



MORTGAGE BANKERS ASSOCIATION

February 26, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

On behalf of the Mortgage Bankers Association (MBA)¹, I am writing to express our support for provisions contained within H.R. 1319, the *American Rescue Plan Act of 2021*, that would provide much-needed relief to millions of individuals and families affected by the COVID-19 National Emergency, as well as critical assistance to restaurants, stadiums, and other businesses that have been hurt by the pandemic.

Our organization welcomed the extension of unemployment insurance and other income supports, as well as Troubled Debt Restructurings (TDR) relief, under the *Consolidated Appropriations Act, 2021* last year, and we see these policies working in tandem to support housing markets, tenants, landlords, and homeowners in addressing the ongoing effects of the pandemic. In the aftermath of the enactment of that legislation, MBA continues to support the need for additional rental assistance for tenants, broad-based homeowner assistance, income supplements, enhancements to the Small Business Administration's (SBA) Paycheck Protection Program (PPP) to help the hospitality sector, and other SBA programs such as the Restaurant Revitalization Fund and the Shuttered Venues Grants programs. MBA commends the House for continuing to provide relief to those affected by the COVID-19 pandemic and supports targeted measures that will provide aid and assistance to millions of American families and businesses that continue to struggle, especially the most vulnerable and those with the greatest need.

Rental Assistance

A recent report by the Research Institute for Housing America (RIHA) finds that an estimated \$27 billion was owed in back rent by the end of 2020, despite the impacts of previous COVID-19 relief efforts. In December 2020, Congress passed the *Consolidated Appropriations Act, 2021*, which included \$25 billion for Emergency Rental Assistance (ERA) – resources that are helping households that are struggling or have struggled to pay rent because of the pandemic. MBA supported this provision in December and continues to support the need for additional ERA in Sec. 4101 of H.R. 1319, and the \$20.250 billion included in the text of the Manager's Amendment to H.R. 1319. MBA believes that the funds already appropriated will be critical in helping stave off evictions and preserve shelter for millions of families, and that additional resources similarly will be critical to help meet the emerging challenges in this market.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 330,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 1,700 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

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Homeowner Assistance Fund

MBA appreciates and supports Sec. 4107 of H.R. 1319, which would authorize roughly \$10 billion of funding for a Homeowner Assistance Fund. Direct assistance provided through state housing finance agencies would help homeowners with COVID-19 hardships by supporting mortgage payments; providing funding for deeper loan modifications; assisting with utility payments, property tax and insurance payments, and homeowner association dues; and offering other support to prevent the loss of home equity, mortgage delinquency, default, or foreclosure. The Homeownership Assistance Fund could prevent widescale foreclosures that would be detrimental to both families and the broader economy. Along with a broad and diverse set of stakeholders, we would encourage the Committee to consider additional resources for this purpose in the future.

Funding for Housing Counseling

MBA supports Section 4105 which includes \$100 million for housing counseling services. Housing counseling is critical for consumer awareness to reach borrowers who have missed one or more mortgage payments because of the COVID-19 pandemic and may be eligible for forbearance assistance under the CARES Act or other forms of mortgage payment relief. These services target borrowers whose forbearance plans are ending and who need to contact their servicer to extend that form of payment relief or request additional assistance. Despite the robust outreach efforts by servicers, some borrowers are not responding and are at risk of losing access to home retention options. These counseling funds will augment the existing communications efforts by servicers and counseling agencies and support virtual events for homeowners in need of assistance. By ensuring availability of these services, borrowers in need will be aware of their options to avoid foreclosure.

Thank you in advance for your consideration of the views expressed within this letter. MBA stands ready to serve as a resource to you, your offices, and your colleagues in the coming days, weeks, and months – and throughout the remainder of this crisis.

Sincerely,



Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: The Honorable Maxine Waters, Chairwoman, Committee on Financial Services
The Honorable Patrick McHenry, Ranking Member, Committee on Financial Services
All Members, U.S. House of Representatives