



**National Association of Home Builders**

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**Government Affairs**

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July 12, 2016

The Honorable Kurt Schrader  
U.S. House of Representatives  
2431 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Schrader:

On behalf of the more than 140,000 members of the National Association of Home Builders (NAHB), I am writing to share NAHB's support for the *Overtime Reform and Enhancement Act*. NAHB appreciates your leadership on this issue of critical importance to the housing industry.

In May 2016, the U.S. Department of Labor (DOL) issued a final rule regarding overtime eligibility, and specifically, the exemption for employees serving in executive, administrative, and professional capacities, also known as the "white collar" exemption. Under the new rules, the Administration doubled the annual salary level used in determining whether an employee qualifies for the exemption, from \$23,660 to \$47,476. The salary threshold will be adjusted every three years under the new rules.

The rule will have significant ramifications for many employers, including home building firms and not-for-profits, such as state and local home builders associations. Although DOL contends that this rule will ensure that the FLSA's overtime protections are appropriately applied, the agency has taken an overly broad approach that will result in real hardship for small businesses as they grapple with the fast-approaching compliance deadline of December 1, 2016.

The *Overtime Reform and Enhancement Act* will provide the employer community with a reasonable timetable to comply with the rule's unprecedented increase. Importantly, the legislation also eliminates the automatic three-year increase to the salary threshold established under DOL's new rule. While the bill recognizes that future administrations can and should update the overtime rules as required under the Fair Labor Standards Act, it limits the ability of the DOL to update the rules on autopilot. This will allow all stakeholders, including the home building industry, the ability to comment on future changes.

NAHB stands ready to work with you as the *Overtime Reform and Enhancement Act* moves forward in the legislative process. Thank you again for your support and leadership on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "James W. Tobin III", is written over a light blue horizontal line.

James W. Tobin III