

# NAR Federal Update

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**Patrick Wohl**

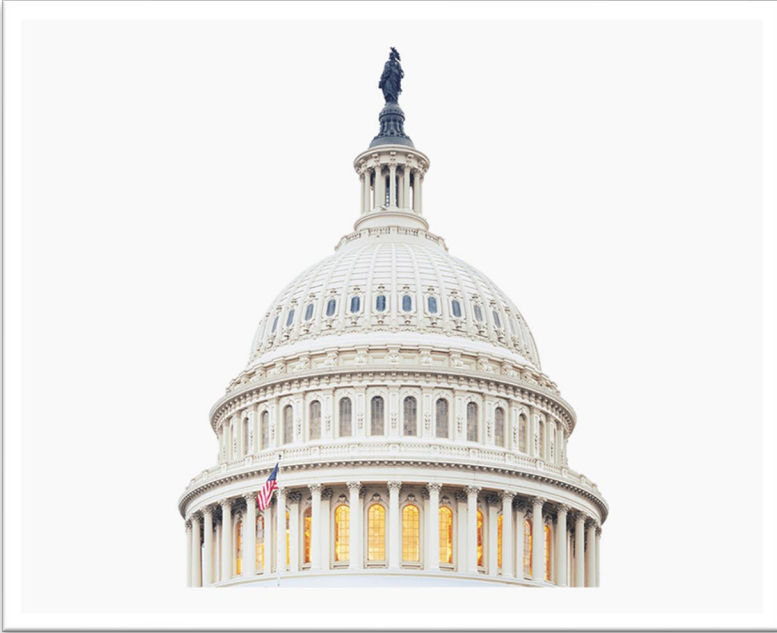
**Political Representative**

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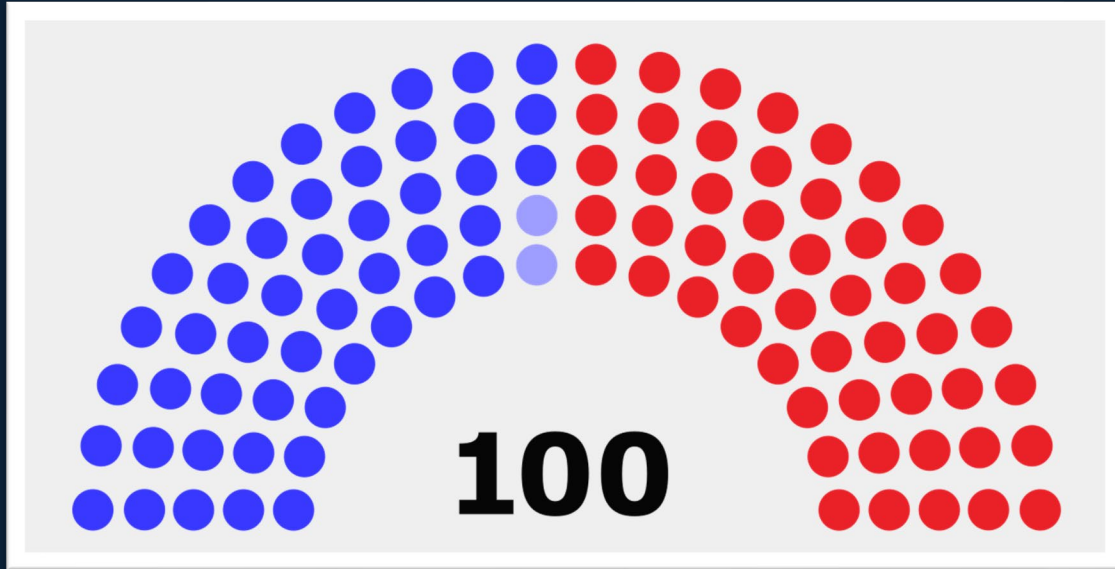
# What We'll Cover Today



- ✓ Legislative/Political Landscape
- ✓ Biden Proposals
  - ✓ American Jobs Plan (infrastructure)
  - ✓ American Families Plan (child care etc.)
- ✓ Federal Eviction Moratorium
- ✓ Additional NAR Priorities

# Political Landscape

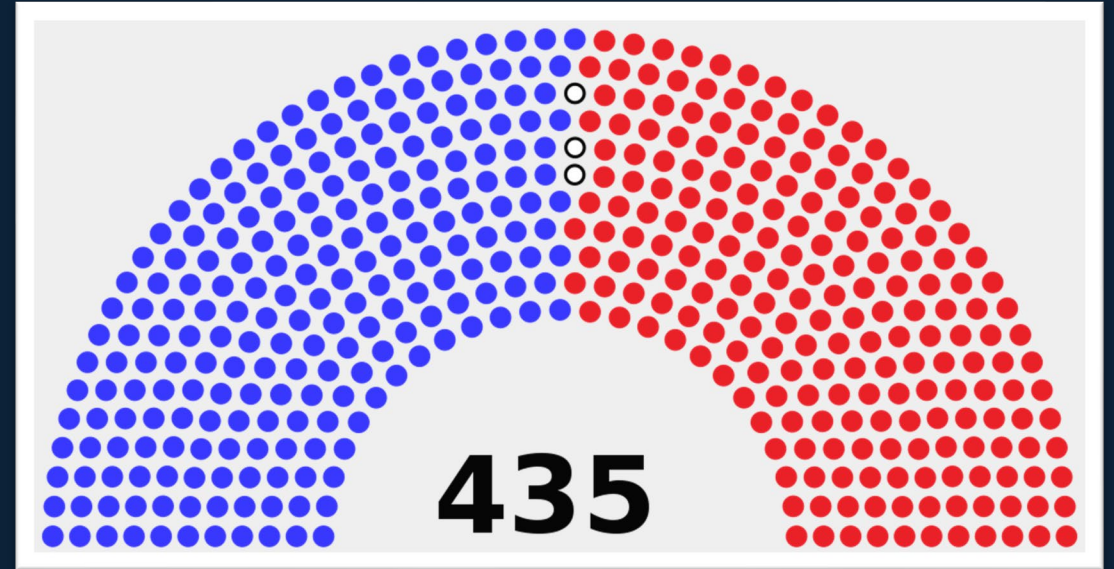
## House & Senate Makeup



**D: 50**

**R: 50**

\*VP Harris casts  
tie-breaking votes



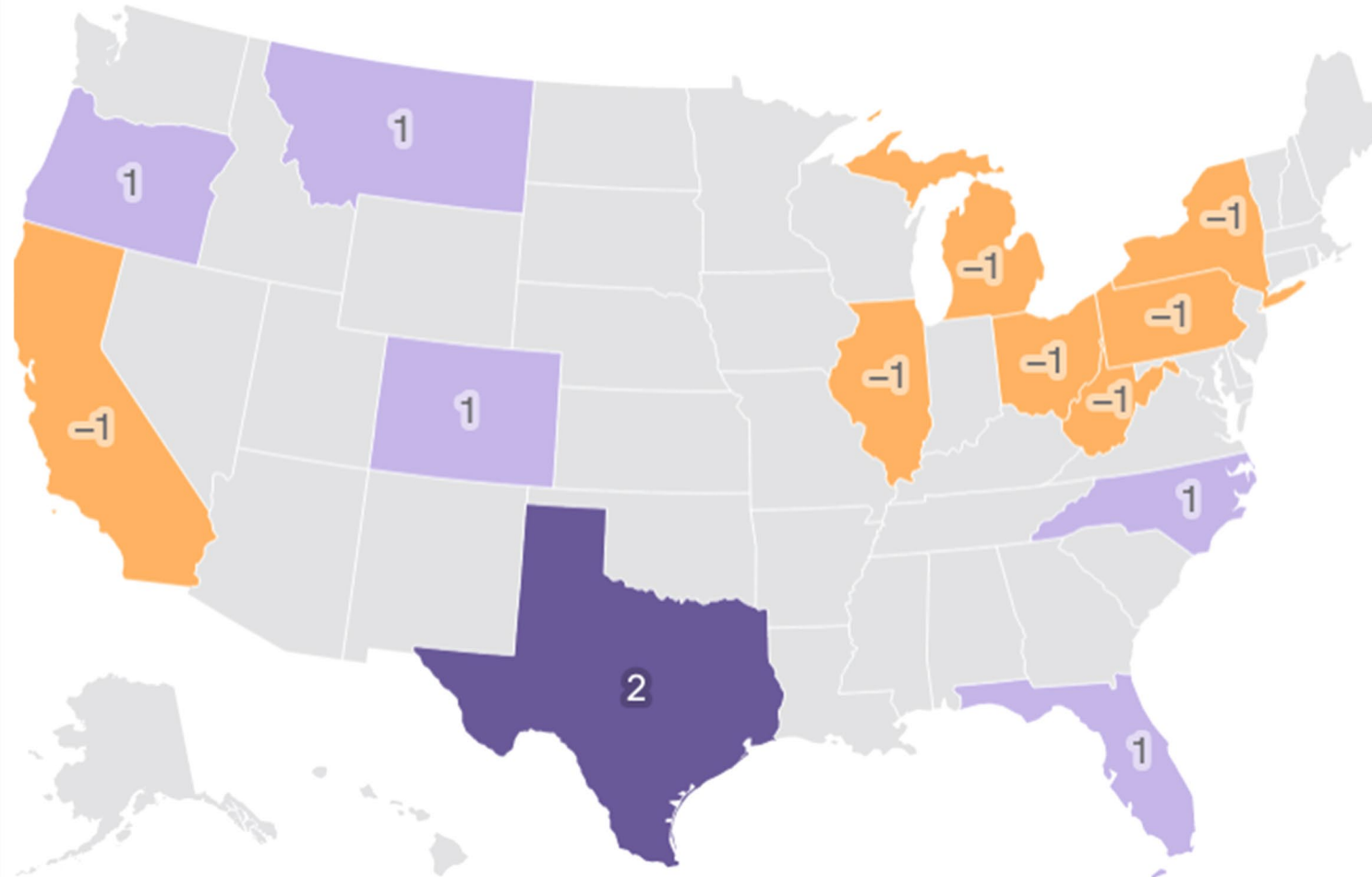
**D: 222**

**R: 213**

\*Most narrow margin in 20  
years: 9 seats

# House & Senate Makeup

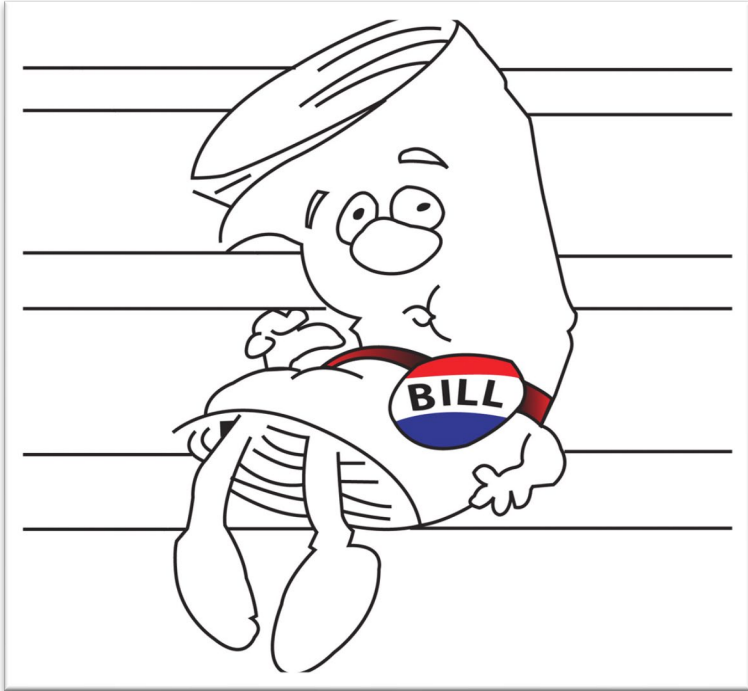
■ Losing 1 seat ■ No change ■ Gaining 1 seat ■ Gaining 2 seats



# **Biden Proposals**

## **(American Jobs & American Families Plans)**

# One Bill, Two Proposals



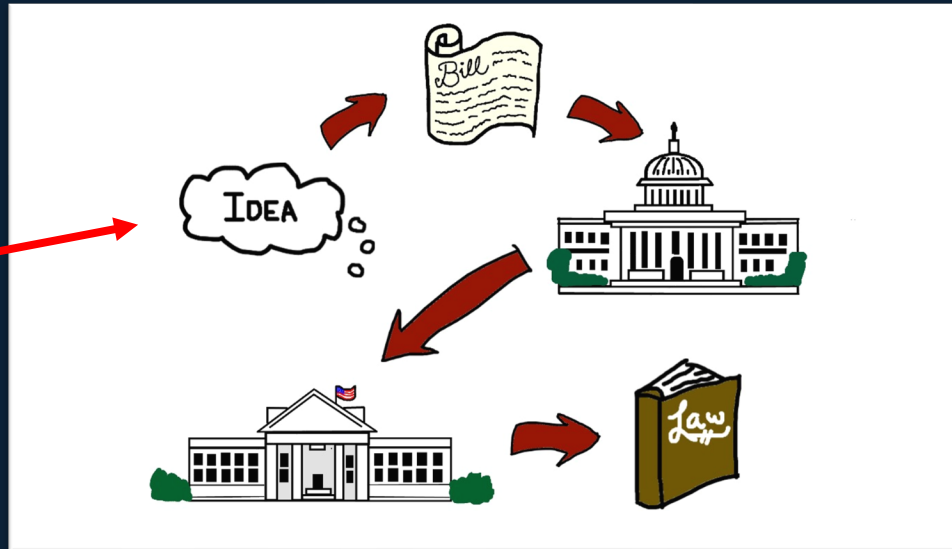
- American Rescue Plan
  - \$1.9 trillion economic stimulus and COVID-19 bill
  - Already passed
- American Jobs Plan
  - \$2.3 trillion infrastructure bill
- American Families Plan
  - \$1.8 trillion “human infrastructure” bill

**These are JUST proposals.**

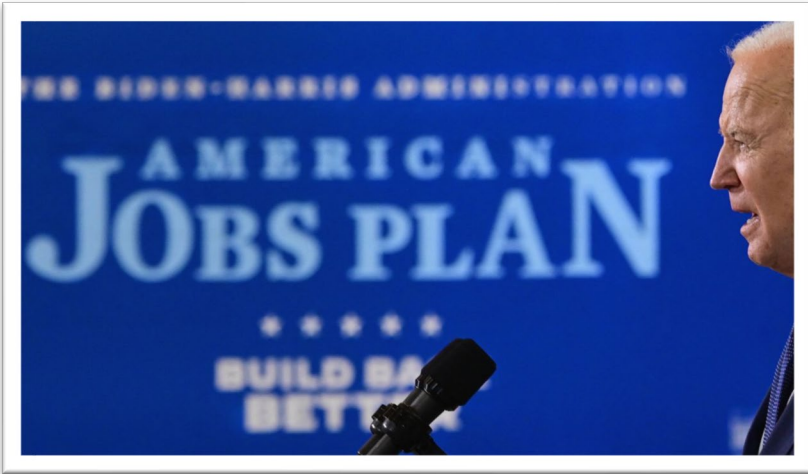


These are JUST proposals.

We are here!



## American Jobs Plan (Infrastructure)



- What it does with \$2.3 trillion:
  - \$621 billion for roads, bridges, rail, airports
  - \$213 billion for retrofitting, producing, preserving 2 million new affordable and energy efficient housing units
  - \$20 billion in tax credits for next 5 years for building/rehabbing 500k homes for low and middle-income buyers
  - \$40 billion investment to improve public housing infrastructure
  - \$100 billion for high-speed broadband deployment
  - Much more...

# American Jobs Plan

- How it's paid for:
  - Raise corporate tax rate to 28%
    - 2017 TCJA (Trump Tax Cuts): 35% -> 21%
  - Global minimum tax
  - Discouraging US firms from claiming residence in other countries



# American Families Plan (“Human Infrastructure”)



- What it does:
  - \$200 billion in universal pre-K
  - \$109 billion for 2 years of community college
  - Expanded child care
  - Expanded paid leave
  - \$45 in nutrition programs
  - \$85 billion in Pell grants
  - Reduce premiums for those purchasing health insurance through the ACA (\$200 billion)
  - Extends Child Tax Credit from \$2k to \$3k and makes fully refundable
  - Much more...

# American Families Plan (“Human Infrastructure”)



- How it's paid for:
  - Raise top marginal income tax rate from 37% to 39.6%
  - Raise capital gains for households earning \$1 million from 20% to 39.6% (same as top income tax bracket)
  - End stepped-up basis on inheritances over \$1 million
  - Ends carried interest loophole
  - Invest \$80 billion in IRS to ensure high-income Americans are paying correct amounts
  - End 1031 like kind exchange for gains over \$500k

# 1031 Like-Kind Exchanges



- NAR is working closely with a growing and dynamic group called the Real Estate Like-Kind Exchange Coalition to educate members
- Education effort on the Capitol Hill and with the Biden administration with lobbying team and FPCs
- 61% of REALTORS were involved in at least one 1031 transaction ('16-20)
- Part of early campaign proposals

**Do you have a story to tell about 1031?**





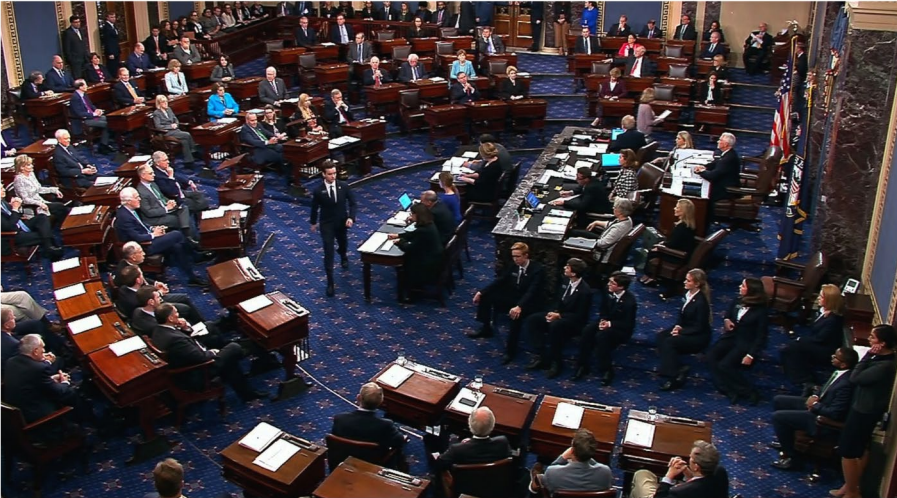
**“The bill, basically, is not going to end up that way.”**

**- Sen. Joe Manchin (D-WV) on the Biden infrastructure proposal**



## Passage of Both Measures

- 60-vote threshold vs. “budget reconciliation”
  - Normal measures require 60 votes to pass the Senate and overcome the filibuster
  - Budget reconciliation is a process that certain legislation limited to tax and spending issues can be passed with simple majority
    - Ex: TCJA, parts of ACA, Bush cuts in 2001 and 2003
- GOP proposal and bipartisan talks
  - Smaller, more focused on surface transportation issues
  - Potential post-Memorial Day timeline



# Federal Eviction Moratorium

## Federal Eviction Moratorium



- Extended through June 30
- NAR has stressed the need for rental assistance and given that action has been made, shifted the focus toward lifting the moratorium
- Alabama & Georgia Association of REALTORS® along with housing providers have sued
- 30+ letters and communications as well as meetings with the administration
- Future depends on litigation and administrative action

# Federal Eviction Moratorium



- May 5, 2021 -> DC District Court struck down CDC order
- May 14, 2021 -> DC District Court granted request for a stay by the DOJ
  - Request has been made pending an appeal
- What does this all mean?
  - The eviction moratorium is still in effect.
  - States and localities may still have their own moratoriums.

# Additional NAR Priorities

# Independent Contractor Status



- Don't panic over the PRO Act!
  - Trump rule that NAR supported was also rescinded by the Biden administration
- Bill could have broad implications for the independent contractor status of millions of Americans.
- GOP united in opposition; 60 votes needed
- NAR stressing continued clarity for our industry in worker classification and the flexibility it provides members



# Foreclosure Moratorium



- Set to end June 30
  - Extension possible through CFPB as a blanket extension or by individual agencies
- 15-month backlog that impacted GSE-backed single family mortgages (and federally-backed such as Dept. of Ag, VA etc.)
- 2.1 million families behind on at least three mortgage payments with ~8 million behind on any level

# Three Broad Priorities

- ✓ Improve Access to Homeownership & Increase Housing Inventory
- ✓ Build Strong, Resilient Communities and Businesses
- ✓ Ensure Fair Housing for All



# Questions?

# THANK YOU.

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