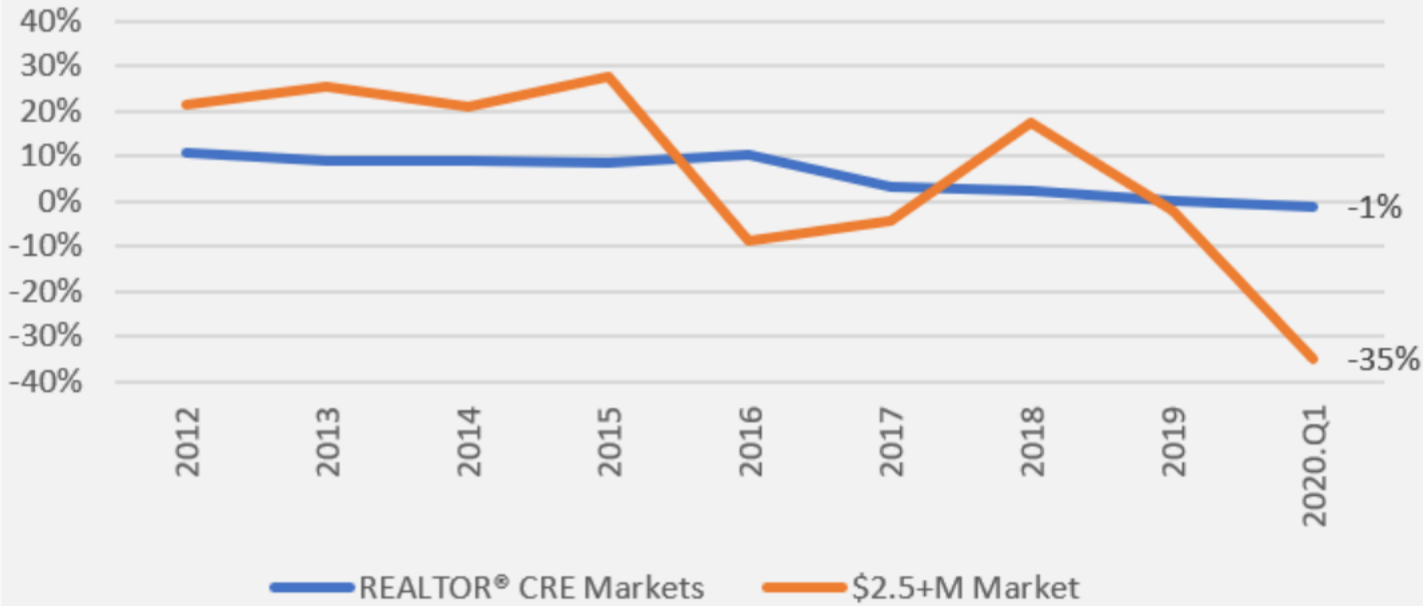


Coronavirus Relief NAR Advocacy Team May 28, 2020

**NAR.REALTOR/CORONAVIRUS
TEXT COVID19 to 30644**

NAR Q1 – commercial transactions

Quarterly Sales Volume (Y/Y % Chg)



Sources: National Association of REALTORS®, Real Capital Analytics

NAR.REALTOR/Commercial

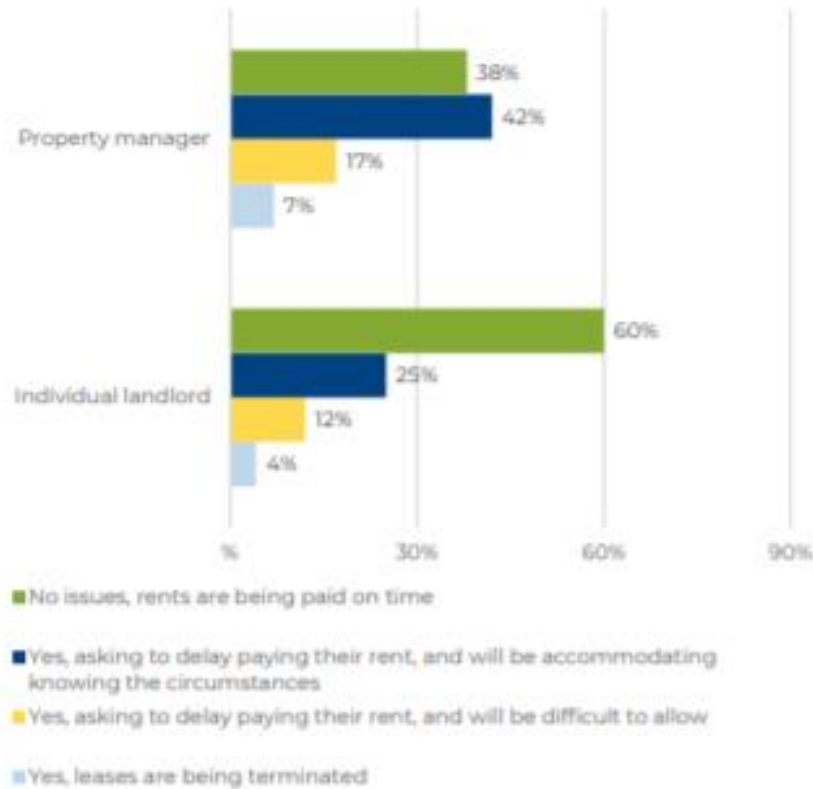
Outlook for 2020



Tenants Paying Rent

Of those who work with residential tenants, 38 percent of property managers cited having no issues with their tenants paying the rent, compared to 60 percent of individual landlords. Forty-two percent of property managers reported being able to accommodate their tenants who cannot pay rent and 17 percent cited it being difficult. Among individual landlords, 25 percent of individual landlords reported being able to accommodate their tenants who cannot pay rent and twelve percent cited it being difficult. Small portions (less than 10 percent) of property managers and individual landlords reported tenants terminating their leases.

IN REGARDS TO CORONAVIRUS (COVID-19), HAVE YOU SEEN ANY TENANTS WHO ARE UNABLE TO PAY THEIR RENT?:



NAR Flash Survey: Economic Pulse May 18 - 22, 2020

Flash Survey – Multifamily

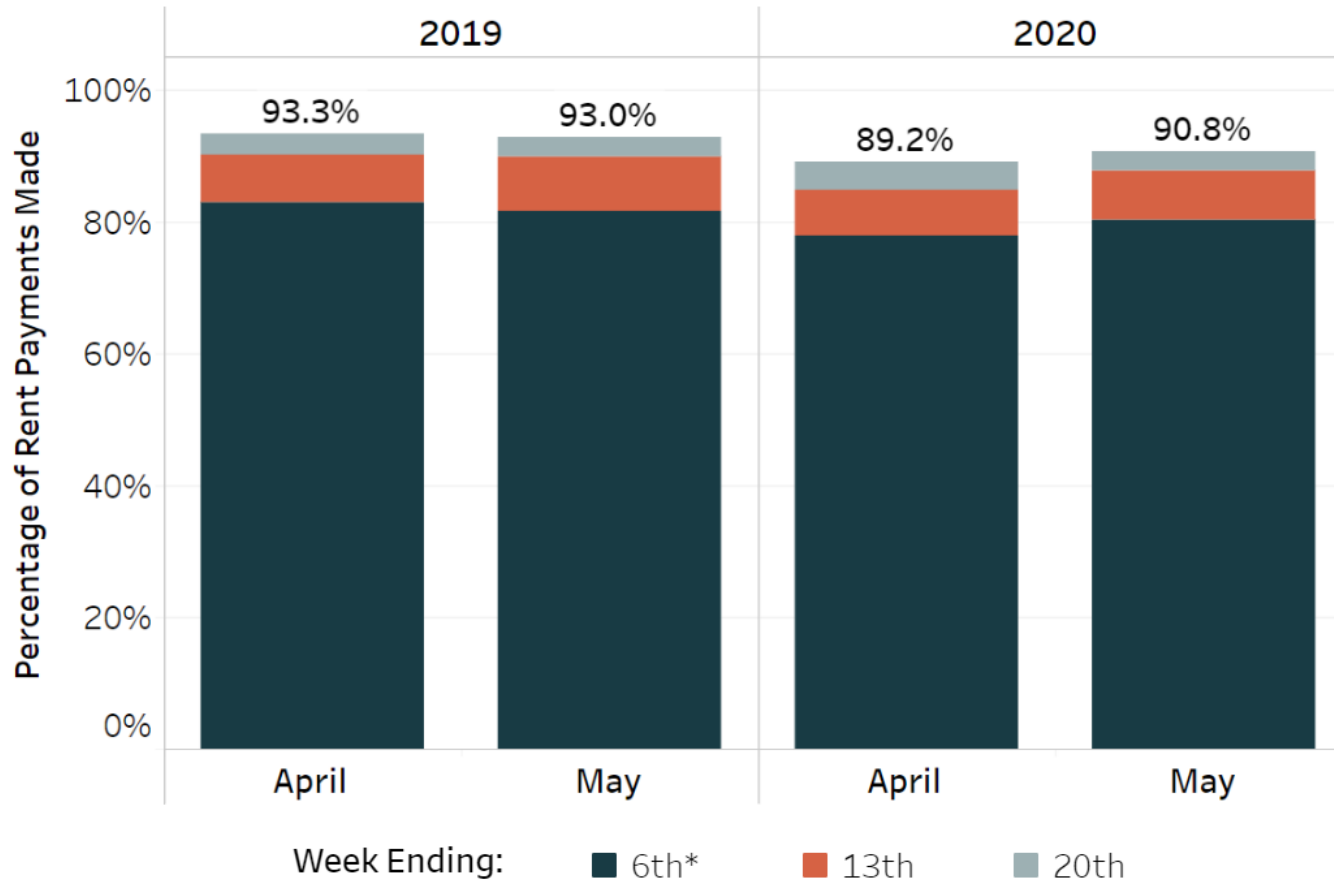
<https://www.nar.realtor/research-and-statistics/research-reports/nar-flash-survey-economic-pulse>

NMHC Rent Payment Tracker

<https://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/>

Rent Payment Tracker

**Data collected from 11.4 million apartment units in May and 11.5 million apartment units in April



Multi-family – Prohibitions on Eviction

<https://www.nar.realtor/political-advocacy/coronarivus-housing-providers-faqs>

- Emergency Rental Assistance
- Multifamily Forbearance

Commercial Resources

➔ SBA loans

➔ EIDL

➔ PPP

➔ 7A

➔ Main Street Lending

SBA Economic Injury Disaster Loans (EIDL)

- ▶ SBA EIDL loans are available for small businesses during a declared disaster that have suffered economic harm. The COVID-19 crisis has been declared an eligible disaster.
- ▶ EIDL loans can be used to provide paid sick leave to employees unable to work due to COVID-19, maintaining payroll, meeting increased costs due to supply chain disruptions, rent or mortgage payments, and repaying debt obligations.
- ▶ The CARES Act added a \$10,000 advance grant to EIDLs, which may be forgiven if used for an eligible purpose.
- ▶ Due to high demand, EIDL advance grants will be based on employee numbers: \$1,000/employee, up to \$10,000.

SBA Payroll Protection Plan

- They can be used for payroll costs, rents, mortgage interest, and utilities, and if a borrower meets SBA criteria will be forgiven.
- **Businesses with employees:** the business must use 75% of the loan for payroll expenses and maintain employee numbers during that 8-week period for the loan to be 100% forgiven; as either of those levels drop, the forgivable amount is phased out.
- **Independent contractors:** eligible for an amount equal to an 8-week portion of their 2019 net earnings forgiven (based on IRS Form 1040 schedule C)
- <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-18>



<https://www.nar.realtor/coronavirusSBA>

Existing 7A SBA Program

- Provides loans for
 - startup costs, including:
 - purchasing new land,
 - purchasing or expanding existing businesses
 - refinancing existing debt

- <https://www.sba.gov/funding-programs/loans>

Main Street Lending Facility

- Federal Reserve program (*not yet operational*)
- Eligible borrowers include companies up to 15,000 employees and \$5b in revenue
- Minimum loan size is \$500,000
- Repaid over 4 years at LIBOR +3%

<https://www.nar.realtor/political-advocacy/coronavirus-quick-reference-guide-on-the-main-street-lending-program>



**REGULAR UNEMPLOYMENT
COMPENSATION ELIGIBILITY***

(Including Disaster Unemployment Assistance)
(State Unemployment Office Determination)

Generally, regular unemployment compensation benefits under many state laws are **NOT** available to independent contractors and self-employed individuals.

Under Department of Labor guidance, states are directed to assess individuals' eligibility for regular unemployment compensation under state law, and also to evaluate individuals' eligibility for Disaster Unemployment Assistance (DUA) benefits. DUA provides unemployment benefits to independent contractors and self-employed individuals in areas where the President has declared a major disaster.



**REGULAR UNEMPLOYMENT
COMPENSATION ELIGIBILITY**

(Including Disaster Unemployment Assistance)

**REGULAR UNEMPLOYMENT
COMPENSATION AND DUA BENEFITS
MUST BE EXHAUSTED FIRST FOR
ELIGIBLE INDIVIDUALS.**

Individuals eligible for regular unemployment compensation under state law may receive up to 39 weeks of unemployment compensation (*the CARES Act extends state unemployment benefits by 13 weeks*). Individuals eligible for DUA may receive up to 26 weeks of DUA benefits.



NEW!

**PANDEMIC UNEMPLOYMENT
ASSISTANCE (PUA) ELIGIBILITY**

(State Unemployment Office Determination)

This expanded program provides unemployment assistance to independent contractors and self-employed individuals in participating states.

The federal CARES Act created the new (temporary) **Pandemic Unemployment Assistance (PUA)** program to provide unemployment benefits to independent contractors, self-employed individuals, and others not typically eligible for state unemployment compensation. State unemployment offices evaluate eligibility for PUA. Individuals eligible for PUA may receive up to 39 weeks of unemployment compensation.



NEW!

**FEDERAL PANDEMIC
UNEMPLOYMENT COMPENSATION
(FPUC)**

The federal CARES Act created the new (*temporary*) Federal Pandemic Unemployment Compensation program. The program provides individuals receiving regular unemployment compensation under state law, DUA benefits, PUA benefits, and certain other unemployment benefits with an **additional \$600 weekly payment until July 31, 2020.**



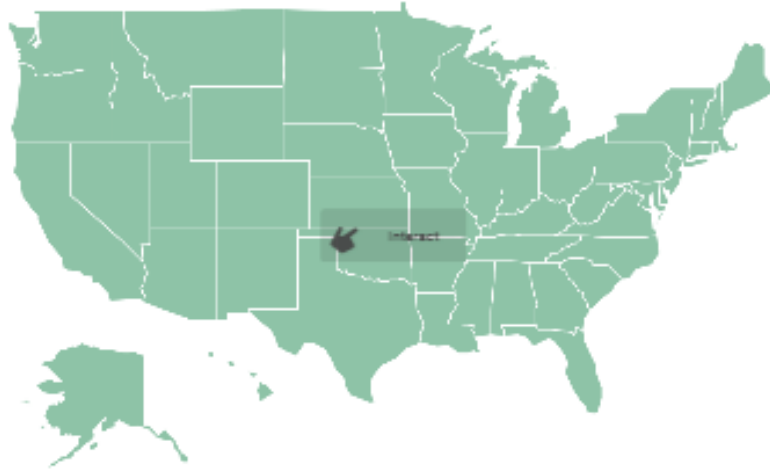
***NOTE:** Some states may require independent contractors and self-employed individuals to apply for regular unemployment compensation, and be denied, before applying for PUA benefits. Other states may not require independent contractors and self-employed individuals to do so. Please check your state labor department's or unemployment agency's website to determine the process for applying for unemployment benefits.

For additional information on the PUA program, please visit: nar.realtor/coronavirusUE

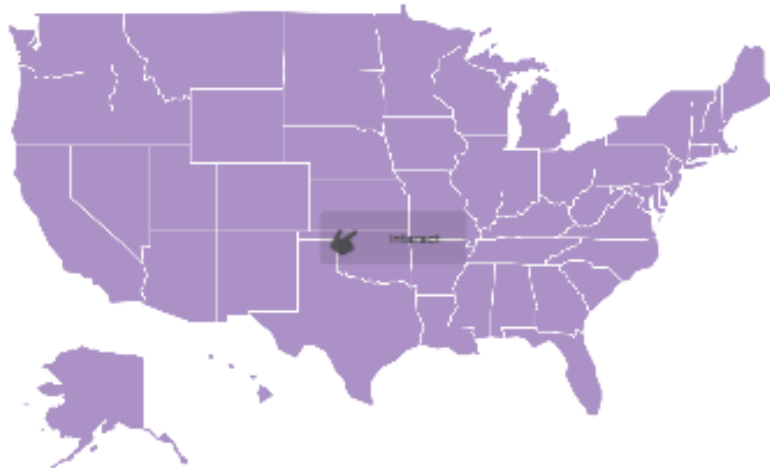


Pandemic Unemployment Assistance (PUA) By State

Select your state to view information on services.



Access Your State Unemployment Agency Site



Information from the states for both charts was verified April 27, 2020 and is subject to change.

[NAR.REALTOR/CoronavirusUE](https://www.nar.realtor/CoronavirusUE)



Tax Provisions of CARES Act

► Qualified Improvement Property

- Immediate write off for costs of making internal improvements – including amended 2018 return

► Net operating loss

- Allows carry back of net operating losses against 2018, 19, and 2020
- Up to 5 years

► Delays payroll tax payments

- Until 2021 and 2022

Tax Provisions of CARES Act

- ▶ **Refundable Tax Credit For Payroll Retention**
 - ▶ 50% up to \$10,000 wages
- ▶ **Increases amount of interest expense deductible**
- ▶ **Treasury Exchange Stabilization Fund**

Tax Deadline Extensions

- **No 2019 taxes (or first 2 quarter 2020 taxes) due until July 15**
- **Extension of 1031 Like Kind Exchange Deadline**
- **Extension of Qualified Opportunity Fund Investment Deadline**

What's Next?

- Phase IV?
 - Remote Notary
 - Increased funds for Housing Counseling
 - Relief for landlords
 - Emergency rental assistance
 - Continued funding for SBA
 - 501(c)(6) eligibility
 - Business Relief Fund

<https://www.nar.realtor/coronavirusFAQ>