

NAR Advocacy “WINS” in 2021

November 2021

LEGISLATIVE WINS

AMERICAN RESCUE PLAN PROVISIONS

- **Homeowner Assistance Fund**
 - Provides \$9.97b for distressed owners impacted by the pandemic to help catchup on mortgage payments and taxes; also provides funding for housing counseling.
- **Rental Assistance Provision**
 - Provides \$21.55 billion in funding for the Emergency Rental Assistance Program, bringing the total amount to \$46.55 billion.
- **SBA Loan Programs**
 - Provide an additional \$7.25 billion for Paycheck Protection Program (PPP) loans.
 - Provide an additional \$15 billion for Economic Injury Disaster Loan (EIDL) advance grants, with \$10 billion reserved for payments to businesses that did not receive the full grant amount when they originally applied (up to \$10,000 per business).
 - Exempts EIDL grants from taxation.
- **Restaurant Revitalization Fund**
 - Appropriates \$25 billion for the Restaurant Revitalization Fund, for grants to assist restaurants with pandemic-related losses and to cover rent, mortgage, payroll, utilities, and other business expenses.

BUILD BACK BETTER – Real Estate Provisions

Wins for the version passed by the House in 2021; The Bill is pending in the Senate.

- **First-Generation Down Payment Assistance**
 - Provides \$10 billion for first-generation buyers who receive \$20k or 10% of the purchase price of a home for down payment or other closing costs;
 - Sets aside \$500 million for housing counseling tied to the program.
- **Unlocking Possibilities Program**
 - Provides \$ 1.75 billion for grants to state and local governments and entities to create affordable housing solutions and changes to zoning.
- **Affordable Housing Production**
 - \$25 billion provided to build, purchase, or rehab affordable homes for low-income people.



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- **Public Housing Investment**
 - \$65 billion set aside for capital needs in public housing.
- **Expanded Low-Income Housing Tax Credit**
 - Represents Bipartisan expansion of the most effective affordable rental housing program in U.S. history, which NAR has long championed.
- **Neighborhood Homes Investment Act**
 - A New initiative to rehabilitate or create 500,000 homes in struggling neighborhood. NAR is founding member of coalition; The goal is to increase value of all homes in neighborhood by injecting tax credits and capital into enough units to start transformation.
- **Energy Tax Credits**
 - Represents \$320 Billion for clean energy tax credits, including a new grant program to make energy efficiency upgrades to affordable housing, a residential energy efficient property credit and an energy efficient commercial buildings deduction.
- **LIFT Act**
 - Provides \$5 billion to subsidize 20-year mortgages for first-generation borrowers.
- **Housing Vouchers**
 - \$24 billion set aside for Housing Choice Vouchers.
- **Small Dollar Mortgages**
 - Gives FHA \$100 million to FHA for a pilot to expand mortgages that are less than \$100k.
- **Flood Insurance**
 - \$1.2 billion provided for new flood mapping and helping struggling policyholders pay for flood insurance.
- **CDBG Funding**
 - \$3 billion provided for CDBG.
- **Community Funds**
 - \$3 billion provided for grants to local non-profits for community revitalization activities.
- **Rural Housing**
 - \$2 billion provided for new construction and energy improvements for rural housing.



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- **Distressed Multifamily**
 - \$1.6 billion provided for the preservation of properties eligible for Section 8 assistance.
- **Fair Housing**
 - \$800 million provided for State and local government enforcement and private nonprofit enforcement and education.
- **Fought back real estate tax increases:**
 - Limit 1031 like-kind exchanges – **out**
 - Increase top capital gains tax rate – **out**
 - Tax unrealized gains at death – **out**
 - Carried interest taxed as ordinary income – **out**
 - Expand reach of 3.8% net investment income tax – **in**
 - Limit 199A (20% qualified business income) deduction – **out**
 - Restrictions to IRAs investing in real estate – **out**
- **Fought back other tax increases with indirect effects on real estate:**
 - Increase corporate income tax rates – **out**
 - Changes to tax rules for multinational corporations – **in but changed**
 - Increase top individual tax rate from 37% to 39.6% – **out**
 - Bank tax reporting – **out**
 - 3% surtax on income over \$5 million – **expanded**
 - Estate tax increases – **out**

BIPARTISAN INFRASTRUCTURE FRAMEWORK (BIF):

- **Bridges and Roads**
 - \$110 billion provided for major infrastructures upgrades and new projects.
- **Public Transit**
 - \$39 billion provided to modernize public transit, including renovations and new projects to bring public transit to communities that need it (Reauthorization of the FAST Act).
- **Broadband**
 - \$65 billion provided to expand broadband access in communities and help with affordability where only one service is offered.



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- **Water**
 - \$55 billion provided for upgraded water systems.

FAIR HOUSING

- **The Equality Act**
 - Passed the House in February 2021 with NAR's support. The Equality Act would prohibit discrimination based on sexual orientation or gender identity in housing and other areas of American life.
- **Mapping Housing Discrimination Act**
 - Introduced by Senator Tina Smith (D-MN). NAR supports this legislation which would fund HUD to catalogue racially-restrictive covenants across the United States to help create public-policy to address their legacy on wealth and community development.
- **Fair Lending for All Act**
 - Introduced by Representative Al Green (D-TX), the legislation would stiffen ECOA penalties for lending discrimination and create an office within CFPB with the authority to test lenders for lending discrimination. NAR has supported this bill.

EXPANDING ACCESS TO NOTARIZATION

- **National Defense Authorization Act (NDAA)**
 - NAR advocated for the passage of the NDAA in the House, which included the SECURE Notarization Act as an amendment. If NDAA becomes law, this amendment would authorize every notary in the US to perform remote online notarization in a safe and secure manner.

PROTECTING INDEPENDENT CONTRACTOR STATUS

- **Independent Contractor Classification**
 - NAR advocated to protect the ability of real estate professionals to be classified as independent contractors by engaging with lawmakers on the Protecting to Right to Organize (“PRO Act”) Act. NAR engaged with lawmakers to discuss specifically regarding key provisions of the bill, including the impact of federal codification of an ABC-test and the impact of an expanded joint employer standard.



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FLOOD INSURANCE

- **National Flood Insurance Program (NFIP)**
 - Extended the NFIP through December 3, avoiding a costly lapse of the program and ensuring that 40,000 home sales per month continue to close on time.

REGULATORY WINS

FEMA: FLOOD INSURANCE

- **Risk Rating 2.0**
 - NAR Collaborated with FEMA to produce more accurate, property specific flood insurance rates to ensure that home buyers and owners can make better informed decisions.

FHFA/GSEs

- **50-Basis-Point Fee Eliminated:**
 - A 50-basis-point fee on refinance loans was eliminated.
- **Second Home and Investment Loan Limits**
 - Limits on second home and investment loans as well as loans to borrowers with multiple risk factors, such as first-time and underserved borrowers, was suspended pending a review that NAR advocated for.
- **GSEs/2020 Capital Rule**
 - The Federal Housing Finance Agency (FHFA) has indicated that it will eliminate or reduce several facets of the 2020 capital rule that unnecessarily raised costs for the GSEs and could have hampered access and affordability.
- **Forbearance and Eviction Moratorium**
 - Provides for the tapering of forbearance and moratorium extensions and gradual reduction of distressed borrower inventory with guardrails to help consumers.
- **REO Extension**
 - Extended REO “look back” period from 20 to 30 days.
- **FHFA/Fair Lending**
 - The FHFA reiterated its obligation to support fair lending, an important facet of expanding credit to credit-worthy borrowers. It also agreed to share with the HUD data from the GSEs and the entities they work with, so that HUD can better carryout its mission of supporting fair lending.



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- **FHFA/GSEs' Housing Goals**
 - The FHFA raised the GSEs' housing goals and introduced new equity plans, both of which will help to expand access to credit and lower the cost.
- **Fannie and Freddie Alternative Credit Data**
 - Fannie and Freddie Mac both created new programs to use bank data to track rent-payment history and to build data in credit repositories. Both actions use alternative credit data to help improve home purchase outcomes for credit-worthy borrowers.

COMMUNITY REINVESTMENT ACT (CRA)

- **CRA Modernization**
 - Regulators announced a joint effort to review and modernize the CRA as had been advocated by NAR.

STUDENT DEBT

- **Public Student Loan Forgiveness**
 - Provides temporary improvements to the Public Student Loan Forgiveness relief that make more student debt holders eligible for cancellation
- **FHA Student Debt Underwriting**
 - FHA changed its calculation of student debt for underwriting purposes to the actual payment

FAIR HOUSING

- **Affirmatively Furthering Fair Housing Rule**
 - The Department of Housing and Urban Development (HUD) restored definitions for its Affirmatively Furthering Fair Housing (AFFH) rule that had been significantly altered in 2020. NAR opposed the 2020 changes and supported the 2021 restoration. The restored definitions return to long-settled legal interpretations of the statutory obligation to AFFH and support the fundamental goals of the Fair Housing Act.



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THE COURTS

VICTORY AT THE SUPREME COURT

- **CDC's Eviction Moratorium**
 - NAR provided critical support for the Alabama and Georgia REALTOR® Associations in their victorious lawsuit against the Centers for Disease Control (CDC) nationwide eviction moratorium. The Associations argued that the CDC lacked the constitutional authority to impose an eviction moratorium under the Public Health Services Act.
- **Eviction Moratorium Ended**
 - Following months of litigation and several extensions to the federal eviction moratorium, the Supreme Court ultimately held on August 26, in a 6-3 ruling, that the CDC lacked the authority and the moratorium was ended.
- **Emergency Rental Assistance Program**
 - NAR has since worked extensively with the White House, Treasury Department, CFPB, HUD, and other federal agencies to improve the "Emergency Rental Assistance Program" (ERAP) and speed up disbursement of the rental assistance funds to keep renters in their homes and housing providers able to pay their mortgages and cover other housing expenses.

