

June 18, 2020

Vince Malta
2020 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

William E. Malkasian
Chief Advocacy Officer / SVP

Shannon McGahn
SVP Government Affairs

The Honorable Juan Vargas
U.S. House of Representatives
2244 Rayburn House Office Building
Washington, DC 20515

Dear Representative Vargas:

On behalf of the 1.4 million members of the National Association of REALTORS®, we thank you for introducing H.R.6794, the “Promoting Access to Credit for Homebuyers Act of 2020.” Actions taken by the very agencies designated with expanding access to housing should not be curtailing access to credit.

The CARES Act provides homeowners with federally guaranteed mortgages the ability to take forbearance on their mortgage payments. It is important to note that this does not relieve them from their responsibility to pay their mortgage, but simply allows them to temporarily stop payment if they are experiencing a hardship due to the coronavirus pandemic. However, the primary federal agencies responsible for securing those mortgages (FHA and Fannie Mae and Freddie Mac), have resisted their obligation to accept these mortgages in forbearance. Instead, they have put much of the burden on the private lending partners for much of this risk.

If a lending institution follows all prudent and required underwriting set by FHA or the GSEs, the loan should be approved and accepted without condition. The borrowers' ability to pursue forbearance under the CARES Act should not change that. By placing the burden of forbearance on private lenders – either through indemnification or high fees – these federal loan programs are constricting lending. In many cases, lenders are simply choosing not to accept any risk by not lending. We were pleased to see the Department of Veterans Affairs come out with a policy saying that its loans were guaranteed at the time of closing. Freddie Mac, Fannie Mae, and FHA should follow suit immediately.

We fully support H.R. 6794, which will require the federal mortgage programs to purchase properly underwritten loans, even if they are in forbearance. Unlike earlier in the century, we are not in a housing crisis. We must not allow decisions made during this health care pandemic to put us into one.

Sincerely,



Vince Malta
2020 President, National Association of REALTORS®

