

Coronavirus Relief

April 21, 2020

National Association of REALTORS®

Advocacy Team

Best Resources

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

Text COVID19 to 30644

Essential services

- **The Federal Government has declared “residential and commercial real estate and settlement services” as essential.**
- **Governors still have final say over states.**
- **Being considered “essential” does not make you ineligible for other services, such as unemployment.**

Relief for Individuals

- Taxpayers with incomes below the thresholds will receive cash payments from the federal government within the next 3 weeks, in the amount of \$1,200 per adult plus \$500 for each child under the age of 17.
- Taxpayers with retirement accounts, including IRAs, can take early withdrawals of up to \$100,000 from those accounts without having to pay the 10% early-withdrawal penalty.
- The IRS will NOT call you to verify bank account information or your social security number. THIS IS A SCAM.
- The IRS has delayed the due date to file and pay 2019 taxes to July 15, 2020, without penalties or interest.
- Visit: <https://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>

Homeowner/Renter Information

- Homeowners with government-backed mortgages ((Fannie Mae, Freddie Mac, HUD, VA and USDA) can request up to 360-day payment forbearance without proof of hardship.
- Renters in a property with these loans can request relief from eviction for 120 days.
- Many Landlords are also eligible for forbearance. Multifamily owners who have Fannie Mae, Freddie Mac, FHA or any loans backed or assisted by any branch of the federal government may request forbearance for 30 days due to financial hardship, with extensions of up to a total of 90 days.

Homebuying/Selling Information

➤ What about e-closings?

- A number of states allow for remote notary at this time. Find a list [here](#). NAR is supporting legislation to allow remote notary and e-closings nationwide.

Tax Deadlines – Extended through July 15

- 1031 Like-Kind Exchanges: If an investor has taken the first step of a 1031 by selling the old property, and either the 45-day or the 180-day deadline falls between April 1 and July 15, deadline is extended to July 15.
- Opportunity Zones: If an investor who sold a capital asset planned to roll over the gain into an Opportunity Fund and the 180-day deadline to do so falls between April 1 and July 15, the investment can be made as late as July 15.
- Sole proprietors who pay quarterly estimated taxes have until July 15 to file their Q2 payment.

Relief for Independent Contractors/Small Businesses

- Pandemic Unemployment Benefits
- SBA Economic Injury Disaster Loans (EIDL)
- SBA 7(a) Payroll Protection Plan

Pandemic Unemployment Assistance Program & Benefits

- ▶ New temporary federal program, administered by the states to provide unemployment compensation benefits to independent contractors and self-employed individuals.
- ▶ Many states are awaiting further guidance from the Department of Labor. To see if your state has already implemented, see here: <https://www.dol.gov/general/location>
- ▶ Requires agreements between each state and the federal government.
- ▶ Provides benefits for those partially or fully unemployed due to the COVID-19 public health emergency.
- ▶ Individuals can receive **up to 39 weeks of assistance** through December 31, 2020. Under the Act, individuals can receive an additional \$600/per week through July 31, 2020.
- ▶ To find out more about your eligibility, check with the state labor agency.

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 Economic Injury Disaster Loans (EIDL)

- ▶ EIDL loans are administered by the SBA– visit here:
<https://covid19relief.sba.gov/>
- ▶ SBA customer service line - 1-800-659-2955

SBA 7(a) Payroll Protection Plan

- ▶ In addition to small businesses that meet current SBA requirements, sole proprietors, independent contractors, and “gig economy” workers qualify for the 7(a) PPP loans.
- ▶ The **PPP loans** are based on a formula using average monthly payroll, (or income for independent contractors) and are intended to cover expenses for a business during any 8-week period between February 15, 2020 and June 30, 2020.
- ▶ These loans are administered directly through SBA Lenders, which you can find here: <https://www.sba.gov/paycheckprotection/find>

SBA 7(a) 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>

Can I receive both an EIDL and a 7(a) PPP loan?

- ▶ Yes, you can apply for both types of loans, but you must put them toward different expenses. In addition, if you receive an EIDL advance grant as well as a SBA 7(a) PPP loan, the amount of the advance will be subtracted from the amount forgiven under the 7(a) PPP loan.



Funding ran out – now what?

- EIDL: Applicants who already got their application in with the SBA (before it was taken down) are in the que for these loans. They do NOT need to reapply.
- PPP: If you already applied, reach out to your lender to check the status. They may hold those applications in a que, or they may require you to reapply when the funding comes through.

- We expect an additional \$310 billion to be appropriated for the programs – and we will likely see further appropriations when that runs out.

Best Resource

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

Commercial Real Estate

- ▶ 1031 Like-Kind Exchange deadline extension:
- ▶ Qualified Opportunity Funds
- ▶ Pandemic Guide for Property Managers – www.irem.org
- ▶ Qualified Improved Property Fix
- ▶ Offset Tax Losses
- ▶ May be eligible to apply for SBA loans

What's Next?

- We are awaiting further guidance from SBA and Department of Labor
- Phase IV?
 - Remote Notary
 - Increased funds for Housing Counseling
 - Relief for landlords
 - And more!

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Questions?