

February 1, 2021

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The 1.4 million members of the National Association of REALTORS® (NAR) thank you for your continued focus on rebuilding our economy, businesses, and families during and after this worldwide pandemic. The relief provided in December was essential for many Americans, but there is still more work to be done. As negotiations continue on the next COVID-19 relief legislation, the following proposals will help ensure Americans are safe, small businesses survive, and the economy recovers.

Housing Stability/Rental Assistance

The \$25 billion provided under the *Consolidated Appropriations Act, 2021*, for rental assistance gave much needed relief for housing providers and renters alike. NAR will closely monitor how these monies are allocated by state and local jurisdictions, and continue to work with the Departments of Treasury and Housing and Urban Development to ensure the programs are running smoothly and long overdue rents are being paid. A recent study by Moody's Analytics has found the amount needed for rental assistance through January 2021 is close to \$60 billion, which means the funds allocated last month, while extremely helpful, fall short of the support that is potentially needed.¹ Additional funds are needed now to ensure that renters are able to satisfy their debt burdens and housing providers are able to fulfill their financial obligations, which includes maintaining safe properties for their tenants. Widespread extensions of eviction moratoria without such support will only exacerbate this crisis. Rental assistance that is easily accessible to qualified households will relieve renters from excessive debts, and ensure our critical rental housing stock is sustainable.

In addition, homeowners who have or will seek forbearance must receive appropriate relief. Without relief, we will continue to see mortgages in forbearance increase.²

¹ Irina Ivanova, *\$25 Billion In Federal Rent Aid Covers Less Than Half Of What Tenants Owe*, CBS News (Jan. 22, 2021), https://www.cbsnews.com/news/rent-relief-25-billion-biden-not-enough/?utm_medium=email&utm_source=newsletter_covid&utm_campaign=nmhc_news

² Andy Walden, *Active Forbearance Plans Increase Slightly As Improvement Continues To Plateau*, Black Knight (Jan. 22, 2021), <https://www.blackknightinc.com/blog-posts/active-forbearance-plans-increase-slightly-as-improvement-continues-to-plateau/>.

Charlie Oppler
2021 President

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Providing at least \$25 billion in a Housing Assistance Fund, modeled on the Hardest Hit Fund, would allow state housing finance agencies to help homeowners with COVID-19 hardships and bring their mortgage loans current through the 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.

Lastly, for those who successfully exit forbearance, and resume regular payments, the CARES Act was intended to protect their credit rating. However, it appears that inaccurate reporting may still be occurring despite these restrictions. We urge you to provide further language to protect the access to credit of borrowers who are affected by the pandemic and receive or inquire about support and forbearance options.

State and Local Communities

Across the country, communities are adapting and responding to the needs of their constituents as the pandemic alters the lives of so many Americans. According to the National League of Cities, nearly nine in ten cities expect a budget shortfall this year due to COVID-19.³ Congress must ensure the needs of these states and municipalities are 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 appreciates the language in the Consolidated Appropriations bill that extended the usage time for states with CARES Act funding, but more is needed. NAR urges the inclusion of additional emergency funding for state and local governments to allow communities to more effectively combat public health concerns so they can gradually and safely reopen.

Technology

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.

Unemployment Assistance

NAR greatly appreciates the continued unemployment assistance provided during these critical times for all workers, including the self-employed, gig workers, and workers not traditionally eligible for unemployment benefits through the creation of the Pandemic Unemployment Assistance (PUA) program. The additional Federal Pandemic Unemployment Compensation (FPUC) also provided significant financial support to workers and families when they needed it most. Extending the PUA program and creating the Mixed Earner Unemployment Compensation (MEUC) program were critical in ensuring that the self-employed and mixed earners who receive income on a W-2 basis and other income as 1099 basis were covered, including many REALTORS®.

More unemployment compensation and financial support will likely be needed as American families still face high infection rates and high unemployment rates. The PUA program is slated to end on March 14th, but we believe many workers and their families will need support beyond that date. We ask that you continue work to provide financial support to workers and families by extending unemployment assistance to ensure they are able to sustain their livelihoods. Through PUA, MEUC, FPUC, and regular UC programs, families are able to combat many challenges including, housing and food insecurity.

Small Business and Commercial Real Estate Relief

Congress should continue to support the Small Business Administration's delivery of the Paycheck Protection Program (PPP), administer increased funding for Economic Injury Disaster Loans (EIDLs) and grants, and prioritize emergency aid for particularly disadvantaged communities. Small businesses are the backbone of the U.S. economy, and are important clients of NAR's commercial practitioners. Flexibility to ensure that these businesses get relief through the program to keep them in business and their employees paid is crucial to the commercial real estate sector and will prove invaluable to the economic recovery effort following the pandemic.

³ National League of Cities, *State Of The Cities 2020*, https://www.nlc.org/wp-content/uploads/2020/10/NLC_StateOfTheCities2020-1-1.pdf.

It is also important that these borrowers be able to apply for forgiveness without overly-burdensome regulations, allowing them to focus on the critical work of sustaining their businesses and bringing employees back.

Beyond small businesses, the difficulties posed by the pandemic remain troubling for the commercial real estate sector. As commercial lending has decreased significantly and commercial tenants are exiting rental agreements at extraordinary rates, commercial mortgage-backed securities (CMBS) delinquency rates are reaching near-record highs. This is especially true in the hardest-hit industries - the hotel and retail sectors. Over 100,000 small businesses have permanently closed already, and an additional 2 million are at risk of immediately closing, which would cast a huge blow to both the economy and the commercial real estate sector. As state and local guidelines continue restricting movement and employers are maintaining work from home protocols, commercial real estate will continue to bear the brunt of the pandemic fallout. NAR urges Congress to ensure additional support to the hardest hit sectors is provided through access to funds to keep workers on payroll and meet their business expenses. Congress should also consider regulatory reforms that ease lending restrictions for these sectors, and prioritize extending and enhancing loan programs to reinforce commercial business stability to blunt the aftermath of the ongoing pandemic.

Thank you for your continued work as we weather this health care crisis. NAR looks forward to partnering with you and local communities to ensure Americans' basic needs are continually supported.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charlie Oppler', with a long horizontal flourish extending to the right.

Charlie Oppler
2021 President, National Association of REALTORS®