

2020

JOINT ASSOCIATION EXECUTIVES INSTITUTE

MARCH 13-16, 2020 | San Diego, CA



#NARAEI2020



Government Relief for Associations & Members – What You Need to Know Now

Friday, April 10, 2020
12:00 noon EDT

*Stay Tuned.
We will get started soon!*



Welcome and Introduction

Justin Landon, RCE
Chief Executive Officer
Lexington Bluegrass Association, KY



#NARAEI2020



Today's speakers:

- *Megan Booth, Director Federal Housing, Valuation, Commercial Real Estate, NAR*
- *Erin Stackley, Sr. Representative, Commercial Legislative Policy, NAR*
- *Nia Duggins, Policy Representative, Business Issues, NAR*



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Coronavirus Relief

April 8, 2020

National Association of REALTORS®

Advocacy Team

Best Resources

- <https://www.nar.realtor/coronavirusFAQ>
- <https://www.nar.realtor/CARESact>

Text COVID19 to 30644

Essential services

- ▶ The Federal Government has declared “residential and commercial real estate and settlement services” as essential.
- ▶ Governors still have final say over states.
- ▶ Being considered “essential” does not make you ineligible for other services, such as unemployment.

Relief for Individuals

- ▶ Taxpayers with incomes below the thresholds will receive cash payments from the federal government within the next 3 weeks, in the amount of \$1,200 per adult plus \$500 for each child under the age of 17.
- ▶ Taxpayers with retirement accounts, including IRAs, can take early withdrawals of up to \$100,000 from those accounts without having to pay the 10% early-withdrawal penalty.
- ▶ The IRS will NOT call you to verify bank account information or your social security number. THIS IS A SCAM.
- ▶ The IRS has delayed the due date to file and pay 2019 taxes to July 15, 2020, without penalties or interest.
- ▶ Visit: <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

Homeowner/Renter Information

- ▶ Homeowners with government-backed mortgages ((Fannie Mae, Freddie Mac, HUD, VA and USDA) can request up to 360-day payment forbearance without proof of hardship.
- ▶ Renters in a property with these loans can request relief from eviction for 120 days.
- ▶ Many Landlords are also eligible for forbearance. Multifamily owners who have Fannie Mae, Freddie Mac, FHA or any loans backed or assisted by any branch of the federal government may request forbearance for 30 days due to financial hardship, with extensions of up to a total of 90 days.

Homebuying/Selling Information

➤ How do I still sell homes?

➤ <https://www.nar.realtor/open-house-guidance-during-covid-19>

➤ <https://www.nar.realtor/pivot-in-place/mabel-guzman-a-strategy-for-virtual-showings-during-covid-19>

➤ The lender says FHA has increased credit scores and reserves, and now my borrower can't get a loan!

➤ Neither FHA nor Freddie Mac or Fannie Mae have changed their credit score requirements, reserves are only increased if there is no verification of employment.

Homebuying/Selling Information

- **My buyer can't get a verification of employment, because her office is closed.**
 - Federal loans will now allow oral or email verification of employment. If there is no verification of employment available, the loans will require higher levels of reserves, to ensure the borrower can pay.
- **What about appraisals?**
 - Any mortgage touched by a government program has released guidance allowing for an external appraisal and most will allow a desktop appraisal.

Homebuying/Selling Information

► What about e-closings?

- A number of states allow for remote notary at this time. Find a list [here](#). NAR is supporting legislation to allow remote notary and e-closings nationwide.

Relief for Independent Contractors/Small Businesses

- Pandemic Unemployment Assistance (PUA) Program & Benefits
- SBA Economic Injury Disaster Loans (EIDL)
- SBA 7(a) Payroll Protection Plan

Pandemic Unemployment Assistance Program & Benefits

- ▶ This is a new temporary federal program, under the CARES Act, administered by the states to provide unemployment compensation benefits to independent contractors and self-employed individuals.
- ▶ Many states are awaiting further guidance from the Department of Labor. To see if your state has already implemented, see here: <https://www.dol.gov/general/location>
- ▶ Requires agreements between each state and the federal government.
- ▶ Provides benefits for those partially or fully unemployed due to the COVID-19 public health emergency.
- ▶ Individuals can receive **up to 39 weeks of assistance** through December 31, 2020. Under the Act, individuals can receive an additional \$600/per week through July 31, 2020.
- ▶ To find out more about your eligibility, check with the state labor agency.

SBA Economic Injury Disaster Loans (EIDL)

- SBA EIDL loans are available for small businesses during a declared disaster that have suffered economic harm. The COVID-19 crisis has been declared an eligible disaster.
- EIDL loans can be used to provide paid sick leave to employees unable to work due to COVID-19, maintaining payroll, meeting increased costs due to supply chain disruptions, rent or mortgage payments, and repaying debt obligations.

SBA Economic Injury Disaster Loans (EIDL)

- EIDL loans are administered by the SBA– visit here: <https://covid19relief.sba.gov/>
- SBA customer service line - 1-800-659-2955
- To apply for SBA loans – visit here: <https://covid19relief.sba.gov/>
- SBA customer service line - 1-800-659-2955

SBA 7(a) Payroll Protection Plan

- In addition to small businesses that meet current SBA requirements, sole proprietors, independent contractors, and “gig economy” workers qualify for the 7(a) PPP loans.
- The **PPP loans** are based on a formula using average monthly payroll, and are intended to cover expenses for a business during any 8-week period between February 15, 2020 and June 30, 2020.
- These loans are administered directly through SBA Lenders, which you can find here: <https://www.sba.gov/paycheckprotection/find>

SBA 7(a) Payroll Protection Plan

- ▶ They can be used for payroll costs, rents, mortgage interest, and utilities. If a business owner puts 75% of the loan toward payroll expenses and maintains employee numbers during that 8-week period, the loan is 100% forgiven; as either of those levels drop, the forgivable amount is phased out.
- ▶ <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-18>

Can I receive both an EIDL and a 7(a) PPP loan?

- ▶ Yes, you can apply for both types of loans, but you must put them toward different expenses. In addition, if you receive an EIDL advance grant as well as a SBA 7(a) PPP loan, the amount of the advance will be subtracted from the amount forgiven under the 7(a) PPP loan.

Best Resource

➔ <https://www.nar.realtor/coronavirusSBA>

Commercial Real Estate

- ▶ 1031 Like-Kind Exchange deadline extension:
- ▶ Qualified Opportunity Funds
- ▶ Pandemic Guide for Property Managers – www.irem.org
- ▶ Qualified Improved Property Fix
- ▶ Offset Tax Losses
- ▶ May be eligible to apply for SBA loans

What's Next?

- We are awaiting further guidance from SBA and Department of Labor
- Phase IV?
 - Remote Notary
 - Increased funds for Housing Counseling
 - Relief for landlords
 - And more!

<https://www.nar.realtor/coronavirusFAQ>

Q&A



Next AEI Virtual Session: Friday, April 17, 2020, 12:00 noon EDT

“Navigating the Families First Coronavirus Response Act “

Discover what you need to do to ensure you’re in compliance with the Act and to care for your employees. Donna Garcia and Carole Kaptur, NAR’s Human Resources Pros, will guide you through the key provisions of the Act to help guide compliance efforts. They will also be available for Q&A at the end of the presentation.

Speakers:

- . Donna Garcia, Director, Compensation, Benefits and Strategic Association Management Services, NAR
- . Carole Kaptur, Consultant, Strategic Association Management Services, NAR

THANK YOU!



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