



February 4, 2021

The Honorable Charles Schumer
Majority Leader
U.S. Senate

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Mitch McConnell
Minority Leader
U.S. Senate

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives

Dear Leader Schumer, Speaker Pelosi, Leader McConnell, and Leader McCarthy:

Thank you for your leadership in delivering extraordinary relief on a bipartisan basis to millions of Americans in need last year. Even as the nation moves ever closer to putting the pandemic behind us, in part thanks to Congress' actions, more relief is needed.

The novel coronavirus continues to have an unprecedented economic impact across the nation, imperiling the housing stability of families who have lost employment entirely or seen a catastrophic decline in their incomes. This housing instability not only puts public health further at risk—as families without a home cannot shelter at home—but also exacerbates the economic fallout from the pandemic.

In 2020, Congress took important steps to protect many households who otherwise would have lost their homes. However, more must be done if we are to prevent a wave of foreclosures and evictions in the months ahead. The National Council of State Housing Agencies (NCSHA)¹ urges you to include assistance to help both renters and homeowners in the next COVID-19 relief package.

Low-Income Homeowners Need Relief

Mortgage forbearance policies enacted by Congress and extended by federal agencies have helped millions of homeowners avoid foreclosure and should be continued. But forbearance provides only temporary relief and while some borrowers will be able to make up what they owe through arrangements with their lenders, economists widely agree that many others will need additional aid.

¹ NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

According to the Mortgage Bankers Association homeowners who remain in forbearance are more likely to be in distress, with fewer continuing to make any payments and fewer exiting forbearance each month.

Black Knight reports that, as of the end of last year, 1.8 million more borrowers were seriously delinquent than before the pandemic. For homeowners who earn less than \$50,000 a year, the overall delinquency rate went from one in ten in May to one in four by mid-December, Census figures show. Black and Hispanic homeowners report much higher levels of distress than whites.

We urge you to establish a \$25 billion Homeowner Assistance Fund at the Department of the Treasury in the next COVID-19 relief bill. Legislation to enact this program has been introduced in the Senate, and companion legislation is forthcoming in the House. The proposal is widely supported by consumer advocates, community bankers, civil rights organizations, housing industry groups, state housing finance agencies, and many others.

Help for Renters

NCSHA and our members are deeply grateful that Congress provided \$25 billion for emergency rental assistance the Consolidated Appropriations Act last year. Many states will open their programs in the coming weeks.

States will need another round of funding to protect low-income renters from crippling economic harm before the economy fully recovers from the pandemic. Even accounting for the other income supports Congress has provided and the expectation of continued economic growth, the sheer scale of accrued back rent already due exceeds the amount of all assistance available, according to various estimates.

We urge you to provide an additional \$25 billion for emergency rental assistance through the Emergency Rental Assistance program established last year. States and localities should have access to these funds through 2022. A broad coalition of low-income advocates, housing organizations, and state and local housing agencies have called for this relief.

These resources would ensure that the economic and public health recovery the nation needs is not stalled by evictions, defaults, foreclosures, and homelessness.

Sincerely,



Stockton Williams
Executive Director