

# HEROES Act 2.0: Provisions for Consumers, REALTORS®, and the Real Estate Industry

October 2, 2020

On October 1, 2020, the House of Representatives passed an updated version of their bill passed on May 15, known as the HEROES Act (“*Health and Economic Recovery Omnibus Emergency Solutions*”). The stimulus bill contains more than \$2 trillion in relief provisions and is intended to advance the ongoing negotiations between Congress and the Administration on the next Coronavirus Relief package.

Below is an overview of updated provisions that most directly impact REALTORS®, consumers, and the real estate industry. See a summary of the previously passed [HEROES Act](#) by the House and the Senate [HEALS Act](#) bills introduced in July. Most of the economic relief provisions NAR has advocated for are included in this latest bill. However, some provisions that are missing include liability protections for businesses operating during the pandemic and the SECURE Notarization Act that would allow for remote on-line notarizations permanently in all states for example.

For a comprehensive list of NAR’s advocacy efforts on COVID-19 relief, see our [advocacy letters](#), and for a deeper dive on each of these topics, see the [FAQs and Quick References Guides](#).

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## Paycheck Protection Program (PPP)

- **Extends access to the program through December 31, 2020**, subject to availability of appropriations.
- **Expands access to all 501(c) nonprofits but limits eligibility to organizations who fall below the 10-percent lobbying threshold.**
- Includes up to \$15 billion in PPP loans made by CDFIs/community lenders.
- Ten percent of total funding is set aside for businesses with 10 employees or fewer, sole proprietorships, self-employed – if in low/moderate-income areas.
- Provides \$8 Billion for the SBA to cover principal/interest/fees of EIDL loans (for both physical and non-physical disaster loans).
- Up to 30 percent set aside for nonprofit organizations/housing cooperatives
- **Second-draw for certain companies:**
  - **Certain businesses can get a second-draw of PPP if: (1) have fewer than 200 employees, or a sole proprietorship/independent contractor/self-employed, and (2) can show a significant loss in revenue (gross receipts of 1st, 2nd, or 3rd quarter 2020 are less than 75 percent of what they were in 2019).** Excludes publicly-traded companies.



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- **Forgiveness Updates:**
  - **Automatic forgiveness for loans less than \$50k if: borrower can certify that loan funds used were in compliance with the requirements, but no documentation is required.**
  - **Simplified forgiveness application for loans between \$50k - \$150k, includes a one-page application, no other documents required, but must certify compliance with the requirements.**
  - Lenders must review and submit forgiveness applications to the SBA within 60 days of receiving them.
  - Lenders will be reimbursed for forgiven PPP loans within 5 days of the forgiveness being approved.
- Borrowers who returned part or all of their PPP loans previously may reapply for a PPP loan for the difference (if only partially returned) or full amount they are eligible for.

## Rental Assistance & Forbearance and Eviction Moratorium

- **\$50 billion in rental assistance to housing providers on behalf of tenants (including past due rent, utilities and fees and payments) targeted at those making less than 80 percent of area median income (AMI) at time of application but can go up to 120 percent.**
- Eviction moratorium for a year from passage – with no ability of housing providers to charge late penalties or fees.
- Mortgage Forbearance for rental units for up to one year for multifamily mortgage loans.
- Includes housing co-ops in PPP loans
- Makes Federal Reserve lending facility eligible to rental housing providers.
- **Expands CARES Act mortgage forbearance beyond government backed mortgages to all single-family mortgages, including mortgages in private forbearance, and provides borrowers up to an additional 12 months of forbearance.**
- Increases servicers' obligations to notify borrowers of availability of and eligibility for forbearance.
- Creates liquidity facility for mortgage servicers.
- Prohibits GSEs from refusing to or otherwise limiting purchase of single-family mortgages solely because the borrower has entered Covid-19 forbearance.

## State & Local Government Funding

- Provides states with \$238 billion and local governments and territories over \$185 billion for COVID-related expenses ranging from paying for first responders in danger of losing their jobs to covering revenue losses over the next year.

## Tax Provisions

- **Provides additional recovery rebates (\$1,200 for singles, \$2,400 for joint filers, \$500 for all dependents) paid out similar to Economic Impact Payments in CARES Act.**
- Makes the child tax credit fully refundable for 2020, meaning that it will be paid even if it exceeds amount of tax due on 2020 tax returns.
- Makes the child and dependent care tax credit fully refundable and increases the maximum credit rate to 50% (from 35%), increases the phaseout threshold from \$15,000 to \$120,000, and



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doubles the amount of expenses eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals.

- Increases the exclusion for employer-provided dependent care assistance from \$5,000 to \$10,500.
- Extends and enhances the refundable payroll tax credits for paid sick and family leave, which were enacted in the Families First Coronavirus Response Act, through the end of February 2021.
- Eliminates the SALT deduction limit for 2020.
- Improves the employee rehiring and retention credit enacted in the CARES Act by increasing the credit from 50% to 80% and easing the rules to make the credit more readily available.
- **Provides that loans forgiven under the CARES Act (including PPP, EIDL grants, etc.) are not includable in gross income and that such exclusion does not result in the denial of any deduction or basis reduction.**
- Modifies the net operating loss provisions enacted in the CARES Act to make them less beneficial to businesses with losses in excess of \$250,000.
- Waives the Required Minimum Distribution rule for 2019 (the CARES Act waived this requirement for 2020) and eases the 60-day rule for rollovers made by November 30, 2020.

## Unemployment Assistance

- **Extension of the Pandemic Unemployment Assistance (PUA) benefits and the additional \$600 per week Federal Pandemic Unemployment Compensation (FPUC) to January 31, 2021, including to independent contractors.**
- Additional funding for Federal and State administration of unemployment assistance.
- **Provides a federally-funded \$125/week additional benefit known as Mixed Earner Unemployment Compensation (MEUC) to individuals earning at least \$5,000/year in self-employment income – subject to state agreements made with DOL.**

## Additional Provisions

- **Broadband** – \$12 billion allocated to increase broadband access (WIFI hotspots for students and libraries; \$24 million for broadband mapping).
- **Credit Reporting** – Prohibits reporting negative credit information on consumers during the pandemic emergency. Limits the use on new credit scoring models during the pandemic emergency.
- **Main Street Lending Facility** – Allows for the creation of a new small business/non-profit loan product without a minimum loan size (overriding the current \$250k minimum) that allows for deferred payments without interest accruing.
- **SAFE Banking Act** – Fully included in the text of the HEROES Act; creates a safe-harbor for FDIC-insured banks operating in states that have legalized cannabis to work with cannabis- and cannabis-adjacent businesses in those states.
- **Student Loans** - Provides up to \$10K student loan repayment grants to borrowers of private student loans during the pandemic emergency.

