

On Friday, March 27th, Congress passed H. R. 748 (the Coronavirus Aid, Relief, and Economic Security Act). There are several provisions in the bill that will impact many Americans, such as direct payments to individuals and families and an unemployment assistance program. The final legislation was hundreds of pages long. Provisions that specifically impact the apartment industry include:

Housing Issues

- * Multifamily owners who utilize federally-backed mortgages can seek forbearance of loan payments for up to 90 days during the pandemic.
Owners must establish renter protections (i.e. no initiations of evictions, charging fees)
- * Temporary 120-day eviction moratorium for owners who are financially connected to government funded programs such as HUD, the Federal Housing Administration, Fannie Mae, Freddie Mac, and the Housing Choice Voucher Program.
Owners cannot issue a notice to vacate, initiate an eviction filing, or assess fees or penalties on residents due to non-payment of rent.

Taxation

- * Certain businesses are eligible for a 5-year carryback of net operating losses for 2018-2020.
The limits on excess business losses are suspended to make sure real estate partners can utilize this provision.
- * The limitation on deductible business interest was increased from 30% to 50% of earnings before interest, taxes, depreciation and amortization.
- * The cancellation of debt concerning new emergency small business loans are excluded from income for tax purposes.
- * To encourage employers to keep workers on payroll, a new retention tax credit was created.

Small Businesses

- * The Small Business Administration (SBA) expanded its Standard Loan, Express Loan, and Economic Injury Disaster Loan Program.
- * Applicants for the Economic Injury Disaster Loan Program can request and advance of up to \$10,000 be delivered in three days.
- * Employers with fewer than 500 employees or who are within the SBA's standards for the rental housing industry can apply for up to \$10 million in financing for rent, mortgage, utility, and payroll obligations.
- * If an employer is able to showcase that a business has not reduced the number of employees, not their salary or wages, the employer can utilize certain opportunities for loan forgiveness.
- * A new employee retention tax credit will refund up to 50% of what employers spend on wages (up to \$5,000 per employer). Employers must demonstrate that they have suffered financially.
- * For eligible businesses, the maximum allowable assistance from the SBA Express Loan program has increased from \$350,000 to \$1 million.