

Providing Support to Our Client Contacts

According to an ERC webinar poll on March 18, 2020, 89% of participants are working remotely. This aligns with our own situation and discussions with clients over the past week. For many of our own contacts who manage Mobility, this may already be a common arrangement. However, depending on their industry, mobile employees may not be accustomed to WFH schedules.

Everyone is anxious and clients are likely responding to more emails, phone calls and attending virtual meetings. The nature of their questions center around how their options, costs and short- and long-term risks. While recommendations really depend on the stage of the relocation and local situations (i.e., mandatory shelter in place, etc.), we hope these guidelines help to frame your discussions.

We recommend creating a temporary addendum to policy with statement that “company reserves the right to amend and terminate at any time” (samples available).

What are other clients doing?

- a. In the face of travel restrictions and local regulations, an increasing number of clients (41%) are postponing new initiations. The situation is fluid, but many have cited a 3 week pause. Some clients are already experiencing layoffs, hiring freezes and intern programs are in a holding pattern.
- b. Repatriations have been limited (11%) with increasing travel bans, quarantines it may be more difficult to mobilize returns and safer to “harbor in place”.
- c. Tracking delays and exceptions to policy to substantiate decisions and support future claims (i.e., for tax filing extensions, etc.).
- d. Most companies are covering reasonable travel expenses for delays and/or mandatory waiting periods/quarantines.
- e. Extending temporary living and extended HHG storage coverage for the period until shipments can be delivered.
- f. Maintaining documentation to explain extensions beyond the one year requirement (if necessary). Note; costs likely to hit multiple budgets/years.
- g. If home buyouts (GBO or BVO) are outstanding and an employee is reluctant to market his or her home, some clients are hibernating the program and restarting at a future date.
- h. Providing additional funds for employees moved under a lump sum policy to manage unexpected expenses caused by travel restrictions and any shortfall.
- i. Providing pre-approved authority (\$ amount) to approve exceptions to ensure timely response and customer service.

New Initiations:

- j. Only critical moves are being initiated with the understanding that services will be limited (i.e., virtual inventory of HHG, automated valuation, sending destination information, etc.) and no funds distributed.

Moves in-Process:

- k. For moves in process, most of our clients are evaluating each situation on an individual basis. Only a few have formalized guardrails for a consistent response.

Departures in-process

- l. Critical moves to continue with client acknowledgement. Weichert will do everything possible to proceed. If the move can't proceed (i.e., due to new shelter in place, local restrictions) we will advise asap.
- m. New (first 30 days) hibernate move – postpone HHG, delay lump sums, extend offer acceptance period.
- n. If the employee has moved into temporary living while family is still in departure location, evaluate if employee can/should go back to the home location for the time being and WFH.
- o. Employee (and family) in temporary living arrange lease extension.
- p. Continue as planned. Prepare for longer household goods in storage and extended temporary living.
- q. Evaluate ways to expedite/reschedule HHG and move in.

Destination in-process

- r. "Virtual/Stay at Home" rental finding
Conduct phone needs analysis. Destination agent previews potential rental property, take pictures, and provides useful information to support the customer with property selection in situations where he/she is unable to travel to the destination. Once the transferee chooses a property, facilitate lease-signing.
- s. Reduced exposure rental finding
Conduct phone needs analysis. Assemble a suitable property offer, schedule appointments based on the customer's preferred properties, send an itinerary and remain available to answer the customer's questions while he/she tours the recommended properties.
- t. Verify home purchase/closing.
- u. Verify HHG delivery and confirm with transferee
- v. Arrange any final travel help (accommodations)

Exceptions

Exception requests should be detailed by Weichert (note "Coronavirus") on client approved template and forwarded to the Business (if necessary) for approval.

Homesale Stage Recommendations:

Homesale remains one of the largest line item costs of a domestic move. Most BVO programs rarely experienced a sale fall through but under the current national emergency these are far more likely.

Shelter in place, travel restrictions and social distancing make it very difficult to suggest a standard recommendations. Instead we're suggesting recommendations based on the stage of the transaction.

Weichert is exploring how and if Indemnity & Undertaking Agreement (Gap) insurance can minimize risks associated with sale fall throughs as more buyers are concerned about employment and being able to complete a purchase (stay tuned).

Stage	Response	Risk*/Cost Impact
Stage 1 Initiated –no BMA, appraisal or inspections	Consider hibernating the transaction. If employee must start at new location, consider a temporary assignment until the situation returns to normal.	Low cost/low risk
Stage 2 Inspections, BMAs or other started	All Weichert supplier partners have been instructed to use best practice hygiene strategies (gloves, face masks, not touching surfaces/visual inspection only) where applicable and if they can deliver service without violating local laws then consider continuing the homesale acquisition process for "critical moves." If employee is anxious about service providers (i.e., appraisers) in the home, consider automated value instead of physical inspection to prepare GBO/BVO marketing plan. If the situation extends beyond this timeframe, it might be prudent to hibernate these transactions as well. Note – If subsequent home marketing is delayed or prevented by local restrictions, transactions may come into inventory at a higher rate.	Low/moderate risk of inventory and resale loss

Stage 3 BVO stage – marketing plan established/ implemented	Continue to market the home where permitted locally, using virtual marketing techniques and select showings following NAR guidelines. Record low mortgage rates make it an ideal time to acquire. Pent up demand means it is a great time to buy. If transferees are not willing to market the home with these precautions, or if someone in the residence has tested positive for Covid19, has an underlying health issue, etc. (<i>Important: Do not trigger HIPPA laws to determine this</i>), then it may be prudent to halt the offer acceptance period and “restart” later. Depending on the delay (i.e., >30 days) it will be necessary to update appraisals/BMAs with the potential of a change in value.	Low/moderate risk of inventory and resale loss Updated value may cause employee discontent
Stage 3a GBO offered/ acceptance period	If acceptance period is > 30 days: Proceed as normal If acceptance period is <30 days: It may be difficult for employee to vacate/get household goods moved near term – consider extending offer acceptance period and/or vacate period with appropriate insurance coverage.	Moderate risk of resale loss and additional cost of insurance and duplicate costs
Stage 4 GBO accepted	It may not be possible to vacate due to shelter in place requirements. Recommend daily assessment of options. Rent back and other arrangements not desirable but may be necessary. Have Counselor and agent start aggressive “virtual marketing” plan.	Moderate risk
Stage 5 Acquisition	Closings are proceeding as scheduled using DocuSign and normal offer acceptance process. If vacate period needs to be extended employee must get insurance.	Moderate risk of resale loss
Stage 6 Home Marketing	Pending approval of employees that haven’t vacated. Implement aggressive “virtual” marketing plan and monitor showings with homeowner.	Moderate risk of longer marketing & carrying costs
Stage 7 Closing	Mail/virtual closings involving only the buyers side represented with Weichert participating via phone. Recordings may be an issue as the government agencies close. A few states can electronically record.	Moderate risk of sale fall throughs
Stage 8 Inventory	Aggressive virtual marketing. Follow all inventory best practices to minimize days on market and resale loss on sale.	Moderate risk. Buyer demand and ability to buy homes under quarantine situations limits demand.

**Risk/Cost Impact*

Due to the unprecedented nature of this global pandemic these assessments reflect our best/experienced opinion but Weichert makes no assertion that they will prove accurate.

Note: Weichert Workforce Mobility has provided this language for informational use only. Please consult your corporate security and medical teams, tax and/or legal department or your tax and/or legal advisor with regard to any interpretation of applicable law and/or regulation or subsequent changes in your policy.

Policy Addendum

In response to the COVID-19 outbreak, The Company's mobility team is working closely with our relocation provider, Weichert Workforce Mobility, to evaluate each move. The Company will make every attempt to administer relocation benefits to you under the policy provided to you. However, circumstances surrounding the current situation requires us to adjust certain benefits to support you and your family throughout the move and adhere to government requirements.

Disclaimer: Below we have made every attempt to adjust benefits to reflect most situations. However, please be advised, we reserve the right to interpret and revise this policy addendum.

All provisions of this addendum are subject to compliance with local, state and federal guidelines, CDC recommendations and travel restrictions.

Travel

Non-refundable cancellation fees are covered.

Do not make any non-refundable travel arrangements for future trips until advised by your manager/Mobility Counselor that all normal travel has resumed and is approved by The Company.

Home Sale

Depending on the stage of your transaction, the homesale program may be "paused" or cancelled. All situations will be evaluated on a case by case basis.

Temporary Living

If deemed necessary, and with advanced approval coverage for temporary living will be extended in 30-day increments and includes all provisions under this section of the policy regarding lodging, meals, and car rental.

Return Trips

You will be reimbursed for one additional return trip to the home location for each 30-days of temporary living.

Household Goods

Depending on the stage of your move, your move may be "paused", cancelled or rescheduled. Each case will be handled on a case by case basis. Should your belongs be delayed the company will cover the cost of furnished temporary accommodations (in 30-day increments as outlined under "temporary living" above). If necessary, storage timeframes for household goods will be extended to align with any extensions in temporary living. With advanced approval, one delivery out of storage may be provided for extensions over 30 days.