

July 30, 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 Van Taylor
U.S. House of Representatives
1404 Longworth House Office Building
Washington, D.C. 20515

The Honorable Al Lawson
U.S. House of Representatives
1406 Longworth House Office Building
Washington, DC 20515

The Honorable Andy Barr
U.S. House of Representatives
2430 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Taylor, Lawson, and Barr:

On behalf of the 1.4 million members of the National Association of REALTORS®, thank you for introducing H.R. 7809, the "Helping Open Properties Endeavor (HOPE) Act," to provide economic support for the commercial real estate market, which is suffering due to the COVID-19 pandemic.

Commercial real estate contributed over \$1.14 trillion to the U.S. GDP in 2019. The commercial mortgage-backed securities (CMBS) market has been especially impacted by the pandemic, with Trepp® research finding that the June 2020 delinquency rate was at 10.32%, nearing the all-time high set in 2012. The hotel and retail sectors have been hit hardest, with delinquency rates of over 24% and 18%, respectively. These businesses employ millions of Americans, and the need to reduce operations or close entirely to protect public health has left thousands struggling to meet their business debts amid mass layoffs. While Paycheck Protection Program (PPP) loans provided assistance to some of these businesses, support is restricted to those with 500 or fewer employees and provides only limited funding, the majority of which must go toward payroll costs in order to be eligible for forgiveness. PPP alone will not be enough to keep many CMBS borrowers in business.

The HOPE Act would assist these businesses and protect their employees by creating a lending facility to provide financial assistance for borrowers of commercial mortgages who have been hit hardest economically by the COVID-19 pandemic. Guaranteed by the Department of the Treasury, the HOPE Preferred Equity lending facility will prevent commercial foreclosures and ensure that those businesses will survive to rehire their employees and assist in the country's economic recovery.

Again, thank you for introducing important legislation to provide relief to the commercial real estate industry, which plays an integral role in the nation's economy. We look forward to continuing to work with you to see it passed into law.

Sincerely,



Vince Malta
2020 President, National Association of REALTORS®

