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U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON CONSUMER PROTECTION AND FINANCIAL INSTITUTIONS

HEARING ENTITLED
"SLIPPING THROUGH THE CRACKS: POLICY OPTIONS TO HELP AMERICA'S
CONSUMER DURING THE PANDEMIC"

STATEMENT FOR THE RECORD OF
THE NATIONAL ASSOCIATION OF REALTORS®

MARCH 11, 2021

On behalf of the National Association of REALTORS®'s (NAR) 1.4 million members, we thank the committee for holding this important hearing on "*Slipping Through the Cracks: Policy Options to Help America's Consumers During the Pandemic*." NAR is invested in ensuring housing access for all Americans and to support consumers during this critical time as our nation strives toward economic resurgence. In the 117th Congress, NAR will work to improve access to homeownership, enable a quick recovery after the COVID-19 pandemic, ensure fair housing for all, and build strong and resilient communities and businesses.

As we mark the one-year anniversary since the beginning of the pandemic, we applaud Congress' efforts in passing the "*American Rescue Plan of 2021*" to provide additional financial assistance to struggling businesses and consumers. This investment is especially crucial to ensuring housing stability for homeowners and renters. REALTORS® applaud and support these efforts and agree that more work needs to be done. Through this Committee's recent and ongoing actions, and those of Congress and the Administration, we are confident that our economy will bounce back. Since the beginning of the pandemic, NAR has advocated for the self-employed, small business owners, consumers, and families, by advocating for homeowners and renters through forbearance programs and rental assistance, unemployment benefits for those not traditionally eligible like independent contractors, greater credit reporting protections, use of alternative data in credit scoring, and innovative forms of financing to provide greater financial flexibility. We thank the Committee for releasing legislative proposals aimed at achieving these goals and protecting consumers to ensure future access to financial resources are attainable during the economic recovery.

The Paycheck Protection Program (PPP), administered through the U.S. Small Business Administration, the Pandemic Unemployment Assistance (PUA) program, and the Federal Pandemic Unemployment Compensation (FPUC) program have all been extremely beneficial to our members and their clients. These programs have provided key support and have allowed many Americans to stay afloat during this difficult time. Our members have continued to work in many states throughout the country during the pandemic to make the dream of homeownership a reality for Americans, as housing security is essential now more than ever. If the health pandemic persists throughout the year, NAR supports continued adjustments and extensions to these programs so that REALTORS® and businesses can continue to provide for Americans' housing needs. We also thank you for the recent changes to the Paycheck Protection Program, including the changes to the loan amount calculations for independent contractors, sole proprietors, and the self-employed. We support an extension to the PPP program, which expires on March 31, 2021, so our members can take advantage of these new improvements to the loan amount calculations.

As REALTORS® continue to advocate for credit-worthy consumers and their ability to achieve homeownership, we will work with Congress to come up with sustainable solutions to address the many hurdles we currently face as a result of the pandemic. NAR remains laser focused on many issues, including working to avert a housing crisis when mortgage forbearance programs end, maintaining student loan debt relief, securing small business stabilization, and promoting fair housing protections. The draft legislation that the Committee has released will help consumers in many ways, including those most in need of mortgage forbearance and student loan flexibilities.

Mortgage forbearance programs remain a lifeline of much needed support for homeowners who are unable to meet their mortgage obligations due to financial hardship. In a recently released [Consumer Financial Protection Bureau report](#),¹ "over 11 million families are behind on their rent or mortgage payments" and "2.1 million families are behind...on mortgage payments, while 8.8 million are behind on rent." Additionally, the report states that homeowners owe approximately \$90 billion in missed payments, which will continue to rise as hardships continue. These numbers

¹ Consumer Financial Protection Bureau (CFPB), March 2021. Housing Insecurity and the COVID-19 Pandemic. <https://www.consumerfinance.gov/data-research/research-reports/housing-insecurity-and-the-covid-19-pandemic/>.

are staggering, but not unexpected given the current health crisis. NAR is a proponent of continuing these forbearance programs to provide stability to borrowers as long as needed.

NAR fully supports housing stability and working to keep homeowners in their homes by providing this forbearance program as long as necessary. We believe there should be forbearance in both the government backed and private space and that lenders should adopt best practices from government programs. We remain equally concerned about the potential challenges homeowners and renters will face when the forbearance programs end, should personal financial security remain uncertain. We ask that the Committee continue to work to come up with viable solutions to address this issue and protect consumers exiting forbearance programs.

NAR is encouraged by the "*Promoting Access to Credit for Homebuyers Act of 2021*," which provides borrowers with credit protections for six months following the pandemic emergency by ensuring they are not penalized for taking advantage of forbearance programs. Additional measures such as preventing the GSEs or FHA from refusing to insure or purchase a mortgage because of a borrower's participation in or inquiry about a forbearance program is extremely helpful during this time. Oversight reports by the GSEs, FHA, and GAO on the pandemic's impact on the mortgage market will be beneficial in an effort to ensure there are adequate protections in place moving forward to prevent future economic harm to homeowners.

We also applaud your efforts to provide relief to student loan borrowers currently and for six months following the pandemic through the "*Emergency Relief for Students Act*." Suspension of all involuntary student loan debt collection and providing forbearance for student loan payments and interest will give borrowers greater flexibility to meet their more immediate financial obligations during this pandemic crisis. Providing student loan relief and support during this time is extremely beneficial for borrowers who are also seeking to become homeowners.

NAR remains a partner and ally committed to working with the Committee, Congress, and the Administration, to protect consumers, current and prospective homeowners, and small business owners. We realize the current challenges facing our nation are extremely nuanced and complex, and we stand ready to ensure housing and market stability now and in the future for consumers.