

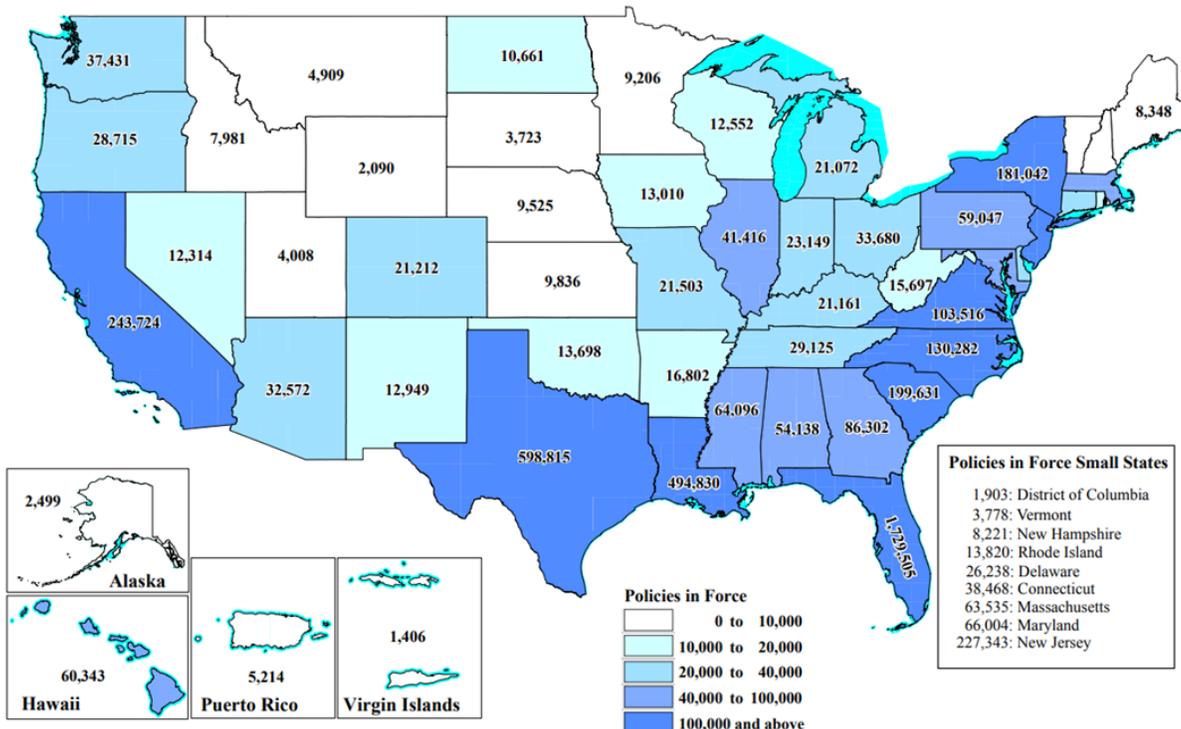
IREM[®] (Institute of Real Estate Management) supports reform of the National Flood Insurance Program (NFIP) to ensure its ongoing sustainability, encouragement of cost-effective private flood insurance options, and long-term reauthorization of NFIP so that it remains a viable option for property owners.

Background

- The NFIP is a partnership among federal, state, and local governments that helps mitigate flood risk and ensure the availability of flood insurance nationwide.
- If the program expires, flood insurance will not be available through the NFIP, which provides over 90% of flood insurance nationwide and close to 100% of flood insurance coverage for individually owned properties and small- to mid-size commercial properties.
- IREM is advocating for legislation that includes a long-term NFIP reauthorization, encourages growth in the private flood insurance market, and includes reforms such as allowing commercial properties to opt-out to make the program more sustainable.

National Flood Insurance Program Total Number of Policies in Force

AS OF SEPTEMBER 30, 2017



Source Report: PIFW0902

NFIP reform & reauthorization legislation

- The NFIP's current extension expires September 30th, 2020.
- Support H.R. 3167, the NFIP Reauthorization Act, which extends the program for five years, includes significant reforms to mapping and mitigation, and provides private flood insurance options.

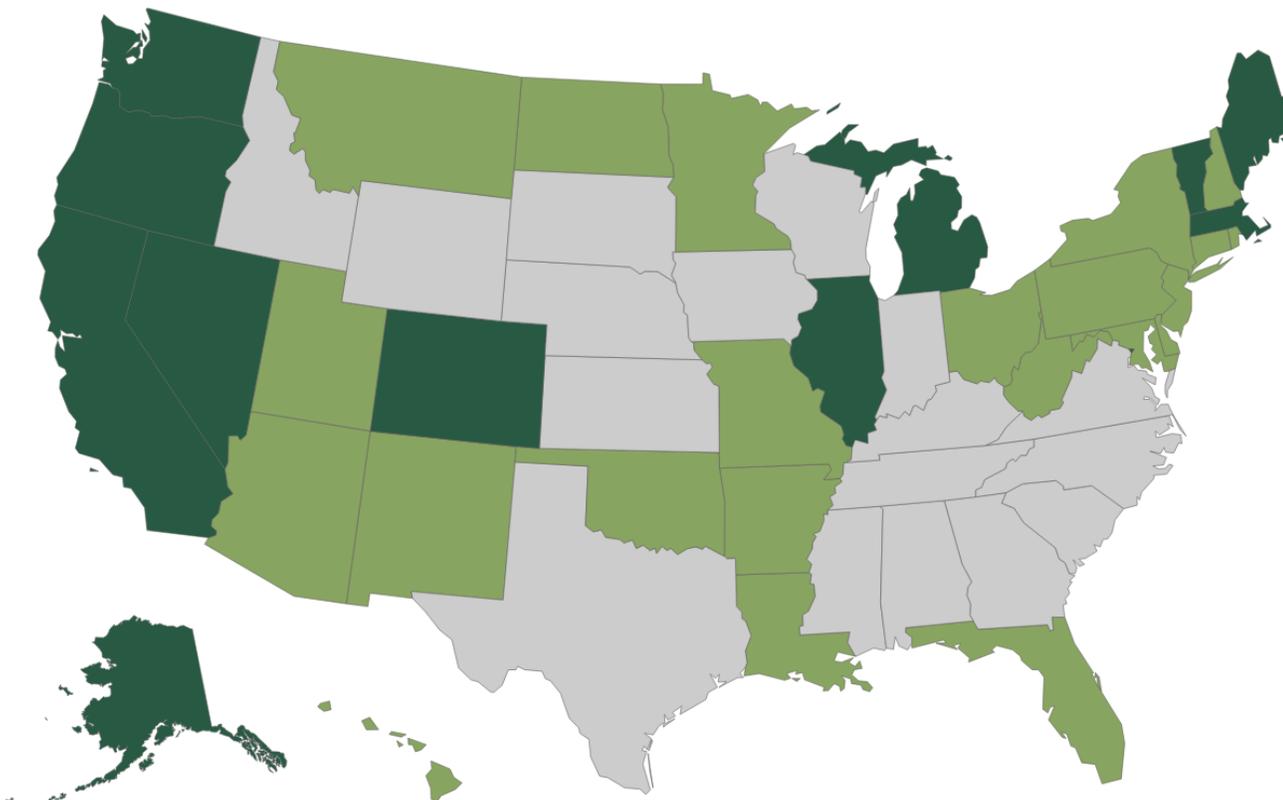
IREM[®] (Institute of Real Estate Management) supports the passage of H.R. 1595, the Secure and Fair Enforcement (SAFE) Banking Act. The Act would create a safe harbor for federally insured financial institutions to provide banking services for legitimate cannabis-related businesses (or businesses that tangentially work with them) in states that have legalized cannabis.

Background

- 33 states and the District of Columbia have passed legislation authorizing the use of cannabis for either medical or recreational use. The cannabis industry within those states is estimated to have brought in more than \$10 billion in sales and \$1 billion in tax revenue.
- Cannabis is still classified as a Schedule I controlled substance under the Controlled Substances Act, meaning FDIC-insured banks cannot accept money from cannabis businesses or they risk running afoul of anti-money laundering laws. This includes not just cannabis growers and retailers, but also any business that works with them such as trucking companies used for transport and rent paid for storage or retail space.
- The prohibition has resulted in these businesses being forced to operate on a cash-only basis. This not only creates security concerns for the businesses and the communities they serve, but also makes tracking and regulating the industry much more difficult.

Cannabis legalization laws

Status: ● Legalized for medicinal and recreational use ● Legalized for medicinal use only



Congressional actions to date

- The SAFE Banking Act was passed by the House 321-103 on September 25th, 2019. On September 26th, the bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs.

For more information, contact Ted Thurn, Director Government Affairs at IREMLegislation@irem.org or (312) 329-6021



INSTITUTE OF REAL ESTATE MANAGEMENT

IREM® Headquarters

430 North Michigan Avenue, Chicago, IL 60611
(800) 837-0706 irem.org getinfo@irem.org

Hi, we're IREM®

We're an international institute for property and asset managers, providing complete knowledge to take on real estate management's most dynamic challenges. That means knowledge prepared for the day-to-day and the one-of-a-kind: from solving the latest tenant crisis to analyzing market conditions.

For over 85 years, our members have made us the world's strongest voice for all things real estate management. Today, almost 20,000 leaders in commercial and residential management call this home for learning, certifications, and networking

Founded: Chicago, Illinois, 1933

Membership: Approximately 20,000 individuals; 500+ companies

Number of chapters: 80 domestic; 17 international

2020 leadership:

President: Cheryl Gray, CPM®

QuadReal Property Group, Toronto, ON, Canada

President-Elect: W.A. Chip Watts IV, CPM®, CCIM
Watts Realty Co., Inc., AMO®, Birmingham, AL

Secretary/Treasurer: George D. Griffin III, CPM®, CCIM
Houston Housing Authority, AMO®, Houston, TX

CEO/Executive Vice President:

Denise LeDuc-Froemming, CAE, MBA, CPA®

IREM Certified Sustainable Property:

Practical, affordable sustainability. A green building certification for existing office properties, multifamily communities, shopping centers, medical office buildings, and senior housing communities, the IREM CSP allows owners and managers to collaborate on sustainability programs for their entire portfolios, not just a select few properties. Learn more at irem.org/gogreen.

IREM members' areas of expertise by property type:

Residential

- Affordable housing
- Public housing
- Apartments
- Condos/Co-ops/HOAs
- Manufactured housing
- Military housing
- Senior housing
- Single family housing
- Student housing

Commercial

- Industrial/warehouse
- Land parcel
- Medical buildings
- Office buildings
- Parking garages
- Self-storage
- Shopping centers/retail

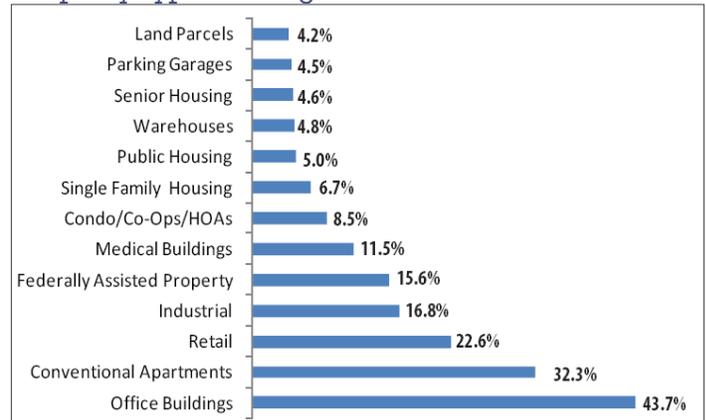
IREM professional training subjects include:

- Finding ways to boost efficiency, trim waste and sustain value
- Shepherding assets to success at every level, from site maintenance to loan analysis to investment
- Gaining financial acumen to create, maximize and sustain value
- Economics of real estate investments
- Using leading-edge marketing and leasing strategies for competitive advantage and generating higher returns for clients
- Strengthening client relationships
- Protecting tenants, residents and owners through maintenance and risk management

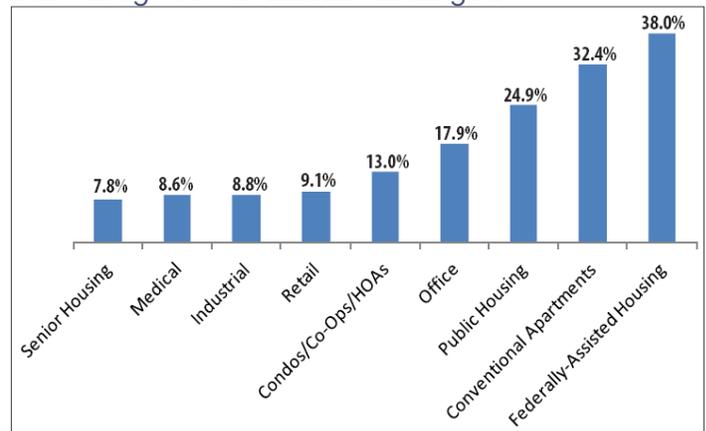
The CPM designation by the numbers:

- \$9.3 billion purchasing power annually
- \$2.1 trillion in real estate property assets managed
- 11.6 million residential units managed
- 12 billion sq. ft. of commercial space managed

Property types managed



Percentage of U.S. market managed



Assistance animals

IREM invites guidance from the government on the issue of assistance animals (also referred to as emotional support or companion animals) with respect to the Fair Housing Act (FHA). Unlike service animals, which are regulated by the Americans with Disabilities Act (ADA), companion animals receive no specialized training and are typically for individuals with mental disabilities or those in need of emotional support.

Medical and recreational marijuana

An increasing number of states are legalizing marijuana to varying degrees, but it is still illegal at the federal level. This conflict between federal and state laws creates a complicated situation for real estate owners and managers. Property managers should review state and local statutes and regulations to ensure they are in compliance with medical marijuana laws and regulations. Property managers may also utilize best practices to address the issue as they see fit, such as lease addendums, with which smoking and illegal drug use can be prohibited.

IREM invites guidance from the government on how to implement policy and procedures for the properties operated by real estate owners and managers.

Rent control

IREM is opposed to government control of rents and supports a property owner's right to establish rents that produce sufficient income to accommodate the basic needs of residents and encourage investment in new construction and existing properties. IREM urges elected officials at all levels of government to oppose rent control as it significantly affects the housing inventory by accelerating the deterioration and loss of existing housing while discouraging the construction of new housing.

ADA lawsuit reform

IREM supports legislation to create a "notice and cure" provision within Title III of the ADA. This would allow business owners the opportunity to rectify violations within a reasonable amount of time before being threatened with costly lawsuits or demand letters for a monetary settlement. IREM believes that this reform will protect building owners, while still holding them accountable for ensuring accessibility to all Americans.

Flood insurance

IREM supports the reform and long-term reauthorization of the National Flood Insurance Program (NFIP) to ensure its ongoing sustainability, encouragement of cost-effective private flood insurance options, and long-term reauthorization of NFIP so that it remains a viable option for property owners.

The NFIP is a partnership among federal, state, and local governments that helps mitigate flood risk and provide affordable flood insurance to those who need it most. If the program expires, flood insurance will become more costly or even unavailable. The NFIP provides over 90% of all flood insurance nationwide and almost 100% of coverage for individually owned properties and small to mid-size commercial properties.

Data security

Property managers collect and maintain huge amounts of sensitive data, including social security numbers and financial information, putting them at risk from cyber-criminals. IREM supports government efforts aimed at sharing information about possible cyber threats, establishing reasonable data security standards, and helping avert security breaches and their aftermath. IREM opposes legislation that would be overly onerous on property owners and managers or their clients.

We also strongly encourage members to use best practices to protect their clients' confidential information.

Fair housing

IREM believes in equal opportunity in housing and supports the right of all people to freely choose where they will live without the constraint of prejudice or discrimination. IREM opposes practices and policies that have a known discriminatory effect on any demographic group defined by race, color, religion, national origin, sex, handicap, familial status, sexual orientation, or gender identity.

Disparate impact

IREM is opposed to policies and practices which are known to have a disparate impact on any demographic group defined by race, color, religion, national origin, sex, handicap, familial status, sexual orientation, or gender identity.

However, IREM supports the ability for real estate professionals to continue such policies or practices if there is a legitimate business purpose for the policy, and that purpose cannot be accomplished in a readily identifiable and not unduly burdensome means with a less discriminatory impact. IREM further opposes actions that require unreasonable research into whether such policies or practices have a disparate impact or discriminatory effect.

Source of income discrimination

Some state and local governments have designated source of income as a protected class under their fair housing laws forcing property managers to accept tenant-based subsidies. By accepting these subsidies, landlords must also accept lease amendments to comply with government requirements.

We support government-assisted housing and making affordable housing available to all citizens. However, we believe that involvement in these programs should be voluntary and opposes any policies that require owners of private housing to surrender their property rights.

The selection of tenants and the terms of the contractual relationship are functions of the property owner or manager, not the government. Allowing certain tenants to have different (government-mandated) provisions included in their leases puts increased financial and administrative burdens on housing providers and may be unfair to other residents.

Property management licensing

Proper licensure helps protect the public by ensuring real estate managers are qualified, accountable, and competent. Management of residential apartments, condominiums, homeowner's associations, office buildings, shopping centers, and all other commercial property involves real estate activities and should require a license. However, we are opposed to the creation of separate classes of real estate management licensing.

Many IREM Members manage multiple types of properties, such as residential apartments, condominiums, cooperatives, and homeowner associations. By requiring separate licensing anyone managing multiple property types may need to carry separate licensing for each one. As the majority of real estate management companies are small businesses, the added administrative and financial costs could be extremely burdensome to those who can least afford it.

Federally assisted housing

Federally assisted housing puts people into homes who otherwise would have challenges obtaining safe and decent housing. Providing assistance to low-income earners helps them find housing and helps real estate managers and owners fill vacancies.

IREM Members own and manage over 60% of all federally assisted housing and public housing units in the United States. Under project-based programs, the federal government, through the U.S. Department of Housing and Urban Development (HUD) contracts with private owners to fund the difference between the rent for the unit and 30% of the tenant's income.

IREM closely monitors all legislative and regulatory activity pertaining to federally assisted housing and engages with policymakers to encourage continued funding and clarification of new and existing notices and rules.