

Southern Arizona Home Builders Association

# NAHBNews



April 2020

## NAHB-Led Coalition Asks Housing Be Designated 'Essential'

In an effort spearheaded by NAHB, 90 companies and organizations are calling on the Department of Homeland Security (DHS) to designate construction of single-family and multifamily housing as an **"Essential Infrastructure Business."**

In a joint letter to Acting Secretary of Homeland Security Jack Wolf, the 90 organizations said this action is urgently needed to help stabilize the housing industry and its supply chain in the near term.

"As cities and states issue declarations and public health orders as a result of the crisis, it is essential that communities have access to our professionals to build and maintain essential services including: building, plumbing, residential property management, rental housing operators, roofing, electrical, HVAC systems, waste/wastewater treatment plants and power generations," the letter states.

"Home construction, including those industries listed above, should be designated as 'essential' because they are necessary to maintain safety, sanitation, and economic security."

To keep the housing sector running during this economic crisis caused by the COVID-19 pandemic, DHS should take the following actions:

**Allow government functions** related to the building and development process, such as inspections, permitting and plan review services, to be modified to protect the public health.

**Allow supply stores, distributors and manufacturers** of building products to continue to operate.

**Let workers in the building trades** continue to maintain the essential operation of residences and other operating businesses.

## Congress Approves \$2 Trillion Stimulus

The Senate voted unanimously March 25 to approve a \$2 trillion [economic stimulus package](#) in response to the coronavirus pandemic that has wreaked havoc on the U.S. economy. The House passed the measure on March 26, and President Trump was expected to sign it shortly thereafter.

The CARES Act would make direct payments of \$1,200 to most individuals earning up to \$75,000, or \$2,400 for couples earning up to \$150,000. It also provides an additional \$367 billion in loans for small businesses to help deal with payroll issues.

## Construction Site Coronavirus Safety Tips

The Construction Industry Safety Coalition, of which NAHB is a leading member, has published guidance for construction employers, employees and contractors on coronavirus exposure prevention and preparedness.

[The guidance](#) describes how to prevent exposure to coronavirus, protective measures to take on the job site, personal protective equipment, work practice controls, cleaning and disinfecting procedures, and what to do if a worker becomes sick. The documents are specifically tailored to construction job sites.

## FHFA Announces Forebearance Measures

The Federal Housing Finance Agency has announced that Fannie Mae and Freddie Mac will offer multi-family property owners [mortgage forbearance](#) on the condition that they suspend evictions for renters unable to pay rent due to the impact of coronavirus. FHFA also announced Fannie Mae and Freddie Mac will suspend foreclosures and evictions for enterprise-backed single-family mortgages at least 60 days.

## NAHB Staff Members Working Remotely

NAHB staff is now working remotely after President Trump declared a national emergency in response to the coronavirus outbreak. The association is [fully operational](#), and NAHB staff are working and accessible even though the physical offices are closed.

NAHB has made available to members a wide range of resources on its website, including economic forecasts, information on business continuity, consumer information, and materials to assist NAHB's state and local partner associations.

## NAHB Analysis of New WOTUS Rule

NAHB has provided analysis of the EPA and Army Corps' new final "Waters of the U.S. (WOTUS) rule.

[The new rule](#) addresses many of the concerns NAHB had with prior rules. The rule eliminates the "significant nexus" test; encompasses fewer adjacent wetlands; narrows federal jurisdiction over tributaries; and excludes more ditches.

## DOL Offers Guidance on Families First Coronavirus Response Act

The U.S. Department of Labor announced guidance to employers and employees about how each can take advantage of the protections and relief offered by the Families First Coronavirus Response Act (FFCRA), which takes effect April 1.

[The guidance](#) includes a fact sheet for employees, a fact sheet for employers and a question and answer document to address critical questions, such as:

- How an employer counts employees to determine coverage;
- How small businesses can obtain an exemption;

- How to count hours for part-time employees; and
- How to calculate the wages employees are entitled to under this law.

The FFCRA will give American businesses with fewer than 500 employees funds to provide employees with paid leave, either for the employee's own health needs or to care for family members. The measure is designed to ensure that workers are not forced to choose between their paychecks and the public health measures needed to combat the virus, while at the same time reimbursing businesses.

## CFPB Relaxes Rules During Crisis

The Consumer Financial Protection Bureau is providing [needed flexibility](#) to enable financial companies to work with customers in need as they respond to the COVID-19 pandemic. The agency is postponing some data collections from the industry on CFPB rules to allow companies to focus on responding to consumers in need and making changes to its supervisory activities to account for operational challenges at regulated entities.

The CFPB will not expect quarterly information reporting by certain mortgage lenders as required under the Home Mortgage Disclosure Act. During this time, entities should continue collecting and recording HMDA data in anticipation of making annual submissions.

## COVID-19 Affecting Buyer Traffic

A new, weekly survey of single-family home builders and other NAHB members confirmed the coronavirus is having a significantly adverse effect on business. A drop in [prospective buyer traffic](#) was, by far, the most widespread concern.

Issues respondents noted as a problem include:

- Drop in prospective buyer traffic;
- Supply of N95 respirator face masks;
- Time to obtain a plan review;
- Supply of building products/materials;
- Amount buyers are willing to pay for a new home;
- Time it takes building department to respond to an inspection request;
- Willingness of workers and subs to report to a jobsite.

## NAHB Working to Serve Members During the COVID-19 Crisis

The nation's unprecedented response to COVID-19, the novel coronavirus, has affected the economy in profound ways. The social distancing urged by public health officials has shuttered businesses, and led to extensive job losses across the country. Amid this challenging time, the National Association of Home Builders has continued operations, with staff working overtime to assist members during the crisis.

NAHB's efforts include legislative advocacy during Congressional deliberations on a series of legislative efforts to address the crisis. NAHB has also made available to members a wide range of resources on its website, including economic forecasts, information on business continuity, consumer information, and materials to assist NAHB's state and local partner associations. The web resources can be found at [NAHB.org/coronavirus](https://www.nahb.org/coronavirus).

NAHB CEO Jerry Howard and Chief Lobbyist Jim Tobin are leading advocacy efforts, including regular outreach to officials in the Trump Administration and Congress.

As an example, NAHB participated in a call with White House officials to discuss strategies for aid to the housing sector amid the COVID-19 threat that is wreaking short-term havoc on the national economy. Just two days later, President Trump put into effect NAHB's recommendation to provide mortgage relief to homeowners when he announced that HUD is suspending foreclosures and evictions for mortgages insured by the FHA through the end of April. Fannie Mae and Freddie Mac will follow suit.

NAHB also pushed for key provisions in the \$2 trillion stimulus recently approved by the Senate. The CARES Act will make direct payments of \$1,200 to individuals earning up to \$75,000, or \$2,400 for couples earning up to \$150,000. It will also provide an additional \$367 billion in loans for small businesses to help deal with payroll issues.

NAHB Chief Economist Robert Dietz and his team [forecast that](#) second quarter GDP growth will be markedly negative, likely the worst since the third quarter of 2008.

Approximately 40% of the economy is on a full or partial pause due to the coronavirus. Assuming containment efforts are successful within an eight-week period (consistent with South Korea's experience), NAHB's economists forecast a weak third quarter followed by a rebound at the end of 2020.

While the short-term outlook is negative, policy help is underway. The Federal Reserve reduced the federal funds rate to effectively zero, restarted quantitative easing (including for mortgage-backed securities), and made other policy moves to help ensure the continued operation of the financial system. These measures, in concert with the \$2 trillion stimulus package, will help the economy bridge the gap from now through August.

History suggests a robust rebound will follow this significant but temporary shock to the economy. As America takes on this tremendous challenge, NAHB is committed to helping members through determined advocacy, focused member services, effective communication and thoughtful economic analysis.