell (D-NJ) and Higgins (R-LA).

Both the HFSC bill and NFIP Re include a 5-year reauthorization of the program and measures to address issues of affordability, mapping and mitigation, but the two bills differ in a number of ways. NFIP Re includes a freeze on interest payments on the program's debt, a smaller cap on premium increases each year, and implements an increase in oversight in several areas including restrictions on private insurance

companies that write flood policies. At this time, it does not appear the Republican leadership in the Senate, including Chairman Crapo, are in a position to act on the NFIP Re.

After nearly a dozen short-term extensions since 2017, HFSC's unanimously passed legislation created optimism for the program to see long-term reauthorization this year but has had challenges garnering support in the Senate. However, the newly introduced Senate legislation will likely be at the forefront of NFIP discussions as legislators return from recess, since the NFIP is set to expire at the end of this month. Rep. Pallone says he believes that adjustments can be made to the HFSC bill to more closely align it with NFIP Re and gain the support of HFSC Chairwoman Waters, keeping hopes for a long-term extension still on the table before the September 30<sup>th</sup> expiration date.

#### *Export-Import (Ex-Im) Bank Reauthorization*

Also up for reauthorization and facing an expiration date this month is the US Export-Import Bank. Since its inception, the Bank has seen polarizing views from legislators on its reauthorization, with some Republicans deeming it as unessential. The Trump administration, however, has expressed support for a fully functioning Ex-Im Bank, claiming it would provide a level playing field for U.S. exporters in response to other governments, particularly China.

Earlier this summer, the Senate confirmed three nominees as members of the Bank's board of directors, reestablishing a quorum and restoring the agency to full financing capacity. Shortly after, discussions surrounding reauthorization continued to gain momentum as SBC held a hearing on the matter and HFSC was set to mark-up a bipartisan Ex-Im Bank bill before Chairwoman Waters had to pull the legislation after facing backlash from Members in her own party. Caucus negotiations have been ongoing, and we anticipate reauthorization legislation could be marked-up by the full committee this month. Also, in an effort to prevent the agency's charter from lapsing, Sens. Cramer (R-ND) and Sinema (D-AZ) introduced a proposal shortly before the August recess to reauthorize the bank for 10 years. While gaining congressional traction, lawmakers will have to act before the September 30<sup>th</sup> deadline to prevent a lapse, and it is uncertain whether enough work has been done to meet this date. In the case of a lapse, the bank can continue servicing its existing obligations but will not be able to approve any new loans, credit, insurance or guarantees.

#### *Terrorism Risk Insurance Act (TRIA)*

The Department of Treasury's TRIA Program is already seeing increased attention from lawmakers well before it is set to expire in December 2020. The Senate Banking Committee held a hearing on TRIA reauthorization in May to evaluate the current program and discuss potential reforms to increase the program's effectiveness. The hearing showed bipartisan agreement from lawmakers on the need for reauthorization, as well as the need to address the issue well in advance of the expiration date, but we have yet to see legislation from the Senate on the matter. It is our expectation that Republicans will need to demonstrate some small program changes centered on "taxpayer protections" to garner support of their conference. There is skepticism that Leader McConnell will spend any Floor time on a reauthorization bill, but it could be attached to a spending bill or another vehicle, especially if deals are reached on Ex-Im Bank and NFIP reauthorizations. Across the Capitol, again, Chairwoman Waters has cited a long-term TRIA reauthorization as a priority of her committee this fall, noting she would like to address the matter earlier than in past Congresses.



## Political

The storm has begun to close as only ten candidates qualified for next week's Democratic presidential debate in Houston. August saw several candidates drop out of the race after they failed to qualify for this debate, but there are many more who still remain in the race to date with hopes of making it to the stage in October in Ohio (but they will have to meet the same thresholds to get there that they missed and prevented them from participating next week). The debate in Houston will feature frontrunners Biden, Warren and Sanders as well as Harris, Booker, Buttigieg, Castro, Klobuchar, O'Rourke and Yang all on the same stage on the same night. We'll see if having all of the perceived frontrunners together will change any of the dynamics and lead to any shifting in the field.

Also next week, political eyes will be on North Carolina and the special election to fill the office for the Old North State's 9<sup>th</sup> congressional district. Democrat Dan McCready and Republican Dan Bishop are vying for the slot in a district that President Trump won by more than 10 points. McCready lost to Republican Mark Harris in 2018 by fewer than 1,000 votes, but the election was not certified because of voter fraud and earlier this year the North Carolina State Board of Elections called for a new election. With money pouring in from both parties and for both candidates and most considering the race a toss-up, this special election in a seat carried by Trump will generate its fair share of news over the next week. Adding interest is the fact that Trump carried North Carolina in 2016 and is planning to hold a rally in NC for Bishop next Monday, not to mention the fact that the Republican Convention will be held in the state next summer. However, given that it's over a year until the 2020 elections, any positive or negatives for either party that come from the outcome of this election likely will be short-lived and overtaken by other news and events, beginning with the Democratic debate two days later. What will be more interesting to follow is whether the pace of retirements from Congress (eight Republican House Members and one Republican Senator have announced plans to retire over the past month) continue this Fall and into 2020, shaking up and adding even more intrigue to an already important and interesting election in November 2020.