

February 24, 2021

Charlie Oppler
2021 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

Shannon McGahn
Chief Advocacy Officer

The Honorable Sherrod Brown
Chairman
U.S. Senate Committee on Banking,
Housing, and Urban Affairs
503 Hart Senate Office Building
Washington, DC 20510

The Honorable Pat Toomey
Ranking Member
U.S. Senate Committee on Banking,
Housing, and Urban Affairs
248 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey:

On behalf of the 1.4 million members of the National Association of REALTORS®, thank you for holding the hearing, “The Coronavirus Crisis: Next Steps for Rebuilding Main Street.” Congress acted quickly in 2020 to pass the CARES Act, which created critical relief programs for small businesses that were forced to close or reduce operations due to the pandemic, and it has since acted to reauthorize and improve those programs. As the pandemic goes on, Congress must continue to protect these critical economic drivers and other businesses at risk.

Although small businesses remain in danger in the wake of COVID-19, they have been bolstered by the Small Business Administration Paycheck Protection Program (PPP) and Economic Injury Disaster Loans. PPP loans have provided crucial assistance to numerous entities impacted by the pandemic, allowing them to keep employees paid and meet other debt and financial obligations. NAR was pleased to see Congress reauthorize and provide new funding for the PPP in the December 2020 COVID-19 relief package, as it allows new borrowers to access these loans and makes second-draw loans available to the hardest-hit small businesses. It is important that Congress continues to support this program and that the SBA and the Treasury Department work to secure efficiency in the application processes.

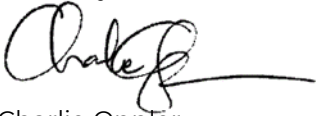
To further protect businesses – big and small - Congress should consider relief options that go beyond what the SBA currently offers. The Main Street Lending Facility was created with the intent of providing relief options to these businesses, but it has fallen short of these goals in spite of improvements to lower the minimum loan amount. Congress should consider further alterations to the Main Street Lending Facility – most immediately increasing the number of participating lenders – to make it more accessible to those hardest-hit sectors for which SBA programs are either insufficient or not available due to qualification standards.



In addition, many commercial property owners – those that provide the space for small businesses, retail, restaurants, office space, and everything else that contributes to our economy – have been effectively shut out of federal aid offerings thus far. As their tenants struggle to pay their rent and they renegotiate lease terms to help them stay in place, these property owners themselves face difficulty meeting their financial commitments, including paying their mortgages. In June of 2020 Commercial Mortgage-Backed Securities (CMBS) delinquencies reached 10.32% overall, nearing the all-time high set in 2012. Since then the rates have gone down incrementally each month, but remain concerningly high for the two hardest-hit sectors: hotels/lodging (19.8% in December 2020) and retail (12.94% in December 2020). Without additional relief, many of these property owners will default on their loans, causing businesses to permanently close and creating a ripple-effect throughout the U.S. economy as a whole.

Again, thank you for holding this important hearing. We look forward to continuing to work with you to help small businesses survive this crisis and lead in our nation's economic recovery.

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®

cc: U.S. Senate Committee on Banking, Housing, and Urban Affairs