

COVID-19 FAQ

UPDATED APRIL 14, 2020

A stylized city skyline in shades of red and white. Two virus icons, resembling coronaviruses with spikes and internal structures, are positioned on the left side of the skyline. A large, circular inset on the right side of the page contains a detailed, dark red virus icon with prominent spikes and internal structures.

QUESTIONS
AND ANSWERS



Maryland REALTORS®
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LISTINGS, OPEN HOUSES, AND SHOWINGS

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LISTINGS, OPEN HOUSES, AND SHOWINGS *CONTINUED*

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11. Typically, when I am the listing agent, and the seller receives multiple offers, I will physically meet with the seller to present and/or discuss each offer. Do you have any suggestions on how to handle a multiple-offer situation in this COVID-19 environment? [ANSWER](#)



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MARYLAND REAL ESTATE COMMISSION, LICENSE RENEWAL, AND CONTINUING EDUCATION

1. My real estate license (salesperson) expires on March 30. I know that Governor Hogan declared a State of Emergency in Maryland, and I know that this affects my license renewal, but I don't know all the details. What happens if I cannot complete my required CE before March 30? Can I still provide real estate brokerage services even though my license technically expires on March 30? [ANSWER](#)



RENTAL PROPERTIES

1. I am an agent, and I own several rental properties. Many of the tenants are not currently working or paying rent. What options are available to me? [ANSWER](#)
2. I am an agent, and I own several rental properties. Many of the tenants are not currently working or paying rent. I would like to provide information and resources to the tenants about any assistance that may be available to them. Can you provide any guidance? [ANSWER](#)
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MARYLAND REALTORS® LICENSED IN NEIGHBORING STATES

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COVID-19 EMERGENCY ASSISTANCE PROGRAMS

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I. How do I interpret Governor Hogan's Stay-at-Home Order issued on March 30, 2020? (updated 4/6/2020)

On Monday, March 30, 2020, Governor Hogan issued an Amended and Restated Executive Order addressing the COVID-19 virus and implementing certain practices intended to control the spread of the virus. What does this mean for you and your business? Here are a few quick takeaways, with a more detailed response below.

- a. The Governor's Order incorporates the CISA Guidance, which lists 16 sectors or categories of businesses and workers as "Essential Critical Infrastructure Workforce."
- b. The sector of "OTHER COMMUNITY- OR GOVERNMENT-BASED OPERATIONS AND ESSENTIAL FUNCTIONS" was expanded to include:
 - Staff at government offices who perform title search, notary, and recording services in support of mortgage and real estate services and transactions
 - Residential and commercial real estate services, including settlement services
- c. Even though residential real estate services have now been classified as "essential," this does NOT mean you may conduct business as usual. The clear intent of the Governor's Order is that Maryland residents stay at home.
- d. Maryland REALTORS®, working with the brokerage community, has developed guidelines, which were reviewed by the Administration. These guidelines specify that licensees will limit personal interactions to the greatest extent possible, will engage in-person only when necessary, and will follow these strict protocols:
 - In-person activities must be by appointment only.
 - No more than three (3) people, including the agent, may be at a property at any one time.
 - Those three (3) persons must strictly follow physical distancing guidelines established by the CDC by remaining at least six (6) feet apart at all times.
- e. Real estate licensees who strictly follow the above protocols are permitted to engage in the following in-person activities related to the purchase and sale of homes:
 - Conduct listing presentations, take property photos and create virtual tours for new listings
 - Facilitate the signing of contract documents
 - Preview and show listings by appointment only
 - Facilitate photography/videography, staging, inspections, appraisals, buyer "walk-throughs," and key delivery
- f. Although residential and commercial real estate services have been deemed "essential," you should not take any action which makes you or your client uncomfortable or which may jeopardize your or your client's health or safety. This guidance is not intended to be a substitute for any advice provided by your broker or legal counsel.



2. What do the Governor's Executive Orders say about real estate?

- a. The Governor issued an emergency declaration to control and prevent the spread of COVID-19 on March 5, which he renewed on March 17. He issued an order concerning the emergency declaration on March 12, which was amended and restated March 16, 19, 23, and on March 30.
- b. The Order restricts social, community, spiritual, religious, recreational, leisure, sporting activities, as well as gatherings of more than ten (10) people.
- c. The Executive Orders do not expressly mention residential real estate brokerage services or residential real estate transactions.
- d. The Governor's March 30 Executive Order, like the earlier versions of the Executive Order, states that it controls the use and occupancy of businesses that are not part of the critical infrastructure sectors identified as "essential" by the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA).
- e. Although the Governor's March 30 Executive Order did not change the definition of essential or non-essential businesses, it is important to note that on March 28, 2020, CISA updated its guidance on what constitutes an "Essential Business." The Updated CISA Guidance lists sixteen (16) categories or sectors of businesses that are part of the "Essential Critical Infrastructure Workforce."
- f. As of March 28, 2020, one of these sectors, "OTHER COMMUNITY- OR GOVERNMENT-BASED OPERATIONS AND ESSENTIAL FUNCTIONS" was expanded to include the following:
 - Staff at government offices who perform title search, notary, and recording services in support of mortgage and real estate services and transactions
 - Residential and commercial real estate services, including settlement services
- g. As of March 30, 2020, residential and commercial real estate services are therefore excluded from Governor Hogan's Order.
- h. The Governor's March 30 Executive Order, however, is clearly intended to reduce the spread of COVID-19, utilizing measures to prevent exposure and transmission, to reduce the threat to vulnerable populations, to reduce the risk to human health, and to protect and save lives. To that end, the Executive Order directs all persons living in the State of Maryland to stay in their home/residence except:
 - Staff and owners of businesses and organizations that are not required to close may travel:
 - between their homes and those businesses and organizations; and
 - to and from customers to deliver goods or perform services
- i. All persons living in the State of Maryland are to stay in their homes except to participate in the following essential activities:
 - Obtaining necessary supplies or services for one's self, family, household members, pets or livestock, including, without limitation: groceries, supplies for household consumption or use, supplies and equipment needed to work from home, laundry, and products needed to maintain safety, sanitation, and essential maintenance of the home

Although residential and commercial real estate services have been deemed "essential," you should not take any action which makes you or your client uncomfortable or which may jeopardize you or your client's health or safety.



3. How will Governor Hogan's orders influence the way I service my clients?

Maryland REALTORS®, working with the brokerage community, developed a set of best practices for our members to follow. The Hogan Administration has reviewed those best practices; however, if your broker and/or attorney has a different policy, please follow their directive.

Consistent with the Governor's Order, you should limit personal interactions to the greatest extent possible, engage in-person only when necessary and follow these strict protocols:

- In-person activities must be by appointment only
- No more than three (3) people, including the agent, may be at a property at any one time
- Those three (3) persons must strictly follow physical distancing guidelines established by the CDC by remaining at least six (6) feet apart at all times

Real estate licensees who strictly follow the above protocols are permitted to engage in the following in-person activities related to the purchase and sale of homes:

- Conduct listing presentations, take property photos, and create virtual tours for new listings
- Facilitate the signing of contract documents
- Preview and show listings by appointment only
- Facilitate photography/videography, staging, inspections, appraisals, buyer "walk-throughs," and key delivery

These best practices are stricter than the CDC guidelines concerning group size, and they place stricter limitations on face-to-face meetings than is currently required under Governor Hogan's Executive Orders. Maryland REALTORS® created these guidelines not as a way to prevent you from doing business, but as a way to allow you to continue to do business in a safe way that honors the intent of the Governor's stay-at-home Order.

As noted above, if your broker or counsel has a different policy, you should follow it. Be mindful, however, of the concerned neighbor. If a neighbor sees multiple cars coming and going from a listed home, with groups of potential buyers coming and going from that home, it would not be surprising for the neighbor to call the health department or an elected official to complain about that activity. It would also not be surprising for an elected official to take constituent complaints seriously and, possibly, to enact more restrictive limitations on real estate brokerage services or to order a complete shutdown of the real estate business. We hope that your consistent compliance with these best practices will allow all of us to continue to service our clients, without necessitating a complete shutdown of real estate services.

Electronic and virtual marketing is not restricted under any of the Governor's orders. You can spend as much time as you wish speaking to clients and members of the public over the telephone, video chat, or by video conference.

You can send and receive emails, texts, and digital communications through any internet portal you prefer.

You can record and distribute digital photography and video.

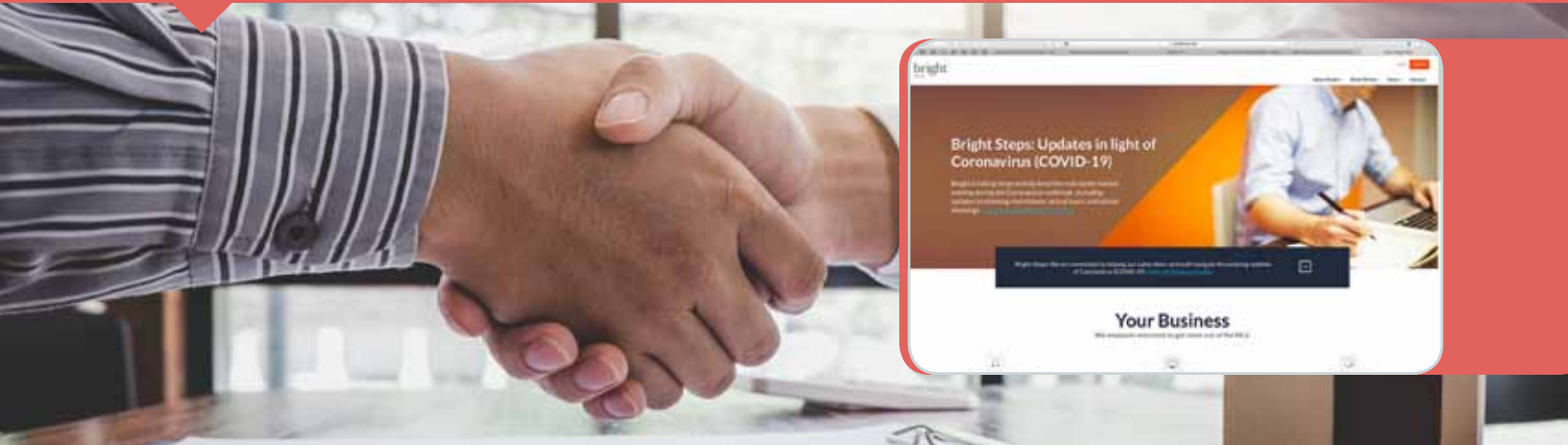
It is strongly recommended by the Governor's office as well as the CDC and the REALTOR® community that real estate agents limit their contact with others in the community. When interactions occur, everyone should practice physical distancing and frequent hand washing.

Is real estate considered an essential industry?

4.

Residential and Commercial real estate services are considered "essential" under the Governor's March 30, 2020, Executive Order. Although the Executive Orders do not expressly mention real estate brokerage services, the Order adopts the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency (CISA) [definition of essential businesses](#), which now includes both residential and commercial real estate services, including settlement services. (updated 3/31/20)

"Non-essential" businesses were ordered closed to the general public, effective 5 pm, March 23, 2020. (updated 3/31/20)



1. What do Governor Hogan's orders mean for my brokerage?

The inclusion of residential and commercial real estate services in CISA's definition of "essential services" means that your brokerage office could technically remain open. However, in keeping with the intent of the Governor's Order, a better practice would be to allow only staff and owners to maintain minimal operations to be physically present in your office. For example, your administrative or accounting staff may need to come to the office to process payroll, pay invoices, make bank deposits, or cut commission checks. You or a staff person may need to head into the office to sort, scan, and respond to any incoming mail. You should not be hosting "lunch & learns" or conducting in-person recruiting events in your office.

As a broker or office manager, you will want to support your agents to allow them to continue to provide superior services to their clients while adapting to the challenges presented by the COVID-19 pandemic. Continue to offer sales meetings and trainings virtually. Encourage your agents to share ideas, resources, successes, and challenges they may have faced in serving clients without any—or with limited—face-to-face contact.

An owner/operator of a brokerage, like any other business owner or operator, should have a contingency plan or a preparedness plan in place to deal with the COVID-19 virus, while still providing superior services to your agents and clients. NAR has prepared a [sample plan](#), which may be helpful.

2. Is there any liability, for the agent or brokerage, for a claim filed by a client who believes they were infected with COVID-19 by her/his real estate agent? Can you provide any guidance?

One of the biggest challenges we face in dealing with COVID-19 is that it is highly contagious and may be spread by individuals who are asymptomatic and who do not even know that they are infected. So, as a preliminary matter, it would presumably be difficult for someone to prove that any specific individual infected them. Nonetheless, if a claim were to be filed, the defendant/respondent would have to defend themselves and/or the brokerage.

This type of claim may or may not be covered under your E&O Policy. This would be considered a bodily injury claim. Bodily injury is typically covered under a firm's General Liability policy; however, some E & O policies allow customers to add some contingent bodily-injury coverage by purchasing an endorsement to the E&O Policy. You should not assume that you will automatically be eligible for this type of coverage and should speak with your E&O provider to discuss the best coverage options for your firm's needs. Generally, where contingent bodily injury and property damage endorsements are available, the brokerage would have to satisfy additional underwriting guidelines for that coverage. For example, coverage may be contingent upon a firm having a General Liability policy in place and may require that the firm report the bodily injury claim to that carrier. If the General Liability carrier denies the claim, the E&O endorsement would then allow consideration for covering the claim. Again, there are qualification requirements, and these endorsements must be added during a firm's renewal process; they can't be added mid-term.



3. Are there any particular risks with Open Houses? What if a buyer or potential buyer claims they were infected with the virus during an Open House?

Generally, your E&O Policy would cover open house issues, but, again, not necessarily bodily injury arising during an open house. You should discuss your situation or concerns with your E&O carrier. From the perspective of the insurance company, best practices at this time would be to offer virtual open houses or to forgo holding in-person open houses, especially if it is known that the seller was positively diagnosed.

4. I've heard about "business interruption" coverage, but I'm not sure what that is. Would my E&O insurance provide that coverage?

No, your E&O policy would not provide Business Interruption coverage. You should contact your General Liability carrier to determine whether you have Business Interruption coverage, whether you may be eligible for coverage, and what the process is for filing a claim.

5. As of today, Governor Hogan has not issued a "shelter-in-place" order, but I know that other Governors have. I'm a broker and am wondering whether my E&O Policy would provide coverage for an agent who violated a "shelter-in-place" order if we come to that point.

As a general rule, E&O policies include exclusionary language stating that they do not cover claims resulting from criminal or intentional acts or fines and penalties. However, if a claim was filed, which included this and other multiple allegations, it is possible that coverage would be provided. You should discuss this with your E&O provider to determine whether coverage would be provided.

6. Are there any other COVID-19 issues that may impact my E&O coverage?

While not directly tied to COVID-19, with the increasing number of agents working from home rather than from the office, we should expect to see increasing numbers of social engineering schemes and phishing attempts throughout the real estate industry. The fraudster's goal, of course, is to commit wire transfer fraud.

Brokers and real estate professionals alike should adhere to strict online data hygiene training, especially focused on how to identify phishing red flags while practicing easy risk management techniques to avoid wire fraud issues. A cyber liability policy is considered a must today, whether it's added to your E&O policy or whether you obtain a standalone policy (or both). In any case, it is crucial that you, as a business owner, confirm that third party wire fraud complaints are covered in whatever policy or policies you purchase.



1. I am preparing to go on a listing appointment and trying to anticipate what type of questions the sellers may have about COVID-19 while listing and showing their home. Can you offer any guidance?

First, talk to the sellers to determine what concerns they may have. Are they in a vulnerable population or are there family members or occupants who may be vulnerable? What precautions are they taking, and/or would they like you to take? In response to Governor Hogan's stay-at-home Order, Maryland REALTORS® recommends that in-person activities be by appointment only; that not more than three (3) people, including the agent, be present at a property at any one time; and that those three (3) persons must strictly follow physical distancing guidelines established by the CDC by remaining at least six (6) feet apart at all times.

Wherever possible, you should encourage cooperating agents to conduct virtual showings. The buyer's agent may visit the seller's home and conduct a virtual tour, "showing" the home to the buyer using FaceTime, Google Duo, or any similar method. You should discuss this with the seller and make sure that the property is listed on Bright MLS in a way that is consistent with the seller's instructions. As in any situation, you want to respect the seller's concerns and make them comfortable, while also respecting your concerns, comfort level, and ability to reach a decision that's acceptable to you and the seller.

We suggest using our [COVID-19 Addendum to Exclusive Right to Sell/Lease Brokerage Agreement](#) to document the seller's instructions.

2. In the community that I service, it is common to hold an open house. The seller doesn't want to allow groups of strangers into her home at this time. What can I do to address the seller's concerns while still marketing the property in a way that is typical for this community?

Given that real estate services are included in the list of essential services, you as the agent may not be technically violating Governor Hogan's Order if you were to conduct an in-person open house; it is part of providing real estate services. However, we encourage all clients and customers to adhere to the Governor's Stay-at-Home Order. As the agent, you can continue to provide real estate services in a way that doesn't violate the spirit of the Governor's Order. It is Maryland REALTORS® recommendation that all in-person activities must be by appointment only.

Given that backdrop, how can you provide real estate services, hold an open house for your seller client, and not violate the Governor's Order and the CDC Guidance? One suggestion would be to offer a "virtual open house" (with the seller's permission, of course) by use of video such as FaceTime, Skype, or Google Duo. You might want to consider using 3D scans to give potential buyers a better "feel" for the home. [Bright MLS](#) maintains a list of virtual tour vendors, which may be useful. Also, Bright MLS, temporarily, will permit a blanket authorization in the Agent Remarks section allowing buyer's agents to take photos and videos. The listing agent would still need the seller's written permission, but provided that is granted, the listing agent can include remarks such as this in the Agent Remarks section:

Seller provides authorization to all cooperating brokers/agents to take photos/videos of the home during a scheduled, unaccompanied showing.

We suggest using our [COVID-19 Addendum to Exclusive Right to Sell/Lease Brokerage Agreement](#) to document the seller's instructions.



3. If I prepare a virtual tour or virtual listing, will I be able to share that video with other REALTORS® on Bright MLS? As a buyer's agent, will I be able to share the listing agent's virtual tour/virtual listing with my buyer clients?

Yes, Bright MLS has also temporarily modified its rules concerning virtual tours. You may include links to any virtual tours, including branded YouTube videos, in the Agent Remarks section. The rules regarding public remarks have been temporarily modified to allow you to share links to unbranded videos in the Public Remarks section. Please visit [the Bright MLS website for more detailed information](#).

We suggest using our [COVID-19 Addendum to Exclusive Right to Sell/Lease Brokerage Agreement](#) to document the seller's instructions.



4. I love holding broker's opens, and believe they are an important part of marketing my listings. Do you have any suggestions about broker's opens?

As members of a workforce engaged in an essential business under the CISA guidelines, it is permissible for you to travel to a client's home to provide real estate services. However, current federal and state recommendations are to limit gatherings to ten (10) or fewer people, which would almost certainly impact broker's opens. Maryland REALTORS® guidance, developed in coordination with the brokerage community, is that brokers do not conduct in-person broker's opens during this time. However, this is another area where you may want to use a virtual tour or create a "virtual broker's open." Granted, you won't be sharing food, but you can still share a video or virtual tour with colleagues and other brokers.

Get creative! If you would typically have done a progressive broker's open, do a virtual progressive broker's open. Coordinate with neighboring brokerages and offer gift certificates: the listing agent for the first home could share gift cards to a local coffee shop; the listing agent for the second home could share gift cards to a local restaurant; the listing agent for the third home could share gift cards to a local bakery or a local bookstore. It could be a great way for you and your business to continue to support other local businesses.

5. My seller client is concerned about making the property available for showings. He wants to know if potential buyers (or their agents) have traveled overseas in the past few weeks. Am I allowed to ask this question? What else can I do to reduce COVID-19 risks during a showing?

Based upon Governor Hogan's Stay-at-Home Order, Maryland REALTORS® recommendation is that, wherever possible, all showings be conducted virtually, which will eliminate the need to ask this question. If the sellers agree to allow in-person showings, we recommend that all showings be limited so that no more than three (3) people, including the agent, are present at a property at any one time. Indeed, as more parts of the United States see an accelerated spread of the COVID-19 virus, individuals who are traveling into Maryland from anywhere outside of Maryland are being asked to self-quarantine, consistent with the Governor's Order. In our opinion, the safest practice for you, your clients, and your community is to conduct all showings virtually. While this is the recommendation of Maryland REALTORS®, your broker or general counsel may have a different recommendation; it is not our intention to substitute our judgment for theirs.



6. Are there any practical steps that a seller can take to reduce COVID-19 risks during a showing?

There are several practical steps that a seller can take to reduce risks during a showing. A virtual tour, first and foremost, would comply with Governor Hogan's Stay-at-Home Order, issued March 30, 2020. As a preliminary matter, the seller will want to consider conducting virtual showings. A seller may elect to make the property available through listing photos and virtual tours/showings, which would limit the number of people who enter the home – thereby minimizing risk of exposure to the COVID-19. Maryland REALTORS® and our brokerage community recommend that all in-person activities be by appointment only and that no more than three (3) people, including the agent, may be at a property at any one time. They may want to limit it to the buyers or potential buyers, no children, extended family, or friends. This should be communicated to the buyer's agent before the parties arrive for the showing. And, yes, this may result in one party waiting out in the car while the agent shows the property to the other party. When the first party has finished, they can go out to the car and the second party may enter the home.

If there is a need for persons to enter the home, the seller could provide sanitizer and paper towels at the entrance and request that anyone entering the home use them. The seller could open all interior doors before all showings and sanitize all doorknobs afterward. The seller may want to leave cabinet doors open, to reduce the likelihood that the buyer will touch the handles or pulls. All lights or lamps could be left on, again, to minimize the need for anyone to touch light switches or lamps. Also, weather and allergy permitting, the seller may want to keep the windows open to allow fresh air to circulate through the home during the showing.

Can the seller make the home unavailable for showings while it is listed? If so, what should I say or do on Bright MLS to make that clear?

7

Bright MLS has temporarily modified its rules for Active and Under Contract listings. Bright MLS will not require in-person/onsite showings at this time. However, active properties that will NOT have in-person/onsite showings must be available for either virtual tours, virtual showings, or to otherwise be available for a walk-through before closing. More information is available [on the Bright MLS website](#).

We suggest using our [COVID-19 Addendum to Exclusive Right to Sell/Lease Brokerage Agreement](#) to document the seller's instructions.

8. I often drive my buyer clients to and from showings in my car. I no longer feel comfortable doing that. Can I politely suggest that my clients meet me at any homes they will be viewing, rather than driving them in my car?

NAR has provided guidance on this as well. NAR's advice is, yes, you may refuse to drive potential clients to see homes; however, be sure that any change you make to your business practices is applied equally to all clients. You may refuse to drive clients who show signs of illness or reveal recent travel to areas of increased risk of coronavirus, or you may instead decide to stop driving clients in your car altogether and simply arrange to meet clients at a property. If you do continue to drive clients, it is a good idea to frequently clean and disinfect surfaces like door handles and seat belt latches, and to ask clients to use hand sanitizer when getting in and out of the car.





9. Are there any practical suggestions that I can make to my buyer clients to reduce COVID-19 risks while showing/viewing a home?

As noted earlier, you may suggest that the buyer use their own car when traveling to the home. You could also suggest that the buyer refrain from touching any doorknobs, counters, or other surfaces while viewing the property. The buyer may want to wear a mask and/or gloves or bring hand sanitizer with them to the viewing, in case the seller doesn't provide sanitizer. The buyer may want to wear booties or similar shoe coverings while in the property.

I have a client who would like to put in an offer on a house. Can they? What are our options for determining the settlement date?

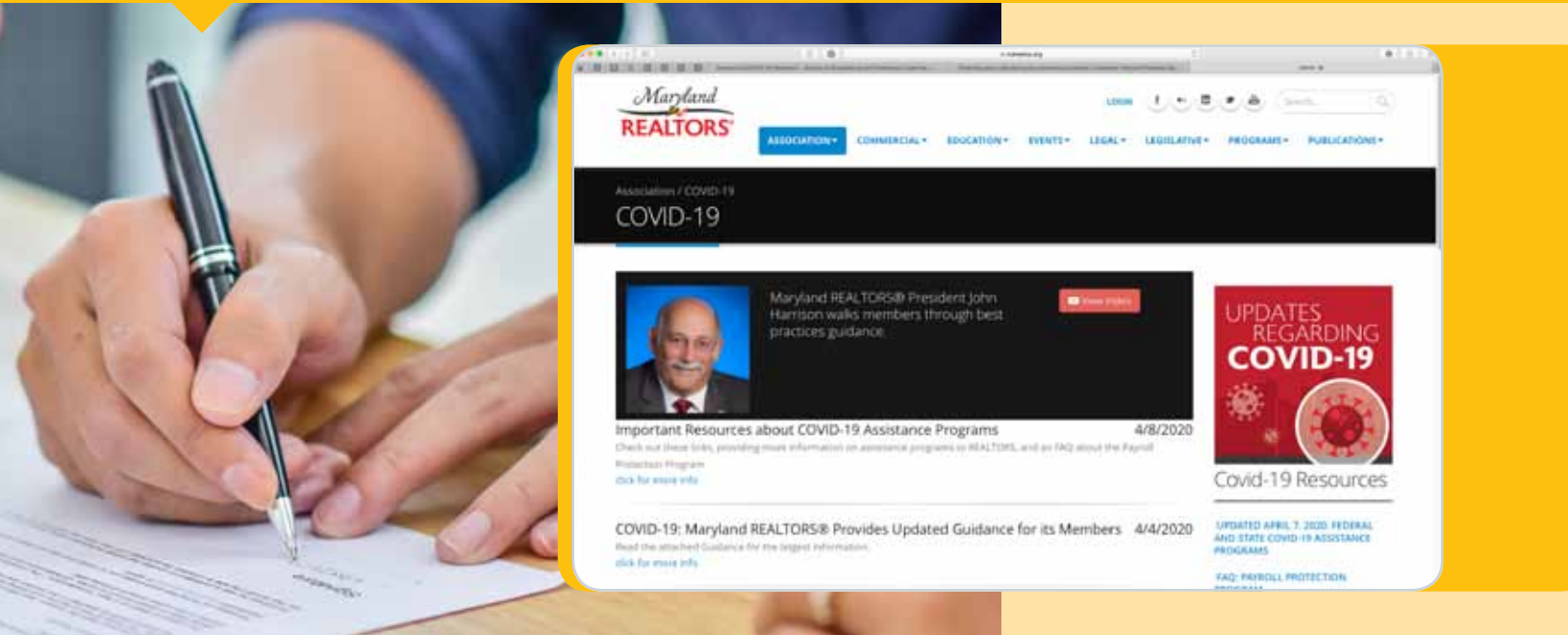
10.

Yes, of course, your client may submit an offer. However, we would suggest writing the settlement date for 90 to 120 days out. Make sure to have detailed conversations with the listing agent, preferably in writing, to make sure that the Sellers and Buyers both understand the constraints on performance, such as bank delays, inspection delays, and the like. It is best to set up the expectation early and make sure that all parties are agreeable. We also suggest utilizing the COVID-19 Addendum, [which can be found on our website](#).

11. Typically, when I am the listing agent, and the seller receives multiple offers, I will physically meet with the seller to present and/or discuss each offer. Do you have any suggestions on how to handle a multiple-offer situation in this COVID-19 environment?

Here again, there are many ways to work with your clients through video conferencing. Zoom and Google Hangouts both allow video conferencing and sharing of documents. This may be an excellent way to "meet" with your clients, review all of the offers by sharing the documents, and going through them (page by page if you want), just as you would do in a face-to-face meeting.





1. Is the new Maryland REALTORS® COVID-19 Addendum mandatory?

No. The Maryland REALTORS® COVID-19 Addendum is not mandatory. We recommend that parties include it in the transaction to address delays caused by the Coronavirus pandemic.

Should a COVID-19 related delay cause the parties to have to extend the settlement date, they have the option to check 30 days, 60 days, or insert a different number of days.

2. What time frame do you recommend Buyer and Seller select?

It depends. The parties will need to consider the facts and circumstances that led to the delay and decide accordingly.

3. The parties are under contract, it's a cash transaction, and all contingencies have been satisfied. The Buyer's income was impacted by the Coronavirus pandemic, and the Buyer is requesting that the Seller sign the Maryland REALTORS® COVID-19 Addendum, so the Buyer can have additional time to obtain funds for settlement. The Seller is refusing to sign it. What can the Buyer do?

To avoid being in default, the Buyer may submit another request to the Seller to execute the Addendum. If Seller refuses and the settlement date passes, the Buyer could be in default.



4.

The Buyer and Seller used Maryland REALTORS® Residential Contract of Sale. The transaction is contingent upon the Buyer obtaining financing. The Buyer's income has changed because of the Coronavirus epidemic. What happens if Buyer is unable to obtain financing?

The Financing (Paragraph 9) and the Financing Application and Commitment (Paragraph 10) provisions are controlling. 1) If Buyer is unable to obtain a written financing commitment, Seller, at Seller's election and upon written notice to Buyer, may declare the Contract null and void and of no further legal effect; or 2) Buyer, upon written notice to Seller, which shall include written evidence from the lender of Buyer's inability to obtain financing as provided in Paragraph 9 of the Contract, may declare the Contract null and void and of no further legal effect. In either case, the deposit shall be disbursed in accordance with the Deposit paragraph of the Contract. If Buyer has complied with all of Buyer's obligations under the Contract, including those with respect to applying for financing and seeking to obtain financing, then the Release of Deposit agreement shall provide that the deposit shall be returned to Buyer.



Buyer is concerned about germs spreading on or about the property from COVID-19 and would like Seller to wipe down and sanitize the property prior to settlement. What are Seller's obligations?

5.

Paragraph 22, the Condition of Property and Possession provision of the Contract is controlling. At settlement, Seller shall deliver possession of the Property and shall deliver the Property vacant, clear of trash and debris, broom clean and in substantially the same condition as existed on the Date of Contract Acceptance. If the Buyer would like the Seller to do more than that, it would have to be negotiated and agreed to in the Contract.

6.

What can be done if delays resulting from the Coronavirus pandemic prevent Seller from obtaining the disclosures mandated under the Maryland Homeowners Association Act and the Maryland Condominium Act in a timely fashion?

Both Acts preclude the parties from contractually modifying the requirements outlined therein.



1. I have sellers that do not want to attend closing due to the outbreak of COVID-19. What options would be available to them?

A Seller in a real estate transaction can sign the necessary documents in front of any available notary. A notary that is employed by your bank, a colleague or even a neighbor would be deemed acceptable. The title company can email the documents to your seller, and the seller would be able to print those documents for signature. The seller could then scan or ship overnight the documents back to the title company. Furthermore, effective March 30, 2020, Governor Hogan issued an Executive Order, which authorizes remote notarization. This new Order allows for a notary to confirm the identity of the signor over a digital platform, thus respecting physical distancing and Stay-at-Home provisions. The Maryland Office of the Secretary of State has issued temporary guidelines regarding remote notarizations. These guidelines include, among other things, a requirement that the notary:

Must identify the communications technology vendor you will use and confirm that the vendor allows you to, in real time, (1) view the remotely located individual and (2) compare for consistency the information and photos presented as identification credentials.

In our opinion, a notary using FaceTime to view the “remotely located individual” would not satisfy this requirement. Please contact your title company directly to make arrangements for settlement and to schedule a legally compliant remote closing. [Please review this link](#) regarding the Executive Order authorizing remote notarization. [You should also review this Guidance](#), updated April 10, 2020, for further instruction on proper remote notarization.

2. I have buyers that do not want to attend closing due to the outbreak of COVID-19. What options would be available to them?

A buyer in a real estate transaction typically needs to sign the title documents in front of a licensed title producer/notary. However, effective March 30, 2020, Governor Hogan issued an Executive Order, which authorizes remote notarization. This new Order allows for a notary to confirm the identity of the signor over a digital platform, thus respecting physical distancing and stay-at-home provisions. In our opinion, a notary using FaceTime to view the “remotely located individual” would not satisfy this requirement. Please contact the title company directly to make arrangements for settlement and to schedule a legally compliant remote closing. Please review this link regarding the Executive Order authorizing remote notarization. You should also review this Guidance, updated April 10, 2020, for further instruction on proper remote notarization.

3. I have heard that the courthouses have been closed and that there are delays in recording. How will this affect my client's closing?

Although the majority of the courthouses are closed, real estate documents are still being submitted electronically for review and recording. Therefore, your client's closing should not be affected. However, if your client's transaction involves an original Power of Attorney or your client is buying unimproved land, please advise them that the return of original documents will be delayed. Therefore, the return of original documents could be delayed, or building/improvement permits for a property may also be delayed.

4. Is there anything additional my clients need to know about COVID-19 concerning their settlement?

Due to the outbreak of COVID-19, courts and recordation offices have been closed throughout the state. These closures could have an impact on the recordation of deeds, deeds of trust, and other real estate recordable instruments post-settlement. Therefore, title insurers have responded to these closures by asking title companies to add additional documents into their closing package regarding these delays. Sellers and Buyers should be prepared to read and sign disclosures regarding potential delays due to COVID-19.



My real estate license (salesperson) expires on March 30. I know that Governor Hogan declared a State of Emergency in Maryland, and I know that this affects my license renewal, but I don't know all the details. What happens if I cannot complete my required CE before March 30? Can I still provide real estate brokerage services even though my license technically expires on March 30?

In recognition of the need to control and prevent the spread of the COVID-19 virus, Governor Hogan declared a State of Emergency and Catastrophic Health Emergency on March 5, 2020. The following week, on March 12, 2020, Governor Hogan issued an order extending the expiration date of all professional licenses issued by the State of Maryland until the 30th day after the State of Emergency and Catastrophic Health Emergency is terminated. It is not known how long the emergency will last or when Governor Hogan will declare the State of Emergency terminated. To summarize, if your license expired on or after March 5th (when the State of Emergency was declared), you will have until 30 days after the State of Emergency is rescinded (a date to be determined) to renew your license. CE classes required for renewal of the extended license may also be taken during this extension timeframe.

During the emergency, the Real Estate Commission's office is closed to the public. Telephone calls to the Commission's main number are answered with the information that all real estate licenses scheduled to expire during the State of Emergency are extended until May 1, 2020.

For licensees who have completed their continuing education requirements and are otherwise eligible to renew, the electronic licensing portal is available as usual. For licensees who need to complete continuing education, there will be a 30-day period after the State of Emergency ends to complete education requirements and process a license renewal. So, for example, if the State of Emergency ends on April 13, 2020, and your license expired on March 20, 2020, you will have until May 13, 2020, to complete your required CE and renew your license.

The Real Estate Commission staff is working remotely and responding to email inquiries. The email address to contact the Commission is dlmrec-labor@maryland.gov.





- I. I am an agent, and I own several rental properties. Many of the tenants are not currently working or paying rent. What options are available to me?

In response to the Coronavirus pandemic, the CFPB and individual lenders have been proactive in posting information to their websites and emailing consumers with ways in which they can receive assistance during this difficult time. **You can visit the CFPB for more information;** we've provided a passage, below, from the CFPB website regarding measures being taken to assist those affected.

If you can't make payments, contact your lenders.

Many lenders have announced proactive measures to help borrowers impacted by COVID-19. As with other natural disasters and emergencies, they may be willing to provide forbearance, loan extensions, a reduction in interest rates, and/or additional flexibilities for repayment. Some lenders are also saying they will not report late payments to credit reporting agencies or waiving late fees for borrowers in forbearance due to this pandemic.

If you feel you cannot make payments, contact your lenders to explain your situation and be sure to get confirmation of any agreements in writing.



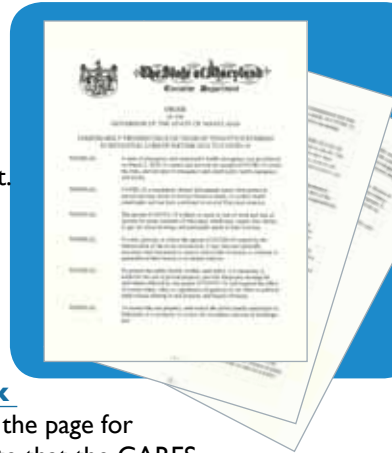
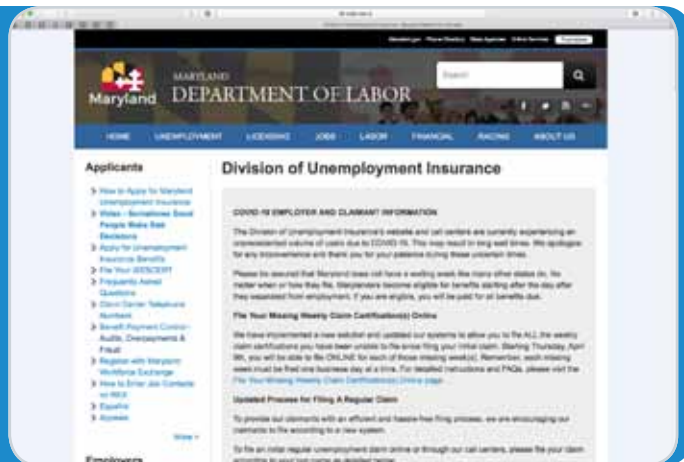
2. I am an agent, and I own several rental properties. Many of the tenants are not currently working or paying rent. I would like to provide information and resources to the tenants about any assistance that may be available to them. Can you provide any guidance?

Governor Hogan has issued two Executive Orders directly addressing the situation that your tenants are facing. The State of Maryland has [temporarily suspended evictions](#) for tenants suffering substantial loss of income due to COVID-19. The State has also [temporarily prohibited termination](#) of residential utility services, including electric, gas, sewage disposal, telephone, water, cable television, or internet service. The most practical advice would be to speak with your tenants to discuss their respective situations and try to reach an agreement satisfactory to the landlord and tenant.

Your tenants may be eligible for [unemployment insurance](#) through the Maryland Department of Labor, Division of Unemployment Insurance. In addition, the Secretary of the Maryland Department of Labor has opted into providing all three of the expanded unemployment insurance programs offered through the provisions of the Federal CARES Act. This includes: (i) Pandemic Unemployment Assistance; (ii) Federal Pandemic Unemployment Compensation; and (iii) Pandemic Emergency

Unemployment Compensation. [Click](#)

[here](#) and scroll about halfway down the page for more detailed information. Please note that the CARES Act significantly expands the pool of individuals who may be eligible for assistance, and (as of April 1, 2020) the Maryland Department of Labor's website and technology need to be modified to accept applications from individuals who are self-employed, independent contractors, or gig workers. Your tenants should contact the Division of Unemployment Insurance directly for more information.



The tenants in my client's property are under quarantine, and the lease is ending. What can we do?

3.

Maryland, along with several other jurisdictions across the country, has temporarily suspended eviction and foreclosure proceedings. Even if an Executive Order was not in place, if a tenant or anyone living in the property is under quarantine for COVID-19 illness or exposure, consider allowing the tenant to remain in place for the duration of the quarantine period. If the lease agreement calls for penalties for failure to vacate the property, the landlord may exercise discretion in enforcing the penalties, or the landlord and tenant could agree to additional rent during the duration of the holdover period.





I. I am an agent who is licensed in several different bordering states.
What do I need to know regarding COVID-19?

The most important thing to remember is that the laws of the state/jurisdiction where the subject property is located prevails. What is acceptable in one jurisdiction may not be acceptable in another. Before conducting any business, we recommend that you research and become familiar with the guidelines published by that jurisdiction, so that you may conduct your real estate transactions under the rules and regulations released by each jurisdiction.

To help you with your work, we've provided important information and links to each state's policy addressing COVID-19 below.

PENNSYLVANIA

Pennsylvania's Governor issued a Shelter-in-Place order, which is essentially a complete shutdown of all businesses that are not "life sustaining." Real estate, and all related businesses, are not "life sustaining" under the Pennsylvania order. This means that all brokerages are closed and that all open houses and in-person showings have ceased. This applies to all Pennsylvania licensees, even if you are also licensed in Maryland. Pennsylvania has allowed for specific in-person activities (inspections, appraisals, final walk-throughs, in-person title activities) for transactions that were under contract (meaning signed or executed) prior to March 18. If the contract was executed after this date, no in-person activity will be allowed. The permitted activities must be made by appointment, and people on the property are limited to no more than 2 (two) at a time. Physical distancing and appropriate hygiene procedures must be observed at all times.



The Pennsylvania Association of REALTORS® has compiled a comprehensive FAQ on guidance in practicing real estate in Pennsylvania during this pandemic. [Click here for more information.](#)

DELAWARE

According to the governor's "Fourth Modification of the Declaration of Emergency for the State of Delaware," issued on March 22, 2020 ([click here to read in full](#)), Governor John Carney ordered the closure of all non-essential businesses, while also listing businesses that were deemed non-essential. Included in this list is a paragraph specific to real estate licensees. The Order clearly states that real estate brokerages, both residential and commercial, and "associated industries" are considered non-essential businesses. The Order further provides that real estate licensees:

are permitted to work from home to the extent feasible, to do all necessary showings to prospective buyers/lessors, and to take any action necessary to complete any sales or rentals in progress prior to this Modification of the State of Emergency.



Furthermore, on March 24, 2020, Governor Carney issued a "Shelter-in-Place" order for the state of Delaware in his "Fifth Modification of the Declaration of Emergency for the State of Delaware." This Order states that its intent "is to ensure that the maximum number of people self-isolate in their places of residence to the extent feasible, while enabling essential services to continue, to slow the spread of COVID-19 to the maximum extent possible." Additional guidance from Delaware states that real estate agents licensed in Delaware who live out-of-state may come to Delaware only as necessary for real estate practice, but then must promptly return home. [Click here to read this in full.](#)

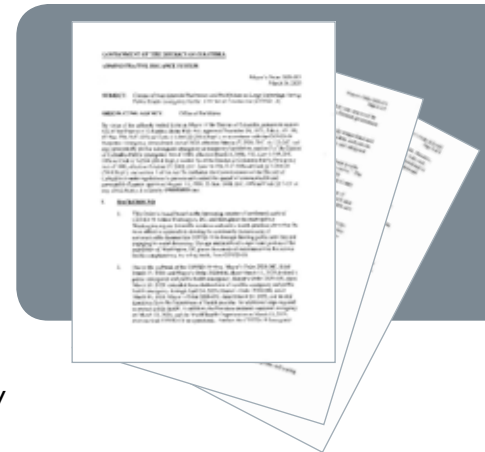




WASHINGTON, DC

On March 24, 2020, Mayor Muriel Bowser issued an order closing all non-essential business activities in the District of Columbia, other than those safely conducted from home. As part of the order, the Mayor defined a list of businesses that are considered essential and those that are considered non-essential.

Although the practice of Real Estate was not specifically mentioned, it does not easily fall under any of the essential businesses listed, which would lead one to assume that Real Estate was not intended to be classified as essential. Currently, there has not been a Shelter-In-Place order for the District, although Mayor Bowser's directive ceasing all business activity other than that safely conducted from home closely parallels Governor Hogan's Order. [Click here to review the mayor's order.](#)



VIRGINIA

On March 24, 2020, Governor Ralph Northam issued a statewide order closing Non-Essential businesses and closing all schools for the rest of the school year. Although this order does not mention real estate explicitly, it does state that professional service businesses not listed must utilize teleworking as much as possible. Where teleworking may not be feasible, such businesses must adhere to physical distancing recommendations, enhanced sanitizing procedures, and apply relevant workspace guidance from state and federal authorities, including CDC, OSHA, and the Virginia Department of Labor and Industry. Currently, there is no "Shelter-in-Place" rule. [Click here to read the governor's order in full.](#)



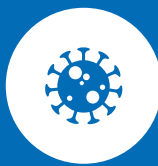
WEST VIRGINIA

On March 23, 2020, Governor James Justice issued a Shelter-In-Place order for the State of West Virginia, advising its residents to stay home. Governor Justice also closed non-essential businesses and made a definitive list of what is and isn't considered essential. Real Estate was listed as essential in the following paragraph:

Professional services, including legal services, accounting services, insurance services, and real estate services (including appraisal and title services).

[Click here to learn more about the governor's order.](#)





I. What emergency programs are available at the federal and state level, as it pertains to COVID-19?

Federal Programs (click each heading, below, to learn more):

Family medical and paid sick leave:

Congress passed legislation that includes a **refundable*** tax credit for self-employed (like real estate agents and brokers), which is equivalent to 12 weeks of family and medical leave and another refundable tax credit that is equivalent to two weeks of paid sick leave.

Small Business Loans:

Maryland self-employed businesses have been approved for small business disaster loans. Self-employed may apply for an Economic Injury loan. These are low-interest working capital loans of up to \$2 million. There will also be loans (7a loans) providing "Payroll Protection," a portion of which will be forgivable if the business continues employees (including independent contractors) salaries.

Tax Relief:

\$1,200 tax credit for individuals, \$2,400 for married couples and \$500 for each eligible child. This money is available for all U.S. residents with an income up to \$75,000 but phasing out for income up to \$99,000. The limits (not child assistance) double for joint filers. There will also be provisions allowing penalty-free withdrawals from IRAs, delay of employer-portion of payroll taxes, and business losses that can be applied to earlier tax years to receive a refund.

Pandemic Unemployment Assistance:

Like unemployment insurance, this is intended to give self-employed (like most real estate agents) assistance comparable to Maryland's unemployment benefits. The range of benefits in Maryland is \$50-\$430 per week based on an individual's lost earnings. The federal program can add up to an additional \$600 per week for participating states.

Stay on Foreclosure/Evictions:

Anyone experiencing financial hardship due to COVID-19 will be protected from foreclosure on federally backed loans for up to 60 days as measured from March 18th. Evictions will be stayed for 120 days for rental units whose mortgages are federally-backed.

Other:

The federal relief also covers the following: suspension of student loan payments for 6 months; additional funding for Section 8 vouchers and other housing assistance programs; funding for rural areas broadband connections; and transit funding.

State Programs – Small Business Assistance (Not Self-Employed/independent contractor):

NOTE: These State programs have stopped accepting applications, as of 5 pm, April 6.

Maryland Small Business COVID-19 Emergency Relief Loan Fund:

This \$75 million loan fund (for for-profit businesses only) offers no interest or principal payments due for the first 12 months, then converts to a 36-month term loan of principal and interest payments, with an interest rate at 2% per annum.



Maryland Small Business COVID-19 Emergency Relief Grant Fund:

This \$50 million grant program for businesses and non-profits offers grant amounts up to \$10,000, not to exceed three (3) months of demonstrated cash operating expenses for the first quarter of 2020.





1. Can a broker file for the Payroll Protection Program for agents that are independent contractors?

No, independent contractors can apply for a PPP loan on their own, so they do not count for purposes of a borrower's PPP loan calculation.

2. What is the interest rate?

1%, but the loan is forgivable if used to pay payroll for the eight-week period of the loan.

3. Could the program run out of money?

Yes. The program has a set budget allotment, and each lender has limits on the number of loans they have agreed to process. For that reason, the PPP is a first-come, first-served program. Apply early if you wish to participate.

4. How early can I apply?

Employers with actual W-2 employees can apply as of April 3. Independent contractors, like most real estate agents, may apply starting on April 10.



5. My lender said they are no longer processing PPP loans. Did I miss the boat?

No, the Small Business Administration (SBA) is still taking loans, but some lenders have already processed their allotment of loans. Use the SBA lender list to find a lender that is willing to process your request [HERE](#). Some lenders will be able to resume the processing of loan applications after the Federal Reserve purchases their loan portfolios. In addition, the Treasury Department is seeking additional funding for the program.



6. Can the loan payments be deferred?

Regulations specific that payment may be deferred for up to 6 months (the law states up to a year, but given the low interest rate, SBA is allowing only 6 months).

7. Can the PPP be used for nonpayroll expenses too?

Yes, the following nonpayroll costs can be included in your loan, but if those costs exceed 25% of the loan, those costs cannot be forgiven. Eligible nonpayroll costs include many employee benefits like health care or family leave; mortgage interest payments; rent payments; utilities; interest payments on other debt obligations incurred before February 15, 2020.

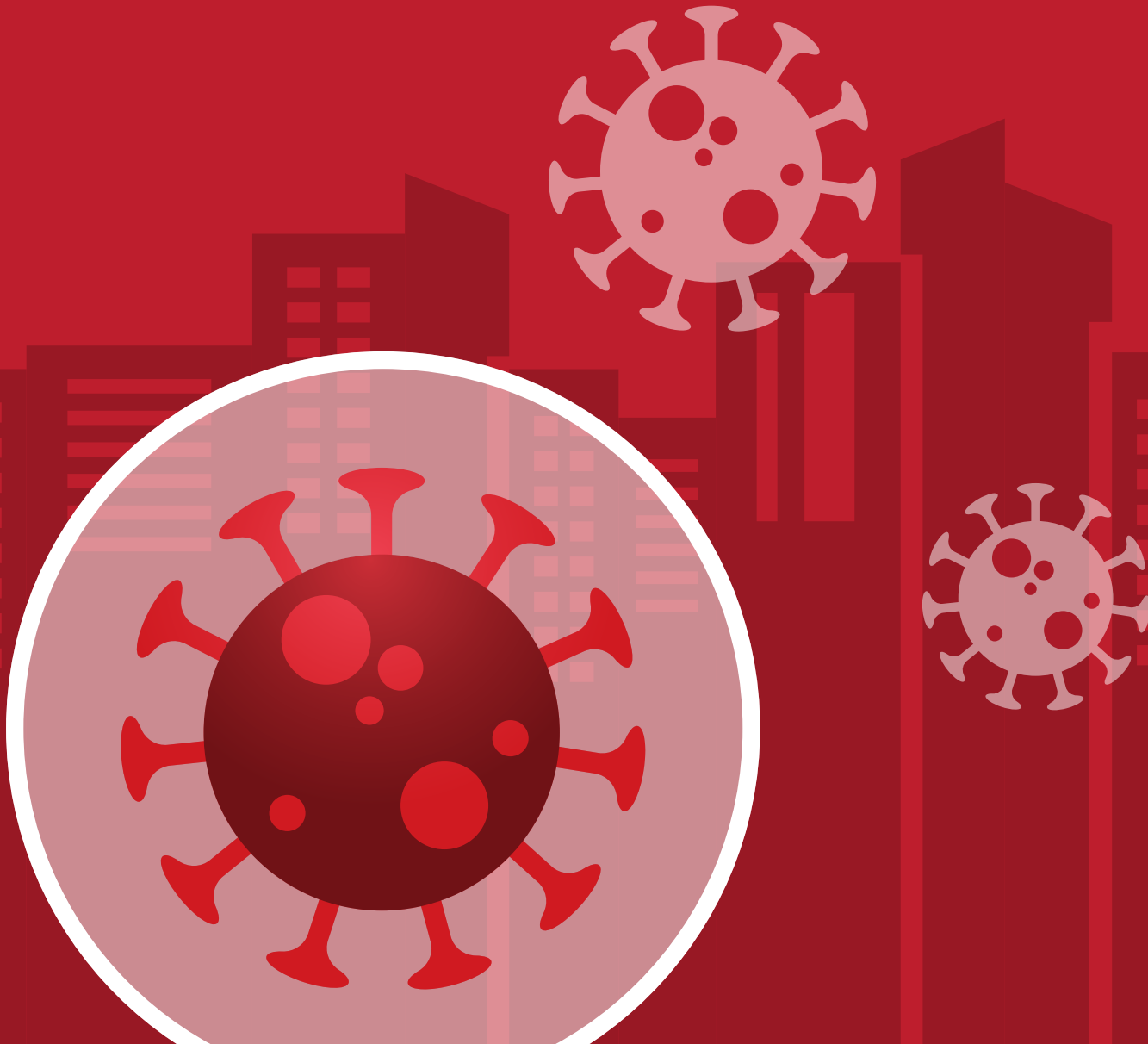
8. How do I calculate the payroll costs?



- Aggregate payroll costs from the last 12 months (if you are an independent contractor, you are calculating what you paid yourself for the last 12 months).
- Subtract any compensation that exceeds an annualized income of more than \$100,000.
- Divide that total number by 12 and multiply by 2.5. See the application form [HERE](#).



COVID-19 FAQ



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mdrealtor.org