

# Coronavirus Advocacy FAQs

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 now passed three stimulus/relief packages dealing with COVID-19. We have incorporated the provisions of those bills into this document. The Administration is providing more relief by the day. We will update this document as events warrant.

## REALTOR® Business Operations

- **What is NAR doing to help State REALTOR® Associations lobby to ensure real estate services are considered “essential” when/if their areas are under a “Stay at home” order?**

The Federal Cybersecurity and Infrastructure Security Agency (CISA) provides a “List of Essential Critical Infrastructure Workers” as a guide to states and cities to use when they release emergency orders about “essential” and “non-essential” workers in efforts to prevent the spread of COVID-19. This was recently updated to include “residential and commercial real estate and settlement services.” While Governors still have the flexibility to determine “essential businesses” in their respective states, it helps to have the federal government recognize the importance of the real estate industry to our economy. State REALTOR® associations can use the CISA list to advocate that real estate brokers and agents be given the ability to continue to work while following safety precautions to prevent the spread of the illness.

- **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](#). HUD has also supported the use of remote notaries.

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

The Federal Housing Finance Agency (FHFA) has announced that Fannie Mae and Freddie Mac (the Enterprises) will offer multifamily property owners mortgage forbearance with the condition that they suspend all evictions for renters unable to pay rent due to the impact of coronavirus.

The [CARES Act](#) allows multifamily owners who were current on their mortgage payments as of February 1, 2020, and have federally insured, assisted, or supplemented loans (Fannie Mae, Freddie Mac, FHA or any loans backed or assisted by any branch of the federal government, including LIHTC) to request forbearance for 30 days due to financial hardship, with extensions of up to a total of 90 days. Borrowers receiving the forbearance may not evict or charge late fees to tenants for the duration of the forbearance period.

- **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.

- **Are REALTORS® eligible for unemployment?**

Yes. Real estate professionals will be eligible to apply for unemployment benefits, under the new “Pandemic Unemployment Assistance” temporary Federal-state program if they have been fully or partially unemployed due to an inability to work as a result of the COVID-19 public health emergency. This includes self-employed individuals and independent contractors. The CARES Act provides an additional \$600 per week (for up to four months) on top of the amount provided under a state’s compensation law through December 31, 2020.

Typically, states base compensation amounts on an individual’s wages from their most recent tax year, and net income from all self-employment that was reported on an individual’s tax return. However, if an individual is eligible to telework with pay, or has paid sick leave or expanded family and medical leave, they are not eligible for unemployment assistance.

These new benefits will be carried out through agreements between each state and the federal government, where states will be fully reimbursed for the compensation paid out, plus administrative costs. Therefore, individuals should check with their state labor department or employment commission to determine their options for unemployment.

For individual state and local labor services, including claims filing, see [here](#).

- **Are there other sources of money for individuals?**

The CARES Act provides resources for REALTORS®, their families, and their clients, as well as most Americans, with incomes below certain thresholds in the form of cash payments of \$1,200 per adult plus \$500 for each child under the age of 17. These payments should be sent out starting in April, based on your 2018 or 2019 filing, whichever is more recent. More information can be found [here](#).

REALTORS® 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. Those who withdraw such funds can recontribute them to the plan over three years or can keep the money and pay the tax on the withdrawals over a three-year period.

See below for information about how access to small business loans.

- **I got a call from the IRS asking for my bank account number to deposit my check – is this legit?**

**NO!** The government will never call you to ask for your social security number or bank account information. These are SCAMS – do not give out personally identifiable information on the phone. The Federal Trade Commission has [posted information](#) about the most recent coronavirus scams.

- **Can real estate brokerages access the small business loans?**

Real estate brokerages that employ 500 or fewer employees are eligible for both the SBA 7(a) “Payroll Protection Program” and the SBA “Economic Injury Disaster Loan” program. Under the expanded 7(a) program, eligible businesses negatively impacted by the COVID-19 crisis can apply for loans covering the period of February 15, 2020 through June 30, 2020. Loan amounts are based on the average monthly payroll expenses for the year prior to the loan, up to \$10 million, and can be used for payroll, mortgage interest, rent and utilities.

Employers who maintain at least 75% of the average level of payroll expenses from the year prior will be eligible to have those loans forgiven. As payroll expenses go below 75% of that average, the forgivable portion of the loan phases out as well.

These loans are available to the self-employed/independent contractors, and the forgivable payroll amounts includes those as well as commission-based employees. The Economic Injury Disaster Loan program provides up to \$2 million for impacted businesses, with a potential \$10,000 advance (disbursed within three business days of applying for the loan) that would be forgivable.

- **The commercial real estate sector includes industries that are particularly vulnerable 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?**

The CARES Act includes provisions to allow businesses to offset tax losses. The bill allows businesses to carry back net operating losses from 2018, 2019 or 2020 against profitable years, up to five years, and get immediate refunds. The current taxable income limitation is also temporarily removed to allow an NOL to fully offset income.

- **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.

[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

FHA is also [allowing desktop](#) and exterior only appraisals, as well as [VA](#) with enhanced assignment conditions or in limited instances, a Desktop appraisal to complete the VA loan requirements in light of the COVID 19 crisis. The [Rural Housing Service](#) of the USDA is also allowing exterior-only 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 CARES Act created two new Small Business Administration (SBA) initiatives: the SBA 7(a) "Payroll Protection Program" and the SBA "Economic Injury Disaster Loan" (EIDL) grant program. Find more here.

Real estate brokerages that employ 500 or fewer employees are eligible for both the SBA 7(a) "Payroll Protection Program" and the EIDL grants. Under the expanded 7(a) program, eligible businesses negatively impacted by the COVID-19 crisis can apply for loans covering based on economic losses during the period of February 15, 2020 through June 30, 2020. Loan amounts are 250% of the average monthly payroll expenses for the year prior to the loan, up to \$10 million (with employee salaries capped at \$100,000). The loans can go towards expenses for payroll, mortgage interest, rent and utilities. They can be used to cover those expenses for any 8 weeks during the covered period.

Employers who maintain at least 75% of the average level of payroll expenses from the year prior and the same number of employees during the 8 weeks will be eligible to have those Payroll Protection Program loans forgiven. As payroll expenses go below 75% of that average, the forgivable portion of the loan phases out as well. These loans are available to the self-employed/independent contractors, and the forgivable payroll amounts includes those as well as commission-based employees.

The Economic Injury Disaster Loan program provides loans of up to \$2 million for impacted businesses, with a potential \$10,000 advance (disbursed within three business days of applying for the loan) that would be forgivable.

Businesses can take out both an EIDL loan and a 7(a) loan. If a business has already applied for or received an EIDL loan related to COVID-19 before the Payroll Protection Program was available, it is able to refinance the EIDL into the Payroll Protection Program for purposes of loan forgiveness. However, businesses cannot take out an EIDL and a Payroll Protection Program loan for the same purposes. Remaining portions of the EIDL, for purposes other than those laid out as eligible for loan forgiveness under the Payroll Protection Program loan, will remain a loan. Recipients of the \$10,000 grant EIDL advance will have that amount subtracted from the amount forgiven under the Payroll Protection Program. (In other words, you cannot have that amount forgiven twice.)

The U.S. Chamber of Commerce has put together a [helpful guide](#). For a list of state SBA offices, [click here](#).

- **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.

- **Does my business interruption insurance cover pandemics?**

It depends on the specific terms and conditions of your insurance policy. While typical property insurance coverage forms require actual physical damage to property (buildings, equipment, etc.), some policies may have expanded coverage to include non-physical types of losses. Others might include provisions or endorsements specifically related to epidemics. If you have questions about what is covered or not in your policy, please call your insurance agent. Your state insurance commissioner may also be able to help answer questions. Click [here](#) and [here](#) for two recent legal articles on the subject.

- **How can the private sector help fight the coronavirus?**

FEMA is offering ways for the private sector to donate, volunteer or sell goods/supplies in the fight against the coronavirus pandemic. If you have medical supplies or equipment to donate, you can provide the details of what you are offering through an [online form](#). If you are interested in doing business with FEMA and supporting the response to COVID-19 with your company's non-medical goods and/or services, please email any inquiries to the Department of Homeland Security PAIR team at [DHSIndustryLiaison@hq.dhs.gov](mailto:DHSIndustryLiaison@hq.dhs.gov). More information can be found [here](#).

- **Will there be a national lockdown and mandatory quarantine for 2 weeks?**

Not according to the Congressional Research Service. On March 13, President Trump did declare a [national emergency](#) under the [Stafford Disaster Relief and Emergency Assistance Act](#). However, the Stafford Act does not grant the power to quarantine the country, though it does provide considerable disaster relief funds, resources and flexibility to state and local governments, which reserve the primary responsibility for controlling the spread of dangerous diseases under the U.S. Constitution. FEMA has developed a [website to fact check these and other rumors about the coronavirus response](#).

## Homeowner/Buyer Questions

- **Does the HUD/FHFA moratorium on 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.

- **My company's offices are closed, and I am having a hard time providing my final verification of employment within the 10 days prior to loan closing.**

[FHA](#) and [RHS](#) are allowing verbal verification of employment – meaning your employer can provide this by phone. RHS is also allowing email verification. If you cannot get either of these, the lender will require higher reserves to cover risk.

Fannie Mae and Freddie Mac will allow verbal verification when available and an email verification under certain conditions. They have also made other forms of temporary verification available in order to help with verification while social distancing.

- **I have heard that the FHA, Fannie Mae, and Freddie Mac have raised rates and fees on borrowers with lower credit scores or smaller down payments?**

These claims are not true. To date, neither the FHA nor Fannie Mae and Freddie Mac have made any changes to credit scoring or down payment requirements. The only change they have made for borrowers is to allow MORE flexibility in how a lender can verify employment.

Some individual lenders are adding their own, higher standards on these products. The rationale is that the cost of servicing these loans has surged due to the widespread forbearance that is taxing servicers' resources. Under forbearance, the servicer must continue to pay PITI to the investor, but the sheer volume of forbearance to deal with the COVID-19 response is unprecedented. Since lower-credit borrowers are more likely to take forbearance and servicing is harder to get, lenders are less willing to extend this credit regardless of the FHA or GSEs' standards.

NAR wrote to the Treasury, Federal Reserve, and the Federal Housing Finance Agency requesting that they do more to help servicers deal with the unprecedented demands on funds due to broad servicing. Improving servicing is one key to improving the flow of funds to borrowers and homeowners.

Ginnie Mae has [announced the creation of a new program](#), that should help alleviate lender concerns and improve access to mortgage financing. The program will provide cover for lenders by advancing them the money so they can make the required pass-through payments to investors during the forbearance period. They anticipate this new program to be available in about 2 weeks.

- **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 [CARES Act](#) provides 6 months of forbearance on federal student loans. It also prohibits negative credit reporting or involuntary debt collection during forbearance period. The Department of Education has also [waived all interest](#) on student loans for this period. You must contact your loan servicer to get a forbearance.

- **I've lost my job or had my income reduced due to the social distancing required to battle COVID-19. What can I do to avoid falling behind on my mortgage?**

Fannie Mae, Freddie Mac, and the federal agencies are offering forbearance on mortgages they back. That means that your payments are frozen while under the forbearance period. You must contact your servicer to request forbearance, though. There are no fees and after the forbearance period you can request an extension modification to have the missed payments extended onto your payment term.

Some private banks are offering forbearance on loans that they hold which are not federally backed. You should contact them directly to learn more about their programs. Forbearance can be applied to mortgages on single family properties that are owner-occupied, second home, and investor properties.

- **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?**

The CARES Act implemented provisions to protect credit scores from January 30, 2020 through 120 days after enactment of the national emergency. If customers are making payments, or made arrangement to not make payments, customers must be reported as being current. If a customer was delinquent, but was able to make an arrangement with the servicer and is now current, then their account must be reported as current. The important thing is to reach out to your servicer, bank or credit card company if you are having trouble making your payments.

## 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 is pressing the Department of Treasury and Internal Revenue Service to extend the deadlines for 1031 like-kind exchanges. 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 may be covered by the moratorium on foreclosure, which applies to all federal mortgage (FHA, Freddie Mac, Fannie Mae), but hopefully it won't get to that. You may also be eligible for mortgage forbearance. That means that your payments are frozen while under the forbearance period. You must contact your servicer to request forbearance, though. There are no fees and after the forbearance period you can request a modification to have the missed payments extended onto your payment term. NAR has worked with a [coalition of organizations](#) to lobby for security in all of the real estate waterfall. We are trying to ensure that when evictions are stopped for tenants, relief is provided for property owners

- **What relief is provided for renters?**

Renters in properties that have a federal mortgage are entitled to a 120-day moratorium on eviction. Note that this does NOT eliminate the responsibility to pay. Renters should contact their property owner to develop a payment plan. At the end of the 120 days, all past rent will be due, if no other payment plan agreed to with their landlord.

- **What provisions apply to single-family rentals?**

Owners of single-family rentals are eligible for the same forbearance as homeowners, if they have some federally related loan (FHA, VA, RHS, Freddie Mac, Fannie Mae). These same owners are also required to halt evictions for 120 days.

- **If an owner of a small number of rental properties suffers a reduction of income due to the coronavirus, does he or she meet the definition of having “adverse financial consequences” to allow them to take a “coronavirus-related distribution” that qualifies for the tax-favored treatment?**

Until we get an official interpretation from Treasury and IRS as to what constitutes “adverse financial consequences” we will not know for sure. By its literal meaning, adverse financial consequences could arguably be even \$1 less in income due to tenants not paying rent due to the shutdown. However, it is possible that the regulations would not recognize the ownership of a small number of rental properties as meeting the definition of a business. We hope that the regulations will be liberal in their interpretation, but until they are released, we cannot say for sure.

## Independent Contractor/Small Business Concerns

- **Is there a resource for overall benefits for small businesses?**

The House Small Business Committee has put together [this guide](#).

- **Are independent contractors entitled to sick and/or family and medical 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 options, see [NAR’s Summary](#) and the [Department of Labor’s guidance documents](#).

- **Are business owners required to offer paid sick and family and medical leave to employees?**

Under the FFCRA, businesses with fewer than 500 employees must offer paid sick leave and the new extended family and medical leave (FMLA expansion). 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. Employers with fewer than 500 employees must also offer an additional 10 weeks of paid expanded family and medical leave at two-thirds the employee's regular rate of pay where an employee is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

For more on the details of the paid leave, see [NAR's Summary](#) and the [Department of Labor's guidance documents](#).

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

An employer with fewer than 50 employees is exempt from providing (a) paid sick leave due to school or place of care closures or child care provider unavailability for COVID-19 related reasons and (b) expanded family and medical leave due to school or place of care closures or child care provider unavailability for COVID-19 related reasons when doing so would jeopardize the viability of the small business as a going concern. A small business may claim this exemption if an authorized officer of the business has determined that:

1. The provision of leave would result in the small business's expenses and financial obligations exceeding available business revenues and cause the small business to cease operating at a minimal capacity;
2. The absence of the employee or employees requesting leave would entail a substantial risk to the financial health or operational capabilities of the small business because of their specialized skills, knowledge of the business, or responsibilities; or
3. There are not sufficient workers who are able, willing, and qualified, and who will be available at the time and place needed, to perform the labor or services provided by the employee or employees requesting the leave, and these labor or services are needed for the small business to operate at a minimal capacity.

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

Yes. Real estate professionals will be eligible to apply for unemployment insurance benefits, under the "Pandemic Unemployment Assistance" portion of the bill if they have been fully or partially unemployed due to an inability to work as a result of the COVID-19 public health emergency. This includes self-employed individuals and independent contractors. States use a benefit formula to determine benefit amounts. Unemployment benefits will be calculated based upon the weekly amount of compensation that the individual would have been paid as computed by the states for a week of total unemployment. In computing benefit amounts, states consider an individual's wages based upon the most recent tax year, and net income from all self-employment that was reported on the individual's tax return.

- **If small businesses need help with their applications, are there any other resources available to help them fill out the applications?**

SBA has also coordinated with the Resource Partners, including Small Business Development Centers, (SBDCs) who can assist with the application process. The list of SBDCs is available online at: <https://www.sba.gov/local-assistance/find>.

## **QUESTIONS AND ANSWERS FROM THE SENATE SMALL BUSINESS COMMITTEE**

- **Where can I apply for the Paycheck Protection Program?**

You can apply for the Paycheck Protection Program (PPP) at any lending institution that is approved to participate in the program through the existing U.S. Small Business Administration (SBA) 7(a) lending program and additional lenders approved by the Department of Treasury. This could be the bank you already use, or a nearby bank. There are thousands of banks that already participate in the SBA's lending programs, including numerous community banks. You do not have to visit any government institution to apply for the program. You can call your bank or find SBA-approved lenders in your area through SBA's online Lender Match tool. You can call your local Small Business Development Center or Women's Business Center and they will provide free assistance and guide you to lenders.

- **Who is eligible for the loan?**

You are eligible for a loan if you are a small business that employs 500 employees or fewer, or if your business is in an industry that has an employee-based size standard through SBA that is higher than 500 employees. In addition, if you are a restaurant, hotel, or a business that falls within the North American Industry Classification System (NAICS) code 72, "Accommodation and Food Services," and each of your locations has 500 employees or fewer, you are eligible. Tribal businesses, 501(c)(19) veteran organizations, and 501(c)(3) nonprofits, including religious organizations, will be eligible for the program. Nonprofit organizations are subject to SBA's affiliation standards. Independently owned franchises with under 500 employees, who are approved by SBA, are also eligible. Eligible franchises can be found through SBA's Franchise Directory.

- **I am an independent contractor or gig economy worker, am I eligible?**

Yes. Sole proprietors, independent contractors, gig economy workers, and self-employed individuals are all eligible for the Paycheck Protection Program.

- **What is the maximum amount I can borrow?**

The amount any small business is eligible to borrow is 250 percent of their average monthly payroll expenses, up to a total of \$10 million. This amount is intended to cover 8 weeks of payroll expenses and any additional amounts for making payments towards debt obligations. This 8 week period may be applied to any time frame between February 15, 2020 and June 30, 2020. Seasonal business expenses will be measured using a 12-week period beginning February 15, 2019, or March 1, 2019, whichever the seasonal employer chooses.

- **How can I use the money such that the loan will be forgiven?**

The amount of principal that may be forgiven is equal to the sum of expenses for payroll, and existing interest payments on mortgages, rent payments, leases, and utility service agreements. Payroll costs include employee salaries (up to an annual rate of pay of \$100,000), hourly wages and cash tips, paid sick or medical leave, and group health

insurance premiums. If you would like to use the Paycheck Protection Program for other business-related expenses, like inventory, you can, but that portion of the loan will not be forgiven.

- **When is the loan forgiven?**

The loan is forgiven at the end of the 8-week period after you take out the loan. Borrowers will work with lenders to verify covered expenses and the proper amount of forgiveness.

- **What is the covered period of the loan?**

The covered period during which expenses can be forgiven extends from February 15, 2020 to June 30, 2020. Borrowers can choose which 8 weeks they want to count towards the covered period, which can start as early as February 15, 2020.

- **How much of my loan will be forgiven?**

The purpose of the Paycheck Protection Program is to help you retain your employees, at their current base pay. If you keep all of your employees, the entirety of the loan will be forgiven. If you still lay off employees, the forgiveness will be reduced by the percent decrease in the number of employees. If your total payroll expenses on workers making less than \$100,000 annually decreases by more than 25 percent, loan forgiveness will be reduced by the same amount. If you have already laid off some employees, you can still be forgiven for the full amount of your payroll cost if you rehire your employees by June 30, 2020.

- **Am I responsible for interest on the forgiven loan amount?**

No, if the full principal of the PPP loan is forgiven, the borrower is not responsible for the interest accrued in the 8-week covered period. The remainder of the loan that is not forgiven will operate according to the loan terms agreed upon by you and the lender.

- **What are the interest rate and terms for the loan amount that is not forgiven?**

The terms of the loan not forgiven may differ on a case-by-case basis. However, the maximum terms of the loan feature a 10-year term with interest capped at 4 percent and a 100 percent loan guarantee by the SBA. You will not have to pay any fees on the loan, and collateral requirements and personal guarantees are waived. Loan payments will be deferred for at least six months and up to one year starting at the origination of the loan.

- **When is the application deadline for the Paycheck Protection Program?**

Applicants are eligible to apply for the PPP loan until June 30th, 2020.

- **I took out a bridge loan through my state, am I eligible to apply for the Paycheck Protection Program?**

Yes, you can take out a state bridge loan and are still be eligible for the PPP loan.

- **If I have applied for, or received an Economic Injury Disaster Loan (EIDL) related to COVID-19 before the Paycheck Protection Program became available, will I be able to refinance into a PPP loan?**

Yes. If you received an EIDL loan related to COVID-19 between January 31, 2020 and the date at which the PPP becomes available, you would be able to refinance the EIDL into the PPP for loan forgiveness purposes. However, you may not take out an EIDL and a PPP for the same purposes. Remaining portions of the EIDL, for purposes other than those laid out in loan forgiveness terms for a PPP loan, would remain a loan. If you took advantage of an

emergency EIDL grant award of up to \$10,000, that amount would be subtracted from the amount forgiven under PPP.

## 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

- **Can our Association file for a SBA loan?**

The CARES act allows 501(c)(3)s to apply for the new SBA loans, but not 501(c)(6)s. We are aware of the oversight, are working with other industry groups, specifically ASAE, to push for their inclusion in the Phase-4 relief package which we expect Congress to take up in the next few weeks. However, we believe 501(c)(6)s are eligible for the Employee Retention Credit tax provisions of the bill. Which allows a refundable tax credit against payroll taxes for 50% of wages paid to certain employees during the crisis.

- **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](mailto: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.