

What a Government Shutdown Means for REALTORS®

(As of January 3, 2019)

As of midnight on December 21, 2018, the President and Congress were unable to agree on the provisions of a Continuing Resolution (CR) to fund the federal government. As a result, a partial shutdown of some government operations has occurred. This partial shutdown includes some federal housing, mortgage and other programs of interest to the real estate industry. A summary of the impact on selected agencies is provided below.

While this is a very politically dynamic event, NAR staff continue to monitor federal agencies and work with Congress, the Administration and other groups to assess ongoing impacts to NAR members and their businesses.

Environmental Protection Agency

Under EPA's [shutdown plan](#), most employees are now furloughed. This will affect various regulatory programs and compliance activities, such as wetlands determinations under the 404 program and enforcement of the lead-based paint disclosure and renovation, repair and painting programs.

NAR Staff Contact: Russell Riggs, rriggs@realtors.org

Federal Housing Administration

HUD's Contingency Plan states that FHA will endorse new loans in the Single Family Mortgage Loan Program except for HECM loans. It will not make new commitments in the Multi-family Program during the shutdown. FHA will maintain operational activities including paying claims and collecting premiums. FHA Contractors managing the REO/HUD Homes portfolio can continue to operate. Some delays with FHA processing may occur due to short staffing (click [here](#) for more info).

NAR Staff Contact: Sehar Siddiqi, ssiddiqi@realtors.org

Government Sponsored Enterprises (GSEs)

During previous shutdowns, Fannie Mae and Freddie Mac have continued normal operations since they are not reliant on appropriated funds. On December 26th both GSEs updated or clarified their loan purchase requirements in case of a shutdown. Freddie Mac requires all borrowers to sign a 4506T request form prior to close, but the request does not have to be processed prior to close. Fannie Mae requires the same unless the borrower's income can be verified through Fannie Mae's proprietary Desktop Underwriter verification system in which case no 4506T is required.

NAR Staff Contact: Ken Fears, kfears@realtors.org

Internal Revenue Service

The IRS will close and suspend the processing of all forms, including requests for tax return transcripts (Form 4506T). While FHA and VA do not require these transcripts, they are required by many lenders for many kinds of loans, including FHA and VA. Delays can be expected if the shutdown continues. Some loan originators may adopt revised policies during the shutdown, such as allowing for processing and closings with income verification to follow, as long as the borrower has signed a Form 4506T requesting IRS tax transcripts. On loans requiring a Form 4506T, see the GSE section above for additional details.

NAR Staff Contact: Evan Liddiard, eliddiard@realtors.org

What a Government Shutdown Means for REALTORS®

(As of January 3, 2019)

National Flood Insurance Program (NFIP)

After NFIP operations were initially suspended over questions raised by government attorneys, NAR worked with the White House and Congress to clarify that the government shutdown does **not** affect the sale or renewal of flood insurance policies or the payment of claims on existing policies. Click [here](#) for the FEMA release resuming the full and normal operations of the NFIP.

NAR Staff Contact: Austin Perez, aperez@realtors.org

Rural Housing Programs

The U.S. Department of Agriculture will not issue new rural housing Direct Loans or Guaranteed Loans. Scheduled closings of Direct Loans will not occur. Scheduled closings of Guaranteed Loans without the guarantee previously issued will be closed at the lender's own risk.

NAR Staff Contact: Sehar Siddiqi, ssiddiqi@realtors.org