

# How the Response to COVID-19 Will Affect the Housing Industry

## An Update from North Central WV HBA

As America responds to the novel coronavirus, COVID-19, and practices social distancing to control its spread, the National Association of Home Builders is working hard to help its members respond to the economic effects. We want to make sure members are apprised of NAHB federation efforts to mitigate the economic effects of COVID-19. We also want to offer a sense of NAHB's forecast in the context of the evolving economic slowdown.

NAHB is making available to members a broad range of materials on its website. The materials can be found at [NAHB.org/coronavirus](https://www.nahb.org/coronavirus). These include economic forecasts and information about business continuity and personal preparedness. The site also includes consumer resources and materials for NAHB's state and local partner associations.

NAHB has also conducted a series of webinars to inform members of the association's resources, policy advocacy efforts, and the [industry outlook](#) from

NAHB's Chief Economist, Robert Dietz.

In terms of industry advocacy, 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.

Less than 48 hours later, President Trump put our recommendation to provide mortgage relief to home owners into effect when he announced that HUD is suspending foreclosures and evictions for mortgages insured by the Federal Housing Administration through the end of April. Fannie Mae and Freddie Mac will follow suit and suspend all foreclosures and evictions for at least 60 days for homeowners with mortgages backed by the two government-sponsored enterprises.

Congress on March 18 passed an emergency response [coronavirus bill](#) that

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## North Central News

The Newsletter of the North Central WV Home Builders Association



**National Association  
of Home Builders**



# COVID-19 and the Housing Industry

## Continued

includes tax credits to help businesses and self-employed individuals cover some of the costs of mandatory sick leave included in the legislation.

Congress is working toward a \$1.8 trillion economic stimulus bill to fight the coronavirus that includes checks of up to \$1,200 for taxpayers and \$500 billion earmarked for loans to small businesses with fewer than 500 employees. These loans would be made available through lenders certified by the Small Business Administration.

NAHB is forecasting that second quarter GDP growth will be markedly negative, likely the worst performance since the third quarter of 2008. Approximately 40% of the economy is on a full or partial pause due to the coronavirus. Assuming that containment efforts are successful within an eight-week period (consistent with South Korea's experience, where data are reliable), we forecast a weak third quarter followed by a rebound at the end of 2020.

While this 2020 downturn will be sharp, it may also be short. The economy was in

solid shape at the start of 2020, which was particularly true for housing.

The short-term outlook is negative for the economy as a whole, but policy help is underway. The [Federal Reserve](#) reduced the federal funds rate to effectively zero, restarted quantitative easing (including for mortgage-backed securities, in response to recent liquidity concerns in the mortgage market), and made other policy moves to help ensure the continued operation of the financial system. If Congress and President Trump can agree on a \$1.8 trillion stimulus package, that will help the economy bridge the gap from now through August.

This is uncharted territory, and NAHB will continue to survey the industry, analyze the data and advocate on behalf of our members. NAHB has gone into overdrive to help members understand and respond to the fast-changing economic environment.

History suggests a robust rebound will follow this significant but temporary shock to the economy.

# A Message from HBAWV President

April 1, 2020

Dear HBAWV Members,

We're one week into the Governor's order "Stay at Home" and I wanted to keep everyone in the loop. Governor Justice's order deemed our industry as "Essential". That does not mean we are exempt of "social distancing and proper sanitation".

For now we need to follow the recommendations coming from the "health care officials" via our government leaders.

## **WORK SMART**

**Sanitation**—this comes from the health care industry.

COVID -19 viruses is a mutation of the Sars virus.

It is transmitted mainly by - body contact, hand to face, sneezing and coughing.

Our eyes are the best portal of entry into our bodies, then mouth and nose.

\*wash your hands often, 20 seconds with soap and water.

\* wear protective clothing such as latex gloves and a mask.

\*sneeze and or cough into your arm or handkerchief.

\*try not to rub your eyes, mouth or nose.

\*stay 6' apart as much as possible, micro moisture contains the virus.

\*sanitize what you touch.

## ***Patience is a virtue.***

The best minds in the world are working on a solution. *We will get through this.*

Last week I took some time and called upon several of our members to see how they were doing and how they were handling the crisis. Here is some of the feed back from various parts of the state:

1. An employer spoke with their employee's and explained how we were all in this together. The company jointly agreed to set it out for a couple of weeks for the safety of everyone.
2. Another employer told me they were financially able to give their employee's two weeks pay to stay home safely.
3. In another situation the employer told me they were working on a high rise; their employee's were so spread out the job created "social distancing".

# A Message from HBAWV President

## Continued

4. A contractor told me the home had been vacant for three weeks and it would be at least three weeks before the owners came back. With permission of the owners he was able to work.

Please send Regina or I some feed back as to how you are handling the crisis that we may share it with our members.

Communicate with others on this –***“we are all in this together”***.

### **Federal Relief**

Should you need financial assistance through this crisis, the Federal Government passed legislation to provide bridge financing. This is to be distributed by local banks with the loans guaranteed by the Federal Home Loan Bank. There is forgiveness of the loan in this program.

Check with you loan officer for details.

### **Where do we go from here?**

The crystal ball is not clear on this question.

From my personal experience from business slow downs, I will say this. Once the “All Clear Signal” is given those of us who have made good decisions by hunkering down” or continued working smartly will be in high demand.

Be good to your employee’s, do what you can to help them get through this. You will need them and more once this is over.

Pray for this virus to burn out quickly and be thankful for what we have.

***“WE ARE ALL IN THIS TOGETHER”***

Your President,

Kent Pauley