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CONTACT: Chip Unruh (Reed), 202-224-4642

Alysa James (Brown)

David Carle (Leahy), 301-872-0665

Leading U.S. Senators: Homeowner Assistance Fund is Critical to Pandemic Emergency Response

Sens. Reed, Brown, and Leahy reintroduce Homeowner Assistance Fund legislation to provide targeted assistance to help keep people in their homes & avert a deeper COVID-19 housing crisis

WASHINGTON, DC – In an effort to help keep people in their homes and address the health and economic impact of COVID-19, **U.S. Senator Jack Reed (D-RI)** today reintroduced his \$75 billion Homeowner Assistance Fund bill. Reed, along with lead cosponsors **U.S. Senators Sherrod Brown (D-OH), Chairman of the Senate Banking, Housing and Urban Affairs Committee** and **Patrick Leahy (D-VT), Chairman of the Appropriations Committee**, unveiled legislation to help protect struggling homeowners and communities by preventing avoidable foreclosures, evictions, and utility shut offs.

The Homeowner Assistance Fund would build on the success of the Hardest Hit Fund (HHF), championed by Senator Reed in 2010, which provided funds to state housing finance agencies (HFAs) to direct targeted foreclosure prevention assistance to households and neighborhoods in states hit hard by the economic and housing market downturn.

The Homeowner Assistance Fund expands this model to provide a flexible source of federal aid to all state-level HFAs to help people who have experienced COVID-19 hardships keep up with housing payments in order to stay in their homes.

Through channels developed for HHF, HFAs could quickly and effectively use federal funding to help struggling households remain in their homes while they search for new employment or wait to get back to work. Financial assistance could go toward mortgage relief; utility and Internet payments; and other support to prevent eviction, mortgage delinquency, default, or foreclosure.

The \$75 billion Homeowner Assistance Fund would provide assistance to communities nationwide and be allocated in part based on a formula that weighs state unemployment claims relative to the number of national unemployment claims.

Senators Reed, Brown, and Leahy are seeking to include language based off of this bill in the American Rescue Plan to help protect homeowners from COVID-19-related financial hardships.

“A safe place to call home is one of the most effective forms of PPE. And as folks stay home to avoid spreading the virus, it has also made it harder for many to afford their homes. If communities allow missed mortgage payments to build up and lead to a tidal wave of foreclosures, it could wipe out neighborhoods and delay economic recovery across the board,” said **Senator Reed**. “The Homeowner Assistance Fund could provide much needed stability

using a proven model to effectively distribute funds in a manner that helps people stay in their homes and gives states the opportunity to tailor solutions to local needs. We learned important lessons from the last housing crisis. We need a proactive, coordinated strategy and cost-effective solutions at the state and federal level to effectively respond to this pandemic-housing threat. If we invest wisely now, we can head off a much longer, deeper, and more expensive housing crisis and hasten recovery.”

“Millions of homeowners have fallen behind on their mortgages because of this pandemic, and the burden has fallen most heavily on families of color who have been disproportionately harmed during this crisis,” said **Senator Brown**. “The Homeowner Assistance Fund will provide vital resources to keep families safe in their homes during and after this pandemic and keep us from deepening the inequities in our housing system.”

Senator Leahy stated: “More than 70 percent of Vermonters own their homes, and, like households across the country, too many are struggling to make monthly mortgage payments during a period of historic job losses. The CARES Act provided mortgage forbearance to keep people in their homes, but mortgage debt is piling up. We must ensure that families who have worked hard to become homeowners remain stably housed and that our economic recovery is not stymied by a mortgage crisis. The Homeowner Assistance Fund will help homeowners get back on their feet and on track for the brighter days that are around the corner.”

In addition to Reed, Brown, and Leahy, the bill is cosponsored by Senators Bob Menendez (D-NJ), Jon Tester (D-MT), Elizabeth Warren (D-MA), Chris Van Hollen (D-MD), Catherine Cortez Masto (D-NV), Tina Smith (D-MN), Kyrsten Sinema (D-AZ), Jon Ossoff (D-GA), Patty Murray (D-WA), Ron Wyden (D-OR), Dick Durbin (D-IL), Tom Carper (D-DE), Ben Cardin (D-MD), Bernie Sanders (I-VT), Bob Casey (D-PA), Amy Klobuchar (D-MN), Sheldon Whitehouse (D-RI), Jeanne Shaheen (D-NH), Jeff Merkley (D-OR), Kirsten Gillibrand (D-NY), Richard Blumenthal (D-CT), Tammy Baldwin (D-WI), Mazie Hirono (D-HI), Tim Kaine (D-VA), Cory Booker (D-NJ), Tammy Duckworth (D-IL), and Brian Schatz (D-HI).

Reed’s bill is supported by a diverse coalition of housing advocates, including: Independent Community Bankers of America; Credit Union National Association; National Association of Realtors; National Low Income Housing Coalition; National Council of State Housing Agencies; Habitat for Humanity International; National Housing Conference; National Community Reinvestment Coalition; National Association of Affordable Housing Lenders; National Leased Housing Association; Americans for Financial Reform; National Consumer Law Center, on behalf of its low-income clients; Center for Responsible Lending; American Public Gas Association; National Rural Electric Cooperative Association; National Energy Assistance Directors’ Association, Council of State Community Development Agencies, Rhode Island Housing; and the Rhode Island Association of Realtors.