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Dear Lopa, Ashley, Ethan, and Toby:

The National Multifamily Housing Council (“NMHC”) and National Apartment Association (“NAA”) would like to express our gratitude for your leadership during the ongoing COVID pandemic and request an opportunity to discuss certain challenges facing the rental housing industry related to REAC inspections, as we continue the recovery process from the last two years. Our industry and the Department are aligned in our pursuit of safe homes for affordable housing residents, but current REAC inspection policy is at risk of mischaracterizing properties still in recovery and destabilizing communities for those most in need.

For more than 25 years, NMHC and NAA have partnered on behalf of America's apartment industry. Drawing on the knowledge and policy expertise of staff in Washington, D.C., as well as the advocacy power of more than 155 NAA state and local affiliated associations, NAA and NMHC provide a single voice for developers, owners and operators of multifamily rental housing who house one-third of all Americans. Currently, 40 million of renters in the U.S. live in an apartment home.

From the start of the pandemic, apartment firms have been committed to keeping residents in their homes, while providing individuals and families with a safe and healthy environment to live, work and learn. Rental housing owners and operators have continuously worked to address the needs of our residents, employees and communities, deploying a variety of assistance and flexibilities, despite financial uncertainty and economic losses in their businesses.

Still, the pandemic has led to levels of debt that individuals and businesses may never be able to repay, threatening the very stability of the rental market. Rental housing providers rely on rental income to make ends meet. Everything but 10 cents of every [dollar of rent](#) goes to property operations and maintenance.

Losses from the pandemic strain the industry's ability to manage hundreds of thousands of homes and jeopardize the employment of millions of workers who make significant contributions to the economy. This is why our industry has worked tirelessly with policymakers at all levels of

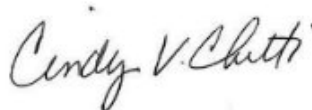
government to craft and enact solutions that promote housing security for renters and robust economic support and recovery for us all.

It is with this in mind that we wish to discuss how HUD might work with apartment operators to best reflect the long road ahead to recovery for our industry and prevent REAC inspections from being a blunt instrument to harm an industry in recovery. Eviction moratoriums, ever changing social distancing and lockdown requirements, unprecedented staff turnover and labor shortages, and variant related disruptions over the last two years have resulted in historic backlogs in capital needs and maintenance required for some affordable properties. While the resumption of REAC inspections might suggest business as usual has returned, for many operators this is simply not the case.

HUD has a variety of temporary measures it can implement during the current recovery period for apartment communities and the economy more broadly, including a return to a universal 30-day minimum notice, permitting owners to reschedule REAC inspections without penalty (due to supply chain, labor or other pandemic-related challenges), adopting REAC grace periods for preservation/rehab transactions, targeted inspection requirements for properties where redevelopment is in process, and other measures based on feedback from Department experts and industry participants.

We welcome this important conversation to best ensure a stable recovery for affordable properties across the country. Please contact Kimble Ratliff, NMHC's Vice President of Government Affairs, at [kratliff@nmhc.org](mailto:kratliff@nmhc.org) or Nicole Upano, NAA's AVP of Housing Policy & Regulatory Affairs, at [nupano@naahq.org](mailto:nupano@naahq.org) to coordinate further discussion.

Sincerely,



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National Multifamily Housing Council



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