



January 7, 2021

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Benjamin Carson
Secretary
U.S. Department of Housing and Urban
Development
451 Seventh Street, SW
Washington, DC 20410

Dear Secretary Mnuchin and Secretary Carson:

The COVID-19 relief legislation approved by Congress and signed by the President allows America's renters and housing providers access to immediate support. The undersigned national associations that represent for-profit and non-profit owners, developers, managers, housing cooperatives, lenders and housing agencies involved in providing affordable rental and cooperative housing to millions of American families are pleased Congress approved COVID-19 relief that includes rental assistance, which protects renters from losing their homes and ensures the owners' ability to maintain the viability of the rental housing stock.

COVID-19 has financially strained renters, and by extension, housing providers and lenders. To date, housing providers and lenders have shouldered a significant financial burden throughout the pandemic. Owners and operators have ensured access to much-needed housing, despite not receiving rental income necessary to meet their obligations (i.e., mortgage payments, insurance, taxes, maintenance and utilities). Similarly, lenders have forgone full or partial mortgage payments by granting borrowers forbearance or other accommodations. Such relief has either been required by federal and state laws or governmental directives, or due to lenders working prudently with borrowers affected by the pandemic - facilitated by the Troubled Debt Restructuring (TDR) accounting relief provided by federal banking regulators, the CARES Act, and the recent COVID-19 relief legislation.

We urge the Treasury to allocate the funding as quickly as possible and to provide a framework for implementation that will maximize states and localities ability to get the much-needed assistance into the hands of the eligible recipients.

Important considerations include:

- (1) **Provide flexibility with regard to demonstration of eligibility for those who participate in the program; a certification or affidavit of need should be sufficient.** In addition, with regard to landlord applications on behalf of tenants, proof of consent should be easily demonstrable.
- (2) **Allow for safe harbors by which states, localities, and program participants may operate in good faith and within the intent of the legislation.** The overarching goal should be to assemble reasonable supporting documentation to enable the assistance to flow quickly and efficiently. Treasury may want to consider providing sample documents for use by residents and landlords seeking assistance.
- (3) **Ensure broad distribution of funds across rural, suburban and urban markets, and to all property types** – small, medium and large – including residents in manufactured housing communities and housing cooperatives.
- (4) **Widely communicate availability of assistance and the process by which renters or their housing providers may apply.** There is evidence as to the imperative and value of aggressive communication with all participants in rental assistance programs. This ensures wide distribution of resources and closes any gaps in service to those in need.
- (5) **Enable funds to be utilized without extraneous requirements that undermine Congressional intent.** The legislation is clear that these funds can be used for past and current rent, utilities and *“other expenses related to housing incurred directly or indirectly, to the novel coronavirus disease.”* States should be prohibited from imposing additional prerequisites on housing providers or renters. Examples include obligations for owners to accept discounted rents or additional months of the lease term without rent payment.

While there remains much work to do, the Emergency Rental Assistance program is clearly a step in the right direction and welcome news for so many households facing financial distress. Efforts to provide assistance are far better than short sighted federal eviction moratoriums that do not address the conditions leading to a renter’s housing instability. The amount of back rent residents will likely accrue is too great to ever be repaid and housing providers will continue to suffer losses that strain their ability to continue operations.

According to Moody’s Analytics, there will be a \$70-75 billion backlog in rent owed by January. For those that are still able to pay their rent, 22 percent of all renters (those in all types of housing) reported in the most recent Household Pulse Survey that they had borrowed money from friends or family to meet their spending needs (all spending, not just rent) in the past seven days; 33 percent had used money from their savings or selling assets; and 34 percent had used credit cards.

We stand ready to work with you as you develop criteria to implement the Emergency Rental Assistance program.

Sincerely,

CCIM Institute
Council for Affordable and Rural Housing
Institute of Real Estate Management
Manufactured Housing Institute
Mortgage Bankers Association
National Affordable Housing Management Association
National Apartment Association
National Association of Home Builders
National Association of Housing Cooperatives
National Association of REALTORS
National Leased Housing Association
National Multifamily Housing Council

cc: Robert R. Redfield, MD, Director, Centers for Disease Control and Prevention
The Honorable Alex Azar, Secretary of Health and Human Services
The Honorable Kevin McCarthy, House Minority Leader
The Honorable Mitch McConnell
The Honorable Nancy Pelosi, Speaker of the House
The President-elect Biden and Vice President-elect Harris Transition Team
The Honorable Charles E. Schumer
The U.S. Senate Committee on Banking, Housing, and Urban Affairs
The U.S. House Committee on Financial Services