

January 15, 2021

The Honorable Joseph R. Biden, Jr.
The President-Elect
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear President-Elect Biden:

The undersigned national associations represent for-profit and non-profit owners, operators, developers, lenders and property managers and housing cooperatives involved in the provision of rental housing, both affordable and conventional. We congratulate you on your successful election and look forward to working with your Administration. We applaud your efforts to quickly address the health and economic concerns facing our nation with your comprehensive "American Rescue Plan." We greatly appreciate your recognition of the challenges facing 40 million American renters as well as the countless housing providers – urban, suburban and rural who have been affected by COVID-19. We urge the Administration and Congress to reconsider the "one size fits all" federal eviction policy approach outlined in the proposal in favor of a more tailored solution with sufficient funding that more closely aligns with the scope of the problem.

We are concerned that a continuation of federal eviction moratoriums through September 30 would cripple rental housing providers and worsen the nation's housing affordability crisis: According to the Census Household Pulse Survey, 19 percent of renters are currently unable to pay rent and, if that number remains steady, rent owed could amount to an additional \$87.4 billion by the end of September. Instead, we believe the federal government has an important role to play in supporting additional rental assistance. This additional financial support is urgently needed to prevent displacement, stabilize millions of Americans who continue to struggle under the weight of COVID-19 financial impacts and ensure rental housing providers can continue operations and keep their residents housed.

Previous federal efforts to provide robust financial assistance to households and businesses impacted by COVID-19 have helped prevent widespread evictions and helped to ensure the continued viability of the rental housing industry thus far. Rental housing providers continue to work with their residents impacted by the pandemic on rent repayment arrangements, waive fees and connect them with social service resources. Eviction moratoriums interfere with these good-faith efforts and housing providers' ability to ensure they have enough rental income to manage their properties. Moreover, the misalignment between the breadth and scope of existing federal eviction moratoriums and the more narrow and income-targeted structure of the rental assistance program is problematic and raises practical concerns. While we appreciate your recognition of the millions of struggling mom-and-pop rental housing owners and operators, housing providers cannot continue to shoulder the financial impacts of the pandemic alone under the constraints of eviction moratoriums and other emergency renter protections.

With their reserves depleted and inconsistent rental income coming in, housing providers need more financial assistance to ensure that they can continue to pay payroll, utilities, mortgage payments, insurance premiums and, importantly, property taxes. Significant shortfalls in rent payments, a vast majority of which flows into other economic sectors, could have devastating impacts on communities

across the country and their abilities to fund essential services. While the recent federal COVID relief package was a life preserver for the countless Americans facing financial hardship. The \$25 billion in dedicated rental assistance will only make a small dent in what is actually owed. Moody's Analytics estimates that by the end of 2020, more than 11 million renters owed close to \$70 billion in rent arrears. Adding utility payments in arrears, the average household owes \$6,000. Without additional robust, direct rental assistance – beyond the newly proposed \$25 billion – housing providers may never fully recover outstanding debt – whether through the eviction process or otherwise – and the housing affordability crisis will be exacerbated in the long- and short-term. This could devastate the industry and hurt America's most vulnerable renters.

As we wait for vaccine distribution to hit a critical mass and ensure we can fully resuscitate recovery efforts, we need your help to close the growing gap of tens of billions in rental debt that accumulated in 2020 and to pause on long-term extensions of eviction moratoriums. The economic recovery of our communities depends on it. We remain committed to working with the Administration and Congress to achieve these goals. Please do not hesitate to contact us about questions or if we can serve as a resource on housing policy issues.

Sincerely,

CCIM Institute
Council for Affordable and Rural Housing
Institute of Real Estate Management
Manufactured Housing Institute
Mortgage Bankers Association
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: Members of Congress

The Honorable Marcia Fudge
The Honorable Janet L. Yellen