

May 14, 2020

Vince Malta

2020 President

Bob Goldberg

Chief Executive Officer

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The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
1236 Longworth House Office
Building
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

On behalf of the more than 1.4 million members of the National Association of REALTORS®, thank you for your continued work to support Americans facing unforeseen financial challenges as a result of the COVID-19 pandemic. Previous economic relief packages have provided crucial lifelines to millions of independent contractors, small businesses, homeowners, and renters across the country. As additional legislation is negotiated and considered, including the recently proposed HEROES Act, NAR appreciates the inclusion of many provisions directly addressing the various unique challenges posed by the pandemic to ensure a speedy economic recovery.

The timeline for states and businesses reopening continues to change, putting pressure on consumers to prioritize living expenses while incomes remain in flux. Expanding forbearance provisions for both renters and homeowners would provide an invaluable, optional safety net for countless Americans, including the millions filing for temporary unemployment. The expansion of financial assistance programs to replace lost income also remains a useful backstop for many self-employed and small business owners facing unanticipated drops in business due to the ongoing closures or declines in operations.

To further support millions of American small business owners and self-employed individuals, NAR supports the Small Business Administration (SBA) loan programs - the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL). The extension of the PPP loan period and rehire exemption, along with additional EIDL funding will provide much needed financial security to business owners. Modifications to the requirement that 75 percent of the PPP loan be designated for payroll to qualify for forgiveness



would offer more flexibility to borrowers to cover expenses like rent, reamortgage interest and utility costs, relief which may prove more beneficial in the long-term to sustain businesses and employee jobs.

Furthermore, the expansion of PPP eligibility to 501(c) organizations will result in additional support for struggling business owners relying on these organizations to navigate this pandemic. The removal of the minimum loan size to increase access to the Federal Reserve Main Street Lending Program will allow more small businesses and non-profits to access yet another avenue of non traditional financial assistance that may better fit their business needs. Business owners and operators may also welcome narrowly tailored liability protections that ensure their good faith efforts to restart businesses are not futile in light of the unpredictable and unintended consequences of the pandemic.

NAR appreciates the tax support offered to self-employed individuals and business owners experiencing a significant loss of income and business for pandemic-related closures through the refundable individual income tax credit and the refundable payroll tax credit. For those businesses utilizing PPP loans, clarifying the allowance of payroll tax deferrals and loan forgiveness provisions, in addition to maintaining the business expense deductions, will provide needed certainty in the wake of delayed guidance on how these loans may operate.

While the temporary repeal of the limit on the State and Local Tax (SALT) deduction may be controversial, there is a bipartisan solution that already exists to further incentivize homeownership (see H.R. 2894 and S. 2762). With the current SALT cap including a marriage penalty, doubling the SALT deduction limit to \$20,000 for married couples filing a joint return would provide significant relief for millions of families, be less costly, and be more focused on supporting middle-income households.

The need for housing security also remains critical, which is why addressing mortgage market liquidity is imperative to stabilizing industry fears and ensuring creditworthy homebuyers – particularly entry-level, middle income, and low-to-moderate income buyers – have continued access to affordable products and services. Through a designated mortgage servicer liquidity facility, Congress could avoid any adverse impacts on the primary and secondary market, while the housing finance agencies continue to provide explicit relief for consumers and the industry seeing unintended consequences related to forbearance requests. Rental assistance and forbearance for multifamily housing providers is also critical. While prohibitions on evictions may help renters, the housing industry is still vulnerable if there is not also relief for the housing providers.

As negotiations towards a consensus legislative package continue, NAR also urges the inclusion of the bipartisan Securing and Enabling Commerce Using Remote and Electronic Notarization Act (SECURE Act; H.R. 6364), which would provide immediate support to America's homebuyers and ensure transactions can continue to close safely and efficiently. With every two home sales generating one new job in this country, it is more imperative than ever to support real estate activity, which accounts for nearly 20 percent of U.S. GDP. Investments in infrastructure, such as increased funding for broadband, will further facilitate these online transactions while helping to ensure Americans working from home have the tools they need to operate under these new circumstances.

NAR thanks you for your continued work toward commonsense solutions that provide relief during these trying times. We look forward to working with you to provide additional insight on how these specific issues impact REALTORS® and the consumers and communities they serve.

Sincerely,



Vince Malta
2020 President, National Association of REALTORS®

cc: United States House of Representatives
United States Senate