

January 21, 2021

The Honorable Joseph R. Biden, Jr.
President of the United States
The White House
Washington, DC 20500

Dear President Biden,

Congratulations on your inauguration. We appreciate your leadership addressing the health and economic impact of COVID-19, and your announcement of comprehensive emergency assistance for the millions of Americans impacted by this crisis. Our organizations have formed a collaborative, or are stakeholders in the work of the collaborative, to achieve 3 million net new Black homeowners by 2030, which would increase the Black homeownership rate to more than 50 percent, a significant step towards closing the homeownership gap for people of color. Essential to this effort is reducing the number of Black households at risk of losing their homes as a result of the economic impact of the pandemic. We are writing to urge that the legislative proposal your administration sends to Congress include \$25 billion in direct assistance for the millions of homeowners who are at risk of losing their homes due to the economic impact of COVID-19.

The American Rescue Plan proposal seeks to prevent “untold economic hardship for homeowners” by extending the foreclosure moratorium and continuing applications for forbearances on federally-backed mortgages. Mortgage forbearance is an important tool in avoiding foreclosure, particularly for the millions of homeowners who have lost their jobs through no fault of their own. We commend your support for additional assistance to renters and apartment owners. Low- and moderate-income renters do not have resources to pay past rent when they go back to work, making emergency rental assistance an immediate priority. But homeowners in the same position also need help now.

For residential homeowners, mortgage forbearance is an essential home retention tool for short-term financial hardships. Prolonged forbearance without assistance to reduce or pay off missed payments may not be enough to stave off foreclosure, particularly for households facing long-term reductions in income or with limited home equity. It is appropriate and essential for the federal government to extend the same missed-payment relief to these homeowners as renters, using the same income guidelines that exist in the current rental assistance program being administered by the Treasury Department.

We are requesting that you include a \$25 billion Housing Assistance Fund, modeled on the Hardest Hit Fund, to provide funds to state housing finance agencies to help homeowners with COVID-19 hardships bring their mortgage loans current through targeted assistance. The funds would be used for mortgage payment assistance, utility payments, property tax assessments, and other support to prevent eviction, mortgage delinquency, default, foreclosure, or loss of utility services.

Importantly, this growing risk to homeownership has profound implications for people of color, who are especially at risk. In fact, the Black homeownership rate, which plummeted during the Great Recession, has never fully recovered. Black homeownership today is as low as it was in 1968 when the Fair Housing Act was passed. Our country cannot afford to see more damage done to minority homeowners.

According to the Mortgage Bankers Association, there are currently 3.8 million homeowners who are past due on their mortgage. Census Bureau Household Pulse Survey data for the period December 9-21 indicates that over half of these homeowners are people of color. One in five Hispanics and nearly a quarter of all Black mortgage holders reported being late on their mortgage. Our organizations are committed to increasing homeownership rates for all people of color and closing the homeownership gap, but we cannot do so when we continue to lose more homeowners to COVID-19-related financial hardships.

We respectfully request that the legislative proposal for the American Rescue Plan include \$25 billion in funding for a Housing Assistance Fund.

Sincerely,

Black Homeownership Collaborative Steering Committee Members

National Housing Conference
Mortgage Bankers Association
National Association of Real Estate Brokers
National Association of REALTORS®
National Fair Housing Alliance
National Urban League

Other Key Stakeholders

Center for Community Progress
Cinnaire
Commerce Home Mortgage
Community Home Lenders Association
Consumer Federation of America
Framework Homeownership
Guild Mortgage Company
Habitat for Humanity International
Home Builders Institute
HomeFreeUSA

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Homeownership Alliance
HOPE (Hope Credit Union/Hope Enterprise Corporation/Hope Policy Institute)
Housing Assistance Council
Housing Partnership Network
Housing Policy Council
Local Initiatives Support Corporation (LISC)
Low Income Investment Fund
Manufactured Housing Institute
National Association of Affordable Housing Lenders
National Community Reinvestment Coalition
National Community Renaissance
National Community Stabilization Trust
National Council of State Housing Agencies
National Housing Resource Center
National NeighborWorks Association
New American Funding
New York Housing Conference
Prosperity Now
The Leadership Conference on Civil and Human Rights
Up for Growth Action
U.S. Mortgage Insurers
Zillow

Cc: The Honorable Janet Yellen, Treasury Secretary-designate
The Honorable Marcia Fudge, Housing and Urban Development Secretary-designate
The Honorable Tom Vilsack, Agriculture Department Secretary-designate
The Honorable Susan Rice, Director, Domestic Policy Council
Mr. Brian Deese, Director, National Economic Council