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**July 17, 2020**

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Mitch McConnell  
Republican Leader  
U.S. Senate  
317 Russell Senate Office Building  
Washington, DC 20510

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
2468 Rayburn House Office Building  
Washington, DC 20515

The Honorable Charles E. Schumer  
Democratic Leader  
U.S. Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

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

On behalf of the 1.4 million members of the National Association of REALTORS®, I thank you for your ongoing efforts to help America's businesses weather the hardships posed by the COVID-19 pandemic. As you know, housing security for many Americans remains in jeopardy, access to credit is at risk, and many businesses are struggling to stay afloat. As the next pandemic relief package is negotiated, we urge you to continue to safeguard America's housing needs and offer financial flexibility for small businesses and independent contractors.

**HOUSING SECURITY**

***Mortgage and Rental Assistance, Forbearance Extensions, Eviction Moratoriums, & Housing Counseling Services***

With the percentage of residential mortgages in forbearance currently declining, it is evident that federal stimulus provisions such as individual direct payments, small business relief programs, and expanded unemployment assistance have helped many Americans remain current on their financial obligations. Recent Census data indicates that about 16.3 million homeowners and 13.7 million renters are using unemployment benefits to pay their bills, while roughly 29 million and 18 million homeowners and renters, respectively, have utilized their federal direct payments. Congress should consider extending these pandemic-related assistance measures to ensure that housing security is not threatened by the inability to make mortgage or rent payments.

NAR [continues to support](#) provisions allowing Fannie Mae, Freddie Mac, FHA, VA, and USDA Rural Housing to continue offering forbearance to mortgage holders. Additional efforts to provide emergency mortgage assistance, such as a housing assistance fund, may also offer homeowners income flexibility for other essential needs as the pandemic persists.



Unemployment and business closures resulting from the pandemic also continue to impact America's 43 million renter households. While many renters are still making their rent payments on time, circumstances are likely to change when additional federal assistance expires. NAR therefore [supports](#) emergency rental assistance programs paid directly to housing providers to protect renters concerned with keeping roofs over their heads.

Missed rent payments also directly affect housing providers and their ability to meet their own mortgage obligations. This in turn jeopardizes the overall property and its tenants, placing entire communities at risk. At a time when housing stability is desperately needed, REALTORS® urge that any eviction moratoriums be narrowly tailored to provide targeted relief to renters financially impacted by COVID-19, as is required for housing providers seeking relief. Additionally, ambiguity in the definitions and "notice to vacate" language in the CARES Act has resulted in confusion among stakeholders and in the courts, leading to inconsistent application of the law across the country. Any future legislation must clarify the "notice to vacate" language to ensure property owners can effectively manage their properties during the crisis.

Homeowners who have used forbearance options to delay their mortgage payments may eventually struggle with their repayment plans. Housing counseling could be an effective tool to help homeowners manage their finances and remain in their homes after the pandemic. [NAR urges](#) you to provide additional funding for housing counseling programs that reduce delinquencies and keep Americans in their homes.

## **MARKET STABILITY**

### ***Consumer Credit Protections, Mortgage Market Liquidity, & Regulatory Relief***

NAR urges clarity around what the CARES Act requires - and more importantly, what it prohibits - when it comes to consumers' credit profiles while in forbearance. Additional direction for the lending, servicing, and credit reporting industries will ensure that borrowers affected by the pandemic who receive or inquire about forbearance options remain creditworthy. The CARES Act included key provisions to protect homeowners' credit profiles, but anecdotal evidence indicates that lenders and servicers are inconsistently marking homeowners who receive or inquire about forbearance options. These actions may negatively impact consumers' future access to credit through unfair credit reporting.

Congress must also ensure that lenders are not raising costs for consumers seeking credit due to forbearance policies that put a financial strain on the mortgage industry. Additionally, when excessive costs are imposed, fewer people may qualify for a loan, stressing mortgage markets and reducing overall liquidity. Therefore, NAR urges government regulators to take all required actions to improve and maintain mortgage market liquidity, ensuring consumers have continued access to affordable credit, especially during these difficult times. These recommendations include changes to FHA and GSE programs that make it more difficult for otherwise qualified homeowners in forbearance to obtain their backing.

Lastly, Congress should work with the Administration to address the impact of new and proposed regulations through extended compliance and comment deadlines, as businesses are overwhelmed with pandemic response efforts and should not be diverting attention to examine and prepare for major regulatory overhauls. For example, the Federal Housing Finance Agency and Consumer Financial Protection Bureau have both issued significant proposed rulemakings impacting the housing market, while also providing needed mortgage and housing assistance resources. [NAR urges](#) prudent rulemaking activities so that both federal agencies and business owners can more readily focus on those relief efforts rather than burdensome, ill-timed compliance updates.

## **BUSINESS PERMANENCY**

### ***Liability Protections, Unemployment Assistance Extensions, Federal Lending Program Modifications, & Remote Online Notarization***

Businesses continue to face unforeseen circumstances due to the constantly changing pandemic environment and are exacerbated by fluctuating state and local shutdown guidelines. As a result, many small business owners and independent contractors are reliant on short-term economic support to secure their long-term existence, which will be key to economic growth down the road. To help these business owners and operators, we urge several priorities be included in the upcoming legislative relief package and implemented by the administration.

Business owners and operators would welcome narrowly tailored liability protections that ensure their good faith efforts to restart businesses are not in vain, as litigation and associated legal costs could devastate businesses fighting to keep their doors open. As businesses expend their financial reserves and workers remain committed

to providing essential services, limited liability protections would offer welcomed assurances that operations are safeguarded from unfounded lawsuits threatening business sustainability in the long-term. Such protections should also be extended to independent contractors, who will be crucial to the nation's economic recovery.

Small Business Administration (SBA) Loans have provided crucial lifelines to many businesses and independent contractors. As pandemic turmoil continues, so does the need to access these loan programs, namely the Economic Injury Disaster Loans (EIDL) and the Paycheck Protection Program (PPP). To reduce the administrative burdens imposed on the SBA and more importantly, on the numerous small business owners and independent contractors lacking compliance and legal teams, all loans under \$150,000 should qualify for automatic forgiveness. This [broadly supported](#) change would provide significant relief for the smallest PPP borrowers, making it easier for them to reopen and participate in the economic recovery.

With billions of dollars already loaned to thousands of borrowers, and more still in need, it is imperative to make sure these programs continue with added certainty and flexibility. Expediting forgiveness for those struggling to understand the requirements and also expanding eligibility to 501(c)(6) organizations are simple ways to enhance PPP access for more Americans. Additionally, small businesses should not face significant tax liabilities for their forgiven PPP loans by not being able to deduct eligible business expenses paid for with their forgiven PPP loan proceeds. The clear intent of the CARES Act and SBA loan programs is to provide relief to small businesses and independent contractors impacted by COVID-19, and NAR supports these changes to ensure workers can stay employed and business owners remain confident in their financial decision-making.

The expansion of unemployment benefits to include self-employed independent contractors and sole proprietors has also been extremely helpful to individuals who would not have been eligible for regular unemployment. A number of independent contractors, including some REALTORS®, have been able to return to work safely, but many continue to experience a decrease in business volume as the pandemic threatens the health and safety of Americans in many states. Partial unemployment benefits have provided many workers with much-needed support as they continue to work but are not able to earn as much as they did prior to pandemic.

An extension of unemployment assistance measures, such as the Federal Pandemic Unemployment Compensation (FPUC) or the creation of return-to-work bonuses, could offer workers, including the millions of independent contractors across the country, the continued ability to meet their mortgage and rent obligations. As the FPUC deadline looms, we ask that you promptly act to prevent many Americans from facing financial hardship and housing instability that could lead to an even greater need for federal mortgage and rental assistance.

As businesses seek out other avenues of financial support, the Federal Reserve Main Street Lending Program continues to be an attractive but unattainable option. While the minimum loan size was recently decreased to \$250,000, that amount remains unreasonably high, along with the minimum employee threshold, which are especially difficult to meet for small business owners and independent contractors. As Congress contemplates extensions to the SBA programs, we encourage coordination with the Federal Reserve to make the Main Street Program more accessible to more businesses. This includes encouraging increased participation by banks to offer this new program to businesses across the country. [As advocated by NAR](#), nonprofit 501(c)(6) organizations should also have access to the Main Street Lending Program, which could also be subject to the same political spending caps as 501(c)(3) charitable organizations that are already eligible for the program.

The difficulties posed by the pandemic are especially grim for the commercial real estate sector, meaning access to federal loan programs remains paramount. As recent data illustrates, commercial lending has decreased significantly and commercial tenants are exiting rental agreements at extraordinary rates. Over 100,000 small businesses have permanently closed already, and an additional 2 million are at risk of immediately closing, representing a huge blow to both the economy and the commercial real estate sector. With continued state and local guidelines restricting movement and employers increasing work from home protocols, commercial real estate will continue to bear the brunt of the pandemic fallout. NAR urges Congress to provide additional support to the hardest hit sectors through access to funds to keep workers on payroll and meet their business expenses, and prioritizing extending and enhancing loan programs to reinforce commercial business stability.

Remote online notarization remains a critical business tool for the real estate industry and NAR continues to advocate for the "*Securing and Enabling Commerce Using Remote and Electronic Notarization Act of 2020*" (S. 3533, H.R. 6364, the SECURE Act). This bill should be included in any COVID-19 response legislation to expand

access to remote online notarizations, providing certainty for interstate recognition to allow consumers to safely close their transactions and maintain a functioning real estate market.

## **COMMUNITY DURABILITY**

### ***Broadband Access & State and Local Government Support***

Communities across the country are adapting and responding to the needs of their constituents as the pandemic alters the lives of so many Americans. As such, Congress must ensure the needs of these states and municipalities are also met, with access to funding to empower targeted community responses. Such support will also offer relief to property owners who fear unanticipated additional hardships, such as increased local taxation, to make up for state and county budget deficits. [NAR urges](#) access to emergency funding to allow communities to more effectively combat public health concerns so they can gradually and safely reopen.

Such community investment also includes the need for extensive broadband access, which remains essential to daily life while employers have transitioned their workers from on-site work to telework and schools are configuring distance learning. Broadband is especially problematic in rural areas, where a lack of funding and burdensome regulations have resulted in slow deployment. [NAR urges](#) Congress to invest any resources necessary to meet the connectivity needs of millions of Americans in rural areas and the communities that support them.

## **CONCLUSION**

The economic fallout of the COVID-19 pandemic has yet to be fully realized, but thoughtful measures enacted now will make sure Americans' housing security and business needs are prioritized, providing much-needed confidence during these uncertain times. We thank you for your attention to these vital matters and for your continued work to maintain the stability of America's housing market and the economy as a whole. NAR remains ready to partner on these and other measures, while [continuing to advocate](#) for REALTORS®, consumers, and the entire real estate industry.

Sincerely,



Vince Malta  
2020 President, National Association of REALTORS®

cc: United States Senate  
United States House of Representatives