

NAR Advocacy “WINS” in 2022

October 2022

AFFORDABLE HOUSING

- **Affordable Housing Programs:** The FY 2022 Omnibus bill provided \$398 million for affordable housing programs, including \$166 million for NeighborWorks to support unique solutions to expand affordable housing options, increase housing counseling assistance, and strengthen economic development.
- **Rural Housing:** The FY 2022 Omnibus bill provided \$30 billion in loan authority for the Single-Family Housing Guaranteed Loan Program, including \$1.25 billion in direct single-family housing loans to provide home loan assistance to low-income rural families. It also included \$1.495 billion for rental assistance and rental vouchers for affordable rental housing for low-income families and the elderly in rural communities to renew all existing rental assistance contracts. Rural Development housing programs provide affordable housing to over 130,000 rural homeowners and more than 250,000 rental units.
- **HOME:** The FY 2022 Omnibus bill included \$1.5 billion in direct funding to states and local governments through the HOME Investment Partnerships Program, and significantly increases investments in distressed neighborhoods through the Choice Neighborhoods Initiative program.
- **State and Local Fiscal Recovery Funds:** The State and Local Fiscal Recovery Fund (SLFRF) program was created by the CARES Act, and provides \$350 billion to states and localities for programs and aid related to the COVID-19 pandemic recovery. While certain housing programs were initially deemed eligible uses, regulations around those were restrictive. NAR argued to the Treasury Department that adding flexibility to increase the supply of affordable housing is responsive to the impacts of the pandemic, and in July the Treasury released new regulations with additional flexibility within the SLFRF program for housing.

AGENCY CONFIRMATIONS

- **FHA Commissioner:** NAR supported the confirmation of Julia Gordon, who was confirmed as Commissioner of the Federal Housing Agency (FHA) within the Department of Housing and Urban Development.
- **FHFA Director:** NAR endorsed the confirmation of Sandra Thompson, who was confirmed as the Director of the Federal Housing Finance Agency (FHFA).

ANTI-MONEY LAUNDERING

- **FinCEN Funding:** The FY 2022 Omnibus bill provided \$161 million for the Financial Crimes Enforcement Network (FinCEN), an increase of \$34 million above the FY 2021 level, to boost efforts to combat terrorist financing and money laundering. It also included \$195 million for the Office of Terrorism and Financial Intelligence, an increase of \$20 million above the FY 2021 enacted level, to continue investments to protect the integrity of the financial system. NAR's Advocacy Team is working with FinCEN to discuss the impact of money laundering and financial crimes within the real estate



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sector, and submitted a comment in response to a regulatory notice regarding anti-money laundering regulations in the real estate.

- **Beneficial Ownership Rule:** The Financial Crimes Enforcement Network (FinCEN) issued its final Beneficial Ownership Rule (effective January 1, 2024), which was required by the Corporate Transparency Act, passed into law in 2021. The Beneficial Ownership Rule requires domestic and foreign beneficial owners (owners with 25 percent ownership interest or more in an entity) to provide personal, identifiable information to FinCEN. FinCEN believes that the collection of beneficial ownership information is an effective way to combat money laundering, terrorist financing, and other illicit financial crimes. NAR supports the collection of beneficial ownership information, because it is a pragmatic measure to combat illicit financial crimes.

COMMERCIAL REAL ESTATE

- **Adaptive Reuse Bills:** NAR supported the GREATER Revitalization of Shopping Centers Act of 2021 (H.R. 5041) as one of its priority legislative issues for the May 2022 REALTORS® Legislative Meetings and Trade Expo, which would provide grant money to redevelop certain under-utilized shopping centers. Following NAR's support and advocacy via REALTOR® Congressional visits, a Republican cosponsor joined the bill, making it bipartisan – an important step to passage into law.
- **EB-5 Regional Center Program:** The FY 2022 Omnibus bill revived the EB-5 Visa Regional Center Program through 2027, with reforms addressing many of the accountability and transparency issues that has plagued the program previously. NAR supports the EB-5 visa program and reforms to improve it, which awards permanent residence for non-U.S. citizens who invest a specified amount in distressed places in the United States, particularly high-unemployment urban areas or blighted rural areas.

ENERGY EFFICIENCY

- **New Energy Efficiency Tax Credit and Rebate Programs for Property Owners:** The Inflation Reduction Act reauthorized several existing tax incentives and created several new programs to encourage improving energy-efficiency in residential and commercial properties which NAR has long supported, including:
 - Extending the tax credit for energy efficient home improvements through 2023, increasing credit amounts, and replacing the lifetime cap with a \$1200 annual credit limit;
 - Extending the Residential Clean Energy Tax Credit through 2034 for homes that produce their own energy through solar, wind, geothermal, and biomass systems;
 - Providing nearly \$9 billion for new rebate programs for energy-efficient improvements to residential housing for energy upgrades and high-efficiency electrical equipment upgrades;



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- Allowing building owners making energy-efficient retrofits as part of a qualified retrofit plan on a building at least 5 years old to deduct their adjusted basis within certain limits;
- Provided financial and technical assistance for private landowners to maintain and improve existing conservation systems and adopt additional conservation activities, such as \$1.3 billion for conservation and technical assistance through the Natural Resource Conservation Service.

FAIR HOUSING

- **Increased Funding:** Following NAR's consistent advocacy for more funding for fair housing programs, the FY 2022 Omnibus bill included \$85 million (\$12.5 million more than FY 2021) for fair housing activities, including the Department of Housing and Urban Development's Fair Housing Initiatives Program, Fair Housing Assistance Program, the National Fair Housing Training Academy, and translating HUD documents into languages other than English.

FEDERAL TAX

- **Inflation Reduction Act:** The Inflation Reduction Act (IRA) passed in 2022 originally included nearly a dozen tax increase provisions which would have had a major negative impact on real estate and/or NAR members had they been enacted. NAR's advocacy was successful in removing these, through major efforts by NAR and its commercial real estate partners to educate Members of Congress on the unhealthy economic consequences of these proposals. The proposed changes, which were all left out of the final bill, included limitations on 1031 like-kind exchanges; increases in the top capital gains tax rate; a proposal to tax capital gains at death; taxation of carried interests as ordinary income; an expansion of the 3.8% net investment income tax; limits to the 20% qualified business income deduction; restrictions to Individual Retirement Accounts investing in real estate; and increases to the estate tax.

FLOOD INSURANCE

- **National Flood Insurance Program:** With NAR's help, the NFIP avoided lapsing through multiple extensions in 2022, ensuring that 40,000 home sales per month continued to close on time.
- **Disaster mitigation and flood mapping:** The FY 2022 Omnibus bill included significant funding for communities to respond to and mitigate the impacts of future disasters along with \$276 million for flood-mapping.



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HOUSING FINANCE AND ASSISTANCE

- **Homeless Assistance Program:** The FY 2022 Omnibus bill included \$2.2 billion, an increase of \$246 million above the 2021 funding, for the Department of Veterans' Affairs Homeless Assistance Programs which will enhance the VA's ability to reach homeless veterans.
- **Housing Counseling:** The FY 2022 Omnibus bill appropriated \$57.5 million for Housing Counseling assistance for renters, homeowners, and those considering homeownership and \$145.4 million for Policy Development and Research, including \$20 million to continue legal aid assistance for eviction prevention, a combined increase of \$40.4 million above fiscal year 2021.
- **LIBOR Transition:** The FY 2022 Omnibus bill included language to help companies and lenders switch financial contracts to a new rate and away from the London Interbank Offered Rate. This language, which NAR supported, ensures a smooth transition to the new reference rate on legacy contracts and avoids disruption to the secondary mortgage markets.

RENTAL HOUSING

- **Emergency Rental Assistance Program (ERAP):** NAR worked closely with the White House, Treasury Department, HUD, CFPB, and other federal agencies to improve the federal Emergency Rental Assistance Program and its regulations for disbursing funds. NAR successfully advocated for federal rules increasing flexibility to states/localities to give funds directly to housing providers and to those in need more quickly and efficiently, and worked with the Administration to create a CFPB landing-page which streamlined the process of applying for aid across the country.
- **CARES Act Notice-to-Vacate Requirement:** The CARES Act of 2020 included several provisions creating temporary new restrictions and protections on federally-backed rental housing, including an additional 30-day notice requirement for eviction proceedings (in addition to the existing notice requirements of a state/locality). While these provisions were intended to be temporary, a drafting error left the notice-to-vacate requirement without an expiration, which has left courts and housing providers alike confused as to the current processes and requirements. NAR advocated for federal legislation to fix this technical error, and in September 2022 the “Respect State Housing Laws Act” was introduced which would eliminate the provision as was intended by the drafters of the CARES Act.
- **Rental Assistance Funding:** The FY 2022 Omnibus bill included \$27.4 billion for Tenant-based rental assistance to continue to serve the more than 2.3 million very low- and extremely low-income households nationwide.
- **Violence Against Women Act:** NAR assisted in drafting and garnering support for the Violence Against Women Act (VAWA) reauthorization included in the FY 2022 Omnibus bill, which renewed the program through 2027 and established a Violence Prevention Office at HUD.



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SMALL BUSINESS

- **SBA Programs:** The FY 2022 Omnibus bill provided \$1 billion for the Small Business Administration (SBA), an increase of over \$100 million from 2021 funding, to support programs helping underserved entrepreneurs access capital and contracting opportunities. NAR supports the SBA and its programs which provide assistance to both REALTORS® and their small business clients alike.

STATE AND LOCAL

- **Rent Control:** NAR's policy opposes rent control, and the national organization supports its state and local associations through grants and programs to assist them in campaign efforts on this issue across the nation. In 2022, with NAR's support and an Issues Mobilization Grant from NAR, the Ohio REALTORS® successfully drafted and passed into law Substitute House Bill 430, which includes a provision prohibiting local governments across the state from capping or setting residential rental rates.

STUDENT LOAN DEBT

- **Fixes to Existing Programs:** NAR supported the Department of Education's move to bring borrowers closer to public service loan and income-driven repayment (IDR) forgiveness by addressing historical failures in the administration of the federal student loan programs. Federal Student Aid (FSA) estimates that these changes will result in immediate debt cancellation for at least 40,000 borrowers under the Public Service Loan Forgiveness (PSLF) Program. Several thousand borrowers with older loans will also receive forgiveness through IDR. More than 3.6 million borrowers will also receive at least three years of additional credit toward IDR forgiveness.
- **Relief for Borrowers at Fraudulent For-Profit Institutions:** NAR supported the forgiveness of student loans for those who have been defrauded at predatory for-profit institutions.

TECHNOLOGY

- **Broadband Funding:** NAR has long supported policies to advance high-speed, affordable universal broadband in the U.S., and in June 2022 funding from the American Rescue Plan Act was dispersed to the states to expand access to broadband in underserved areas through the Capital Projects Fund, which NAR supported. This will ultimately disperse more than \$10 billion to support high-quality broadband infrastructure across multiple U.S. states, territories, and tribal lands. In addition, the FY 2022 Omnibus bill included more than \$550 million to expand rural broadband services.
- **SECURE Notarization Act:** The Securing and Enabling Commerce Using Remote and Electronic (SECURE) Notarization Act of 2022 (H.R. 3962) passed the House of Representatives with a bipartisan vote in July 2022. NAR strongly supports this



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legislation, which would allow immediate, nationwide use of remote online notarization technology.

TRANSPORTATION AND INFRASTRUCTURE

- **Bipartisan Infrastructure Framework Funding:** The FY 2022 Omnibus bill provided the remaining funding to implement the 2021 Bipartisan Infrastructure Framework, which contained many infrastructure programs and provisions NAR supported, including \$10 billion to upgrade the nation's water infrastructure.

