

# ARETSI | TRENDS

THE BEST TITLE MAGAZINE  
ALL REAL ESTATE TITLE SOLUTIONS

# CLOSED

## DUE TO

# COVID-19

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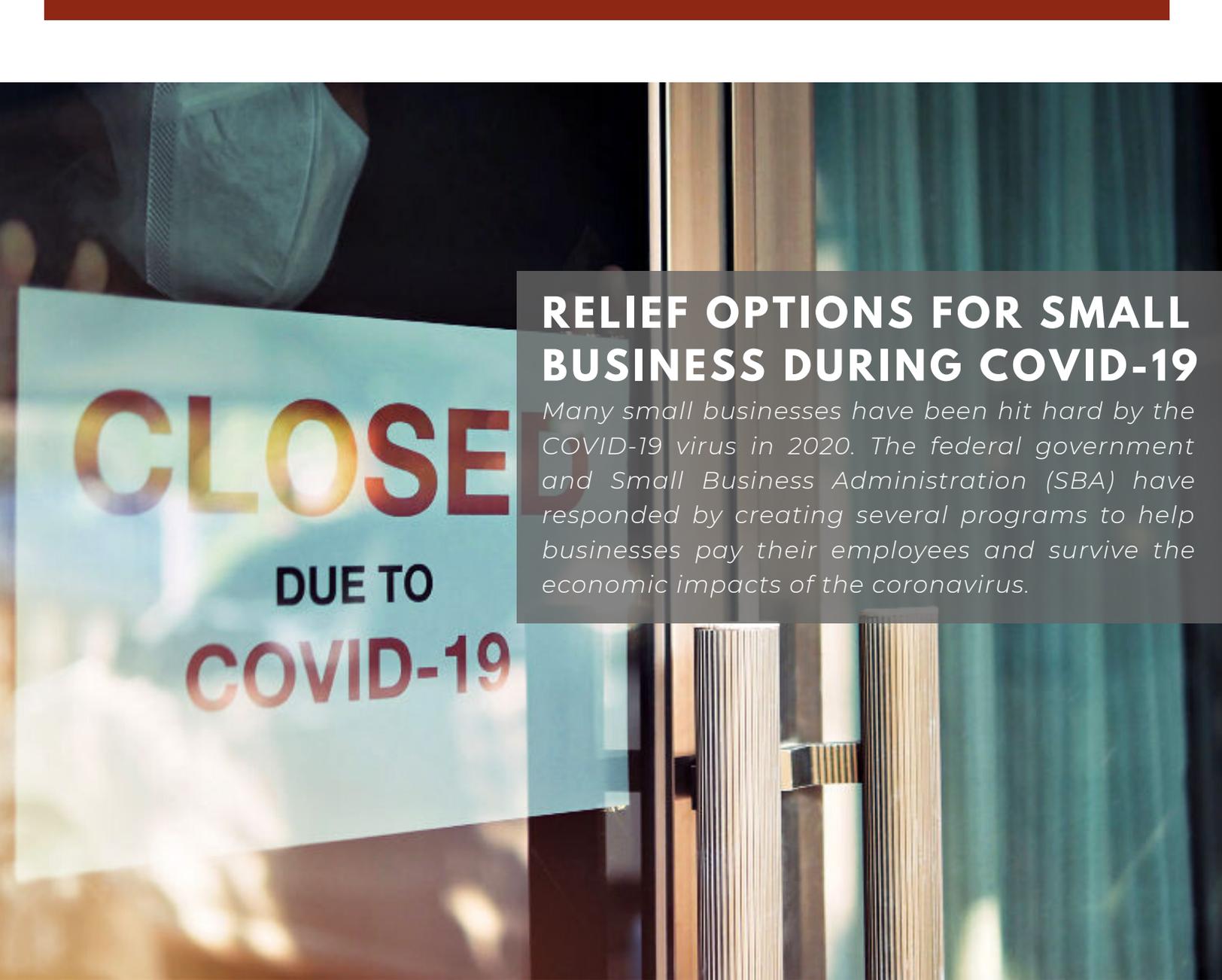
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**REAL ESTATE AGENT**  
THIS IS FOR YOU

**LISTING SUPPORT PROGRAM**

The **Listing Support Program** is designed to help Real Estate Agents with listings of their homes for sale, we provide different tools that facilitate the listing process and allow you to focus on getting more business. For more information visit [www.aresifl.com/news](http://www.aresifl.com/news)



**CLOSE**  
DUE TO  
**COVID-19**

## RELIEF OPTIONS FOR SMALL BUSINESS DURING COVID-19

Many small businesses have been hit hard by the COVID-19 virus in 2020. The federal government and Small Business Administration (SBA) have responded by creating several programs to help businesses pay their employees and survive the economic impacts of the coronavirus.

Here are the key small business relief options your business may be able to take advantage of during COVID-19:

- **Economic Injury Disaster Loan and Emergency Advance:** Gives quick cash to businesses as they apply for disaster assistance.
- **Paycheck Protection Program:** Forgivable SBA-backed loans to help small businesses meet payroll costs.
- **Employee Retention Credit:** Reduces payroll taxes for employers who agree to keep employees on the payroll.
- **Emergency Paid Sick Leave Act and Emergency Family and Medical Leave Expansion Act:** For those who must pay sick leave and family leave benefits to employees.
- **Pandemic Unemployment Assistance Program:** Extends unemployment benefits to those not covered by regular unemployment compensation, such as self-employed individuals.

On April 24, new legislation added \$321 billion to the Paycheck Protection Program. As a result, the SBA [resumed accepting Paycheck Protection Program applications](#) from participating lenders on Monday, April 27, 2020. The new law also adds \$60 billion for the Economic Injury Disaster Loan (EIDL) program, but there is no word yet from the SBA on when new applications for this loan program will resume. The Balance is keeping up with this situation and will let you know when more information is available.

Unfortunately, there are only certain relief options you can take advantage of together. Your business can take the Emergency Paid Sick Leave and Emergency Family and Medical Leave Expansion acts and the Employee Retention Credit, but not for the same wage payments. You also can't receive the Employee Retention Credit if you receive a loan through the Paycheck Protection Program.

## **EVEN MORE SUPPORT FOR SMALL AND MID-SIZED BUSINESSES**

On Thursday, April 9, 2020, the Federal Reserve announced even more support for the economy with up to \$2.3 trillion in loans to "assist households and employers of all sizes."

One of the key relief efforts announced was the \$600 billion Main Street Lending Program, which provides enhanced support for small and medium businesses who were in good financial standing prior to the coronavirus pandemic.

Companies with up to 10,000 employees or revenue of \$2.5 billion or less, and that are committed to maintaining payroll and retaining employees, can apply for four-year loans, with the principal and interest payments deferred for up to one year. Firms can take advantage of the Main Street Lending Program in addition to the Paycheck Protection Program.

The program is still being finalized, and the Federal Reserve is [open to feedback](#) through April 16, 2020.

## **ECONOMIC INJURY DISASTER LOAN AND EMERGENCY ADVANCE**

The SBA has ramped up its disaster loan programs to give relief to businesses that have been affected by the COVID-19 pandemic. These working capital loans of up to \$2 million are available through the COVID-19 Economic Injury Disaster Loan (EIDL).

The program is available for small businesses with fewer than 500 employees, including sole proprietors, independent contractors, self-employed persons, private non-profits, or 501(c)(19) veterans groups.



If your business has more than 500 employees, you may still be eligible for an EIDL as long as you meet the SBA's size standard for your industry. Sole proprietors seeking these funds must first register with the Federal Emergency Management Agency (FEMA).

Small businesses can also get a loan advance of up to \$10,000 within a few days of applying for the EIDL. The loan advance will not have to be repaid.

**The SBA is not currently accepting applications, and the COVID-19 Economic Injury Disaster Loan Application is currently unavailable on the SBA website as of Friday, April 17, 2020.**

#### **PAYCHECK PROTECTION PROGRAM**

As part of the CARES Act, the SBA directed \$349 billion to small businesses with 500 or fewer employees and businesses in specific industries with more than 500 employees (accommodation and food services businesses). In April 2020, new legislation added an additional \$321 billion to the program. Sole proprietors and independent contractors are also included. The program is available until June 30, 2020.

The Paycheck Protection Program (PPP) loan can be used for all types of payroll costs, including payments for:

- Salaries, wages, commissions, or tips
- Vacation, parental, family, medical, or sick leave
- Group health benefits and insurance premiums
- Retirement benefits
- State or local taxes on employee compensation

Covered payments to self-employed individuals include wages, commissions, income, and net earnings for self-employed individuals.

The program specifically excludes payments to employees with annual salaries over \$100,000, and for employees who live outside the U.S. Also, if your business receives a tax credit for sick leave payments or family leave payments under the Families First Coronavirus Response Act, you can't include them in the loan.

Businesses that keep employees on the payroll for eight weeks can get loan forgiveness for payroll, rent, mortgage interest, or utilities, up to 100%. The loan matures in two years and has an interest rate of 1%. Loan payments will also be deferred for six months. You must apply through a bank, credit union, or other lenders for this disaster loan.

## **CARES Act Economic Relief Plan**

A graphic for the Paycheck Protection Program. It features a dark blue rectangular background with the words "Paycheck Protection Program" in large, white, sans-serif font. To the right of the text is a white line-art illustration of a classical building with columns and a dome. Below the blue rectangle is a thick, wavy red ribbon that curves across the bottom of the graphic.

# **Paycheck Protection Program**

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- *Title Search*



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Programs are provided on a case by case basis for individuals or groups.

**Small businesses throughout the country are reporting confusion and long wait times around the PPP loan application process and approval.**

### **EMPLOYEE RETENTION CREDIT**

Part of the CARES Act, the Employee Retention Credit (ERC) gives employers a fully refundable tax credit worth up to 50% of qualified employee wages up to \$10,000 paid to employees after March 12, 2020, and before Jan. 1, 2021. This means the maximum tax credit for wages paid to any employee during this time period is up to \$5,000. The ERC is meant to incentivize employers to keep paying employees.

Qualified employee wages are wages and compensation paid by an eligible employer after March 12, 2020, and before Jan. 1, 2021, including qualified health plan expenses. However, it also depends on the number of employees.

- If you averaged more than 100 full-time employees in 2019, qualified wages would be equal to what the employee would have been paid for working the equivalent time during the 30 days immediately before the period of economic hardship. For example, if an employee was working 25 hours per week before March 12, 2020, their wages would be the equivalent of what they would have been paid for 25 hours per week.
- If you averaged 100 or fewer full-time employees in 2019, qualified wages are wages paid to any employee during the period of economic hardship.

Employers are eligible for this tax credit if they have partially or fully suspended operations during 2020 due to government orders of the suspension of travel, commerce, meetings, and more, or if they had a significant decline in revenue.

**Self-employed individuals are not eligible for this credit for their self-employment services or earnings.**

### **HOW IS IT FULLY REFUNDABLE?**

This tax credit is also different because it's fully refundable. This means you can get a refund if the amount of the credit is more than the federal employment taxes you owe.

First, calculate the amount of the credit for a tax quarter for an employee. Let's say you paid the employee \$10,000 for the quarter. Your tax credit is 50% of those wages, or \$5,000 (which is the maximum). Then, you can deduct this from your share of Social Security wages paid to all employees for the quarter.



If the amount of tax credits for employees is greater than the employer part of the Social Security tax on all wages paid to all employees, the excess is considered an overpayment. The overpayment is applied to offset other tax liability on Form 941 (the employer's quarterly tax report) and after reducing it for certain other tax liabilities. Anything left is refunded to you.

**NOTE: If you need the funds before you file your quarterly tax return, you can request an advance payment from the IRS via [Form 7200](#).**

## **TAX CREDITS FOR EMERGENCY PAID SICK AND FAMILY LEAVE**

**Employers** with fewer than 500 employees must now give paid sick leave to employees affected by COVID-19. To offset these costs, the employer may get a refundable tax credit to cover the cost of the leave.

The sick leave benefit can include time for the employee's own health leave or to care for family members who are sick because of the coronavirus.

This applies if the employee:

- Is under a quarantine or isolation order
- Has been advised by a health care provider to self-quarantine
- Is experiencing symptoms of COVID-19 and is seeking a medical diagnosis
- Is experiencing any "substantially similar condition" specified by the U.S. Department of Health and Human Services
- Is caring for a family member who is subject to quarantine or isolation orders or has been advised by a health care provider to self-quarantine
- Is caring for their child if the school or place of care is closed or child care is unavailable

If the employee is caring for themselves, then they are entitled to paid sick leave for up to 80 hours at their regular rate of pay or, if higher, the federal, state, or local minimum wage, up to \$511 per day, up to a maximum total of \$5,110 during that time.

The paid sick leave for employees acting as caregivers is up to two-thirds of their regular pay, up to 80 hours, with a maximum of \$200 per day, up to a total of \$2,000 during that time.

In addition to the paid sick leave credit, the Family Medical Leave Act (FMLA) provisions for employers with 50 or more employees have been expanded. The expanded benefits are for employees who can't work (including telework) because they are caring for a child whose school or place of care is closed or child care is not available.

The benefit is equal to two-thirds of the employee's regular pay, up to \$200 per day, with a maximum total of \$10,000, for up to 10 weeks.



**PAID  
LEAVE**

## HOW THE TAX CREDITS WORK

The tax credit for employers is equal to 100% of the amount of the required paid sick leave or family/ medical leave plus the employer cost of Medicare tax on those wages and the cost of health insurance coverage for the employee during the leave period. In addition, the employer is not subject to the employer portion of the Social Security tax on those wages.

You can get the tax credits by keeping them instead of depositing them with the IRS. Normally, employers must make payroll tax deposits semi-weekly or monthly, depending on the amount of taxes. If you pay qualified leave wages, you can keep the amount of federal employment taxes up to the total amount of the credits instead of depositing them with the IRS.

## UNEMPLOYMENT BENEFITS FOR SELF-EMPLOYED PEOPLE

Self-employed small business owners have not historically been able to get unemployment benefits, but that's now changed with the addition of a Pandemic Unemployment Assistance (PUA) program. If you are self-employed and you have lost income due to the coronavirus, you may be eligible for up to 39 weeks of benefits, retroactive for weeks starting on or after Jan. 27, 2020. PUA benefits cannot be paid for weeks of unemployment ending after Dec. 31, 2020. Additionally, you may be eligible for an additional \$600 beyond the amount of your state benefit through July 31, 2020.

To qualify, you must be unemployed, partially unemployed, or unable or unavailable to work due to COVID-19 related reasons. To find out more about this unemployment assistance program, contact your [state unemployment office](#).

**NOTE: Businesses will also use Form 941 to claim the credits, and can use Form 7200 to claim an advance credit, if needed.**

## PAID SICK AND FAMILY LEAVE CREDITS FOR SELF-EMPLOYED INDIVIDUALS

Paid sick and family leave tax credits are also available to self-employed persons, including:

- Sole proprietors or independent contractors
- Partners in a partnership or members of an LLC

The benefits for individual paid sick leave are available for those who can't work due to the impacts from the coronavirus that are listed in the above section "Tax Credits for Emergency Paid Sick and Family Leave." The tax credit is then equal to the number of days during the year that the person can't work multiplied by the lesser of \$511 or 100% of the average daily self-employment income.

The credit for family leave is equal to the number of days out of work multiplied by the lesser of \$200 or 67% of the average daily income from self-employment.

In both instances, the maximum number of days is 10, and those days must have occurred after April 1, 2020, and before Jan. 1, 2021.

You can claim the tax credit against your self-employment taxes on your 2020 tax return (Form 1040 or 1040-SR). If you need the money before filing your return, you can reduce the amount from your quarterly estimated tax payments.



# What every Realtor should know about Owner's Title Insurance.

## *Make sure all of your clients are protected*

You're a realtor, so you know that buying a home can be overwhelming for your clients. Homebuyers can feel confused and frustrated by the mounds of paperwork they have to sign. Plus, the fees associated with closing can sometimes be overwhelming even to an experienced buyer.

Owner's title insurance is one of those items often misunderstood by homebuyers at closing, yet its value is tremendous. As an important advisor to your clients, you are in a position to help homebuyers understand the benefit of an owner's title insurance and the dangers that can be incurred without it.

### **WHAT IS TITLE INSURANCE**

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The owner's title insurance is a policy that the homebuyer obtains to protect against possible claims on the title. This means that the owner's title insurance protects the property rights of the buyer. for more information about title insurance contact us at (813) 876 - 4373

### **ENDURING VALUE**

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The good news is that owner's title insurance protects the homebuyer's financially, as long as they own their home. for a low, one-time fee, homebuyers can rest assured, knowing they are protected against possible debts or claims to their property.

### **HOW IT PROTECTS**

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Obtaining an owner title insurance policy is the best way to be protected against unforeseen legal and financial discrepancies over the title of the property.

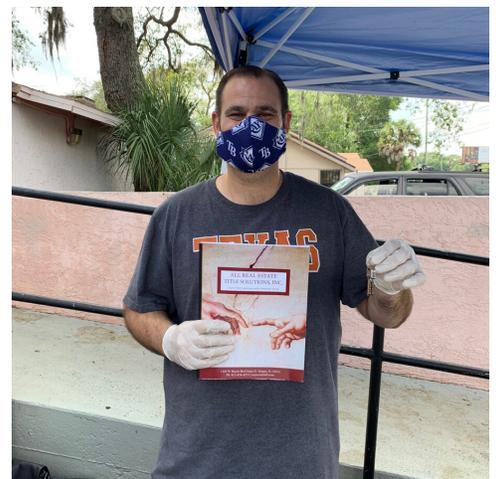
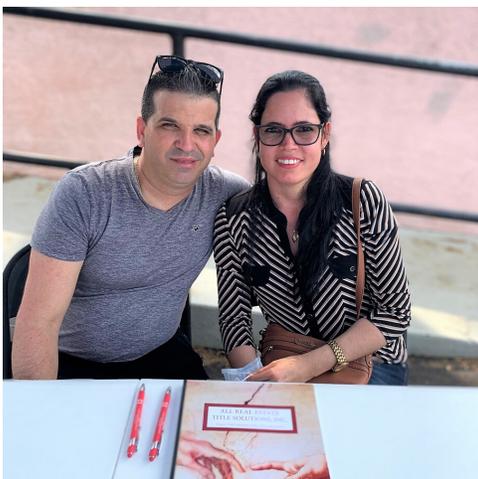
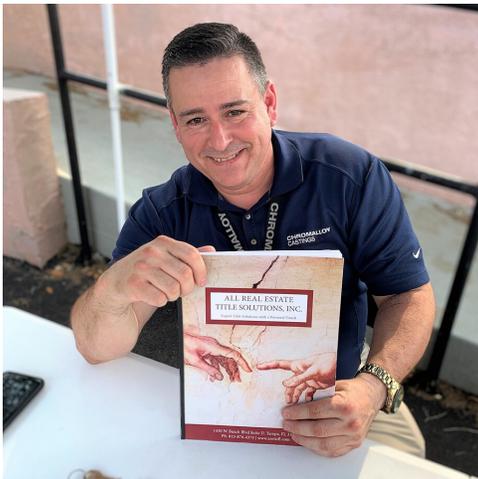
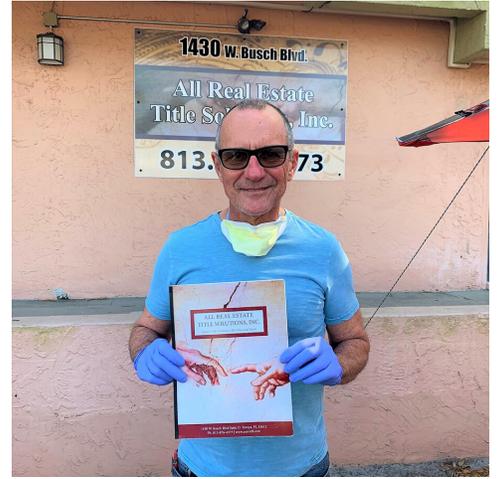
Some examples of unforeseen lawsuits include:

- *Pending mortgages and lawsuits or lien against the property for non-payment of taxes from the seller.*
- *Legal action pending against the property that could affect you.*
- *Undisclosed heir of a previous owner who claims ownership of the property.*
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*If a problem does arise, the insurance company will pay to have the problem resolved for the client. (Clear the title) If the problem can't be solved the insurance company will pay you the price you paid for the home. That's peace of mind.*

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