



CALIFORNIA CORONAVIRUS WEEKLY RECAP

A weekly digest to keep you up to speed on the California coronavirus outbreak.

June 24, 2020

We at C.A.R. hope that you and yours are safe and healthy. Before we get started on this week's news, please take a moment to make sure you're up to date on what's new from the past week:

- Following significant updates to the Paycheck Protection Program (PPP), we updated our FAQs and released new step-by-step application instructions for PPP loan forgiveness. See our FAQs on [SBA Loans for Agents](#) and [SBA Loans for Brokers](#) for more information.
- On Tuesday, June 16, C.A.R. CEO Joel Singer moderated a discussion with five such REALTORS® who have maintained a high output through this crisis and have advice for members of the REALTOR® community looking to do the same. If you haven't had a chance yet, check out the recording of the event attendees have called "superb," "motivational" and "the best Zoom so far" [here](#).

Based on the success of this event, we're planning two more panels for later this year. Stay tuned!

- Take a look at our upcoming slate of free [webinars](#) that will help you better your business during the pandemic.

In This Issue:

- [The Economy & Your Finances: Updates to PPP loan forgiveness](#)
- [The Market & Industry: Fewer buyers and sellers withdrawing, fewer borrowers in forbearance](#)
- [Around the State: All Californians must wear masks, hospitalizations hit all-time high](#)
- [Health Check-Up: More young adults testing positive](#)

The Economy & Your Finances: Updates to PPP loan forgiveness

Last week, the Small Business Administration and the Department of the Treasury unveiled [significant updates to the Paycheck Protection Program \(PPP\)](#) by releasing new application forms for loan forgiveness. Borrowers without employees can now attribute 100% of their loan proceeds as forgivable “owner compensation” if they elect for a 24-week covered period. The SBA also released a new [EZ Forgiveness Application](#) form that can be used by borrowers who are self-employed or have no employees as well as by many borrowers who have employees. For more information, see our FAQs on [SBA Loans for Agents](#) and [SBA Loans for Brokers](#). C.A.R. Associate Counsel Brian Polinsky is presenting a webinar [today from 2-3 pm](#) that will explain how to complete a PPP loan forgiveness application. You can register for the webinar [here](#). If you are not able to attend the webinar live, a recording of the webinar will be made available [here](#).

American workers now receiving unemployment benefits under all programs now total [29.1 million](#). While that number [has dipped](#) slightly from previous weeks, it remains historically high, and concern remains that many jobs won't return even as the economy reopens. The U.S. jobless rate for May was [13.3 percent](#), down 1.4 percentage points from April. Comparatively, California's unemployment rate for May was [16.3 percent](#), down just 0.1 percentage point from April. This number is far higher than the high of [12.3](#)

[percent](#) California hit during the Great Recession. Even though these numbers are high, progress has been made: Recent studies have shown the massive expansion in federal aid has kept nearly [12 million people](#) from being pushed into poverty.

The [extra \\$600](#) in weekly unemployment benefits is still set to run out at the end of July. The [HEROES Act](#), which was passed by the House of Representatives on May 15, would extend this benefit through January 2021, but it remains to be seen whether the Senate will pass the bill or include that provision. Many have complained that the provision can allow some people to earn more on unemployment than they were while employed; Secretary of Labor Eugene Scalia has said this is because the states run [antiquated software](#) that cannot crunch the numbers for individuals.

On Monday, Governor Newsom agreed [to significantly downscale his proposed budget cuts](#); his initial budget proposal called for \$14 billion in spending cuts. The new deal struck between Newsom and the Legislature protects funding for K-12 schools, which would have faced \$8 billion in cuts under the initial proposal.

Sources: CNBC, The San Francisco Chronicle, Bureau of Labor Statistics, The Los Angeles Times, California Employment Development Department, USA Today, The New York Times, REALTOR® Magazine, Department of the Treasury

The Market & Industry: Fewer buyers and sellers withdrawing, fewer borrowers in forbearance

California REALTORS® have continued to see [improvements in their businesses](#) in recent weeks, with increases in listing appointments, homes being listed on the MLS, homes entering the escrow process and REALTORS® closing transactions. Last week marked the first week since the pandemic began that the percentage of REALTORS® who had a buyer withdraw an offer and the percentage of REALTORS® who had a seller delist a house both declined.

With significantly fewer homes than normal being added to the MLS, those homes that are available for sale have been selling quickly, particularly as buyer demand has begun

to rise. Sellers have also been receiving close to asking price at 99.7 percent.

Last week, for the third straight week, the [number of borrowers needing forbearance dropped](#). Still, the number of loans in forbearance represents over \$1 trillion in unpaid principal, which could indicate a future wave of foreclosures. A recent Stanford University study provides fresh insights on the [long-term financial impacts of foreclosures](#).

Meanwhile, with mortgage rates averaging a low [3.13 percent](#) last week, mortgage applications have surged to an [11-year high](#). Mortgage application rates were 21 percent higher than they were one year ago, according to the Mortgage Bankers Association's seasonally adjusted index. As mortgage applications have increased, so too have applications for [home improvement loans](#).

The coronavirus pandemic has put into staunch relief the disproportionate and deleterious effects California's housing crisis has had on Black Californians. [This piece from CAL Matters](#) examines what that looks like, from Black people over-represented among the homeless to only 33 percent of Black households owning the homes they live in, compared with more than 60 percent of white households.

Sources: C.A.R. Research & Economics, REALTOR® Magazine, Stanford University, CNBC, Inman News, CAL Matters

Around the State: All Californians must wear masks, hospitalizations hit all-time high

Last Thursday, [Governor Gavin Newsom ordered all Californians to wear masks](#) in public places, at work and outside if a six-foot distance from others cannot be maintained. [This piece from the Los Angeles Times](#) details conditions under which you must wear a mask as well as certain exemptions to the rule. A meta-analysis of over 100 different studies on how masks affect the transmission of diseases like COVID-19, MERS and SARS concluded that [mask-wearing does significantly reduce the risk of viral transmission](#).

Still, disagreement remains over how to handle the issue of masks. [Five Sheriff's](#)

[Departments](#) in California have said they will not enforce Newsom's order, and on Monday, [protestors in Orange County](#) interrupted a press conference calling on local county supervisors to enforce the mask order. One day prior, Orange County recorded its [single-day record](#) of new coronavirus cases to date.

In the past week, California has hit an [all-time high of people hospitalized](#) due to COVID-19. California also surpassed New Jersey and now has the second-highest number of coronavirus cases in the country, behind New York. As of yesterday at 10:11 p.m., cases numbered [191,416](#) and deaths had hit 5,627.

Sources: CAL Matters, Los Angeles Times, National Public Radio, KTLA, CBS Local

Health Check-Up: More young adults testing positive

[More young adults](#) in the Southwest and West are testing positive for COVID-19, likely attributable to more relaxed social distancing practices. In California, adults between ages 18 and 34 now make up [44 percent](#) of all positive cases statewide. While young people tend to have milder outcomes, they can still infect others who may be at higher risk.

British researchers have found the steroid [dexamethasone](#) can increase the rate of survival in COVID-19 patients. When it comes to a vaccine, which could be ready for distribution as early as [January](#), scientists including Dr. Anthony Fauci, head of the National Institute of Allergy and Infectious Diseases, anticipate a future vaccine won't offer lifelong protection — its [durability is likely to last less than a year.](#)"

In a recent study, more than [60 percent](#) of Americans reported feeling anxiety about the possibility of a loved one getting coronavirus. And as poverty, indebtedness and unemployment are associated with [poor mental health](#), the United States could be approaching a widespread [mental health crisis](#). Studies have shown that only 10 percent of victims of natural disasters like hurricanes or earthquakes go on to have lingering mental health issues, but living through a pandemic is very different: It's slow and drawn

out, a [psychological marathon](#) rather than a sprint.

Sources: CNN, NBC San Diego, Los Angeles Times, ABC News, The New York Times, American Psychiatric Association,
Harvard University Health, USA Today



This message was sent to katherinem@car.org. Visit your [subscription management page](#) to unsubscribe or modify your email communication preferences. To update the email address to which this newsletter is sent, please contact your local association.

Copyright © 2020, All rights reserved.