

Coronavirus Advocacy FAQ

NAR's Federal Advocacy team has been working closely with Congress and the Administration to ensure the interests of REALTORS® and their clients are protected in any federal action in response to COVID-19, in addition to minimizing transaction disruptions during these very difficult circumstances. As the actions out of Washington evolve daily, below are a number of Q&As to address the ongoing fixes being proposed and implemented in response to the pandemic.

Congress has passed an \$8 billion stimulus package providing emergency funding to fight COVID-19, the *Families First Coronavirus Response Act* (FFCRA), and is currently working on a third stimulus package - the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). More legislative packages targeted at specific industries are expected after the third phase.

We will update this document as events warrant.

REALTOR® Business Operations

- **What is NAR doing to promote REALTORS® in the forthcoming stimulus?**

We expect there to be a series of bills dealing with this crisis. NAR is focusing on the importance of the real estate industry to the economy, [ensuring small businesses and independent contractors are included in any relief](#), and working to find processes to keep transactions occurring. Find an up to date list of what we are doing legislatively [here](#).

- **Can I use a remote notary to make my closing happen?**

A number of states allow for remote notary at this time. Find a list [here](#). NAR is supporting legislation to allow remote notary nationwide. We are pushing for the Remote Online Notary (RON) legislation to be included in any of the disaster relief bills. Find information on that bill [here](#).

- **What is NAR doing to protect/assist landlords and property managers in places where there are moratoriums on evictions and foreclosures?**

NAR is working with [a coalition of organizations](#) to ensure that relief for property owners and managers is provided simultaneously to property renters.

- **My county courthouse is closed, how do I file deed and title?**

Here is a [link to a real-time database](#) of offices that are closing or reducing operations as a result of the coronavirus.

- **The commercial real estate sector includes industries that are particularly to the economic threat this poses - restaurants, retail, and offices that will be forced to close for the duration of the crisis and may be unable to reopen. What is NAR doing to address this?**

NAR recognizes the impact mandated closures will have on businesses throughout the country, and how that will impact the commercial real estate market, as well as the landlords and property managers who work with those businesses. NAR is working with a coalition of other industry groups, including the International Council of Shopping Centers, the Real Estate Roundtable, the National Association of REITS, the National Restaurant Association and the National Apartment Association to advocate for a "Federal Business Interruption and Workers' Protection Recovery Fund." Funded by the federal government, it would create a pathway for businesses impacted by the crisis to get assistance and liquidity - regardless of if it was already covered by a business interruption insurance policy or not. NAR will continue to advocate for this and other holistic solutions to the crisis in relief measures considered by the federal government.

- **In my area, appraisers have stopped appraising; Now what?**

We have been working with the federal agencies (HUD, FHFA, Freddie Mac, Fannie Mae) about appraisal issues during the crisis. FHFA has directed Fannie Mae and Freddie Mac to utilize appraisal alternatives to reduce the need for appraisers to conduct interior property inspections for eligible mortgages through May 17, 2020.

<https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Directs-Enterprises-to-Grant-Flexibilities-for-Appraisal-and-Employment-Verifications.aspx>

Fannie Mae and Freddie Mac have provided detailed appraisal alternative guidance, including directions on using desktop appraisals and exterior-inspection only appraisals with specific language that appraisers are to use in their reports.

<https://singlefamily.fanniemae.com/media/22321/display>

<https://guide.freddiemac.com/app/guide/bulletin/2020-5>

The HUD, VA and USDA are currently discussing alternatives to interior inspections for appraisals.

- **I'm not sure I will be able to pay or file my taxes on time for 2019; What do I do?**

The IRS has delayed the due date to file and pay any taxes that are due to July 15, 2020, without penalties or interest. For more IRS information, check [here](#).

- **I can't pay my employees if I am not working; What can I do?**

The Small Business Administration has set up a program for impacted industries to provide targeted, low-interest loans to small businesses and non-profits that have been severely impacted by the Coronavirus (COVID-19). Find out more [here](#).

Also, the Senate has proposed appropriating an additional \$300 billion to the SBA 7(a) loan program, which would include forgivable loans for employers who keep their employees on payroll but are impacted by the Coronavirus (COVID-19) crisis. NAR [supports this legislation](#), and is working on its passage.

- **How do the interest rates being lowered impact us?**

On March 16-17 2020, NAR conducted a flash survey of members on the impact of the coronavirus on their market. The survey was delivered to a random sample of 72,734 members. For 96% of respondents, the majority of their business is residential. For 2% of respondents, the majority of their business is commercial. 45% of members cited there was

no notable change in client behavior regarding the stock market and mortgage rate change. There is a one to one ratio of members who cited the stock market correction significantly damaged confidence, to those who cited lower interest rates excited clients. The share of members who cited the stock market correction influenced clients more than doubled from March 9 to March 16. We will continue to update this survey and will provide results here.

Homeowner/Buyer Questions

- **Does the HUD/FHFA moratorium on evictions and foreclosures cover everyone in the country?**

No, the moratorium only affects borrowers with mortgages backed by Fannie Mae, Freddie Mac, FHA, VA and RHS. This does not apply to the roughly 35% of mortgages held in bank portfolios and private label securities, but some lenders are offering relief.

The [HUD notice](#) only applies to FHA single family mortgage borrowers and Home Equity Conversion Mortgage (HECM) borrowers. The moratorium is set for 60 days (through May 16th). FHFA has also [directed](#) Freddie Mac and Fannie Mae to do the same. Homeowners should check with their mortgage servicer/lender.

- **I'm going to have a hard time making my student loan payments, as my job was put on hiatus during the crisis; What do I do?**

The Department of Education [announced](#) that it will allow forbearance on federally-backed student loans for the next sixty days. Likewise, the Administration has also [waived all interest](#) on student loans for this period. You must contact your loan servicer to being a forbearance.

- **Should we be drinking the water? Is it safe?**

The Environmental Protection Agency (EPA) has [stated](#) that Americans can continue to use and drink water from their tap as usual. EPA has provided important information about COVID-19 as it relates to drinking water and wastewater to provide clarity to the public. The COVID-19 virus has not been detected in drinking-water supplies. Based on current evidence, the risk to water supplies is low.

- **I'm worried about my credit score. What should I do if I miss a few payments due to the crisis?**

Reach out to your servicer, bank or credit card company if you are having trouble making your payments. Many of them have instate programs to offer relief during this time. FICO has also set up a [number of recommendations](#) to protect your credit score during the pandemic.

Commercial Owner Questions

- **I am in the middle of a 1031 like-kind exchange, and now the town I am buying the replacement property in has shut down. I'm not going to make the 180-day deadline; What do I do?**

NAR wrote to the Department of Treasury seeking deadline relief for the [1031 like-kind exchange program](#). We are working to get these extensions included in any future Administration actions or legislative packages.

- **I may not be able to meet the 31-month “working capital safe harbor” for my opportunity fund investment if development stops; What do I do?**

NAR sent a letter to the Treasury asking for relief for the working capital safe harbor for [Qualified Opportunity Funds](#). We are working to get these extensions included in any future Administration actions or legislative packages.

- **I was in the middle on an eviction for failure to pay of a tenant in my single-family rental property. Now that all evictions are halted, how do I pay my mortgage?**

Your mortgage is likely covered by the moratorium on foreclosure, but hopefully it won't get to that. NAR has worked with a coalition of organizations to lobby for security in all of the real estate waterfall (click [here](#) for coalition letter to congress). If you stop evictions for tenants, you must also provide relief for property owners.

Independent Contractor/Small Business Concerns

- **Are independent contractors entitled to paid leave?**

Self-employed individuals may be eligible for paid leave administered through refundable tax credits if they meet the qualifications under the FFCRA's Emergency Paid Sick Leave Act if they were: subject to a quarantine or isolation order; has been advised to self-quarantine; is experiencing symptoms; or, must care for an individual who is subject to an isolation order or who is a quarantined employee; or is on leave to care for a son or daughter if the school or place of care for the child has been closed or the child care provider of the child is unavailable, due to COVID-19 precautions.

Eligible self-employed individuals are able to claim a refundable tax credit equal to 100% of the qualified sick leave equivalent amount for those who must self-isolate, obtain a diagnosis, or comply with a self-isolation recommendation with respect to COVID-19. Eligible self-employed individuals caring for a family member or for a child whose school or place of care has been closed due to COVID-19 receive a credit equal to 67% of a qualified sick leave equivalent amount.

For more on the details of the paid leave, see [here](#).

- **Are small business owners required to offer paid leave to employees?**

Under the FFCRA, businesses with fewer than 500 employees must offer extended family and medical leave (FMLA expansion) and the new paid sick leave. For the new paid sick leave, full-time employees can receive up to 80 hours of sick leave, while part-time workers are eligible for leave based on their scheduled or normal work hours in a two-week period. The paid sick leave is calculated based on the employee's regular compensation but is capped at \$511 per day for employees subject to a quarantine or isolation order; has been advised to self-quarantine; is experiencing symptoms; and at \$200 per day if needing to care for an individual who is subject to an isolation order or who is a quarantined employee; or needing to care for a son or daughter if the school or place of care for the child has been closed or the child care provider of the child is unavailable, due to COVID-19 precautions. If an employer already offers paid sick leave, this emergency paid sick leave must be offered in addition to that.

For more on the details of the paid leave, see [here](#).

- **Is there an exemption for small business owners required to offer paid leave to employees?**

The Department of Labor (DOL) has been granted authority to exempt from the paid family and sick leave requirements employers with fewer than 50 employees if the requirement to provide leave would jeopardize the viability of the business. The details of how to obtain this exemption have not yet been released by DOL.

- **Are independent contractors entitled to unemployment insurance?**

Under the CARES Act proposed legislation, there is a provision that provides for temporary *Pandemic Unemployment Assistance* program through December 31, 2020, which provides payment to those not traditionally eligible for unemployment benefits (including the self-employed) who are unable to work as a direct result of the coronavirus public health emergency. The Department of Labor will administer this program with states' unemployment insurance programs. As this legislation is finalized, more updates will be provided.

TAX CREDITS FOR SICK TIME AND FAMILY LEAVE

- **Does a REALTOR® need to itemize their deductions in order to qualify for the credits?**

The tax credits are available whether the tax filer itemizes deductions or not. If the REALTOR® is self-employed, the tax credit will reduce his or her income or self-employment taxes and also the quarterly estimated tax payments.

- **What if I have a limited liability company (LLC) or an S corporation?**

If an owner of an LLC has employees, they will have Social Security and withholding tax liabilities for the employer's share to pay over to the IRS. The tax credits can be used to reduce these payments, thus saving the employer cash within days or weeks. If the LLC has no employees, the answer is the same as in the question immediately above. For owners of S corporations who are also employees, the tax credits can be used to reduce tax payments due to the IRS, as with LLCs.

A full explanation of the new law related to sick leave and tax credits can be found [here](#).

Association Matters

- **Are NAR REALTOR® Party grants still available?**

Yes, all NAR's grant programs are still operating. Leverage a Housing Opportunity, Smart Growth and/or Fair Housing grant to position your association as a leader in your community by hosting an online or virtual event addressing affordable housing challenges, community planning and development issues, revitalization opportunities, and fair housing education. If you need more information, application deadlines, and/or clarification about whether the event meets grant criteria, contact Wendy Penn for Housing Opportunity or Hugh Morris for Smart Growth and Fair Housing.

REALTOR® Party Leaders available for virtual meetings and events: Beginning April 1, members of the 2020 REALTOR® Party Travel Team are available to "dial-in" and speak to your group if your association is hosting a virtual meeting or event. Offerings are quick, 5-10

minute issue overviews on topics such as Get Out The Vote, Voter Registration, Fair Housing activities, Community Outreach programs, and other REALTOR® Party programs and services. To schedule, please contact Vanessa Lopez at VLopez@NAR.REALTOR.

- **I had an NAR REALTOR® Party grant for an event I now had to cancel. What do I do?**

NAR Community Outreach Grants can be used for virtual/on-line activity: Leverage a Housing Opportunity, Smart Growth and/or Fair Housing grant to position your association as a leader in your community by hosting an online or virtual event addressing affordable housing challenges, community planning and development issues, revitalization opportunities and fair housing education. If you need more information, application deadlines and/or clarification about whether the event meets grant criteria, contact Wendy Penn for Housing Opportunity or Hugh Morris for Smart Growth and Fair Housing.

State and local REALTOR® associations receiving approval for a Housing Opportunity, Smart Growth, Placemaking or Fair Housing grant must use the award within one year of the application date. If your association is participating in an activity supported by an NAR Community Outreach grant that has been rescheduled due to COVID-19 and impacts your ability to meet the one-year deadline, please contact Christine Windle, Director, Community Outreach, 202/383-1135 for an extension. Community Outreach grants that are approved for extension will have until October 31, 2020 to complete the activity.