

March 19, 2020

Speaker Nancy Pelosi  
House of Representatives  
H-232, the Capitol  
Washington, DC 20515

Minority Leader Kevin McCarthy  
House of Representatives  
H-222, the Capitol  
Washington, DC 20515

Majority Leader Mitch McConnell  
U.S. Senate  
S-230, the Capitol  
Washington, DC 20510

Minority Leader Chuck Schumer  
U.S. Senate  
S-221, the Capitol  
Washington, DC 20510

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

The undersigned national associations represent for-profit and non-profit owners, developers, managers, lenders, housing cooperatives and housing agencies involved in the provision of affordable rental housing. We are grateful for the critical, bipartisan work being done by Congress to prepare and provide relief to American families and businesses negatively impacted by the COVID-19 outbreak.

Our collective members are preparing for potential impacts to their communities, working to address employee and resident concerns and doing all they can to stop the spread of the virus. The housing industry is on the front lines of responding to the COVID-19 outbreak in communities across the nation.

Many Americans may face a loss of income as a result of the COVID-19 outbreak, which could impact their ability to pay their rent. We strongly support providing direct federal rental assistance to families and individuals who suffer a loss of income during the COVID-19 crisis and are supportive of efforts to provide emergency assistance aimed at keeping people in their homes as the result of economic losses from COVID-19 prevention measures that are outside of their control. The ability of rental property owners to satisfy their own financial obligations will most certainly also be impacted. For this reason, relief should be granted to rental property owners to help ensure the continued viability of their properties.

We request your consideration of the following recommendations:

### **Emergency Rental Assistance Fund**

We believe any relief package should include an emergency rental assistance fund to help families struggling to afford rent and utilities because of a pay cut or job loss associated with the coronavirus. It is imperative that such emergency assistance be quickly dispatched and be available in urban, suburban and rural communities.

Further, Congress should provide supplemental financial assistance for both HUD and Rural Housing Service programs to ensure that sufficient funds are available to maintain existing agreements that house nearly 5 million households. Current appropriations for rental assistance will not be sufficient as tenant incomes are dramatically reduced or eliminated as a result of the anticipated loss of employment or lack of sufficient paid leave.

Policymakers are beginning to implement eviction moratoriums across the country. It is important to note that evictions and foreclosures are not similarly situated in all cases. While foreclosures are inherently financial in nature, an eviction can be driven by a wide range of issues. Importantly, an eviction is the only mechanism to facilitate the removal of a resident that poses a safety or security risk to other residents, community staff and the property itself.

We caution policymakers against imposing blanket eviction moratoriums. Any such moratorium on evictions should be targeted to situations related to the COVID-19 and should be no more than 45 days with the option for renewal as circumstances dictate. Any eviction prevention efforts should not lengthen the process of pursuing a legitimate eviction, limit the access to the traditional justice system or curtail the right of housing operators to evict for other lease violations such as property damage, criminal activity or endangering other residents of the community.

### **Financial Mitigation**

Most rental properties are owned by individuals and small businesses that have financial obligations, including mortgages, utilities, payroll, insurance and taxes. Many Americans are likely to suffer a loss of income as a result of the COVID-19 outbreak, which will in turn harm their ability to fulfill their rent obligations. As a result, even if rental relief were provided to large numbers of residents, it is likely that rent payment shortfalls would nevertheless impact the ability of rental property owners to satisfy their own financial obligations. To maintain a stable economy, we believe that targeted federal financial government assisted relief should also be provided to them during this time of crisis and that any disruptions to the normal financial flows, not be disproportionately borne by anyone in the process—renters, property owners, servicers, lenders or mortgage securitizers. Our organizations urge any measure that provides assistance to renters also provide support to rental property owners such as forbearance and other financial obligations (taxes, insurance etc.) to mitigate the loss of rental income from any gaps in the coverage of rental assistance, a loss of income that could throw the underlying mortgage into default, leading to tax liens being placed or other negative legal actions and ultimately putting the property and its residents at risk of additional disruption.

We are all well aware of the enormity of the tasks ahead and stand ready to work with you.

Sincerely,

CCIM Institute  
Council for Affordable and Rural Housing  
Institute of Real Estate Management  
Manufactured Housing Institute  
National Affordable Housing Management Association  
National Apartment Association  
National Association of Home Builders  
National Association of Housing Cooperatives  
National Association of REALTORS  
National Leased Housing Association  
National Multifamily Housing Council  
cc: White House Coronavirus Task Force