



February 17, 2021

The Honorable Sherrod Brown
Chairman
U. S. Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Patrick J. Toomey
Ranking Member
U.S. Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey:

The undersigned national associations represent for-profit and non-profit owners, operators, developers, lenders and property managers and housing cooperatives involved in the provision of rental housing, both affordable and conventional. We applaud the passage of the COVID-19 relief package signed into law in December 2020 which included important financial and emergency rental assistance relief measures for American families and businesses negatively impacted by the pandemic. As the Committee holds a hearing entitled “The Coronavirus Crisis: Paving the Way to An Equitable Recovery,” we are writing today to urge the Committee to support efforts to ensure the continued viability and stability of our nation’s rental housing communities.

We thank you for your commitment to addressing the significant housing challenges created by the pandemic and are pleased that efforts are underway to ensure an equitable recovery for those impacted by the pandemic. As you develop policies to address housing challenges, we ask that you take the following issues into consideration:

Emergency Rental Assistance

America’s renters and housing providers need immediate and continued support to stabilize the sector and avert an impending housing crisis. Ensuring residents have a place to call home and owners maintain the ability to operate their properties requires immediate action by Congress.

We applaud the inclusion of the additional \$25 billion for Treasury’s Emergency Rental Assistance Program (ERAP) and additional housing support as part of S.Con.Res.5, the Concurrent Resolution on the Budget for Fiscal Year 2021, the “Budget Resolution.” We encourage the Senate to support this additional funding as a recognition of the challenges facing 40 million American renters as well as the countless housing providers – urban, suburban and rural who have been affected by COVID-19. In particular, we offer our support for the legislation’s \$19 billion in funding for emergency rental assistance

combined with the \$5 billion for emergency Housing Choice Vouchers, the \$100 million to support unassisted households living in USDA-subsidized properties, the \$750 million to support the Indian Housing Block Grant program and the Indian Community Development Block Grant program, as well as the \$100 million in funding for NeighborWorks to support housing counseling services. Finally, we are also pleased that \$10 billion in assistance for homeowners was included and notably will provide critically needed support to the owners of small rental properties ranging from one to four rental units.

As we approach 12 months with some sort of federal eviction moratorium in place, the financial solvency of many in the housing industry, including thousands of small “mom and pop” firms, are in jeopardy. Functioning under reduced revenue for almost a year has drained reserves, caused deferred maintenance and capital improvements and placed many housing providers on the precipice of economic ruin. Renters too, even with moratoria in place continue to face tremendous financial uncertainty as a result of the pandemic. The [U.S. Census Bureau's Household Pulse Survey](#) showed that in the week ending February 1 approximately 30% of renters responding were either deferring their rent or had no/slight confidence in their ability to pay next month's rent. With billions in lost rent throughout the pandemic it is clear from all estimates that additional federal assistance is needed to support our nation's renters and housing providers.

Rental housing providers continue to work with their residents impacted by the pandemic by implementing rent repayment arrangements, waiving fees and connecting them with social service resources. Protracted eviction moratoriums interfere with these good-faith efforts and housing providers' ability to ensure they have enough rental income to manage their properties. Housing providers cannot continue to shoulder the financial impacts of the pandemic without sufficient, broad-based and readily-deployed rental assistance.

With their reserves depleted and inconsistent rental income coming in, housing providers need more financial assistance to ensure that they can continue to pay payroll, utilities, mortgage payments, insurance premiums and, importantly, property taxes. Significant shortfalls in rent payments, a vast majority of which flows into other economic sectors, could have devastating impacts on communities across the country and their abilities to fund essential services.

While previous federal COVID-19 relief packages were a life preserver for the countless Americans facing financial hardship, the reach of these funds is far narrower than the scope of the current [CDC eviction order](#), both in terms of statutory income requirements and scale of aid necessary.

Therefore, we strongly support the inclusion of additional rental and housing assistance in the “Budget Resolution.” We also strongly encourage policymakers to continue to monitor the economic recovery from COVID-19 as the nation continues to roll out vaccines to the American public. Additional robust, direct rental assistance – beyond the newly proposed \$25 billion – may be warranted should the crisis continue into or beyond the Fall. The housing affordability crisis could be exacerbated in the long- and short-term and housing providers may never fully recover outstanding debt – whether through the eviction process or otherwise. This could hurt America's most vulnerable renters and devastate the industry.

Emergency Rental Assistance Implementation and Expansion Efforts

We applaud the bipartisan work done in crafting the \$25 billion in ERAP approved in the last COVID-19 relief package. As Congress looks to provide additional funding, we urge policymakers to refrain from efforts to thwart the original Congressional intent of the program. Congress saw the great need for rental assistance across the nation and across a variety of income levels. In addition, it correctly identified the need to cover the growing backlog of rental payments facing residents and housing providers and focused the assistance on addressing rental arrears. Yet, despite this, numerous jurisdictions are crafting rental assistance programs using ERAP funds that far too narrowly constrain recipient eligibility in a way that seriously limits the utility of federal assistance funds. Congress and the Administration should work to ensure the proposed \$25 billion in additional ERAP funding operates with the same guidelines, income targets, and overall program structure as enacted in December 2020. It's important to remember that some jurisdictions used a portion of their initial CARES Act allocation to create rental assistance programs and then had to retool those structures to meet the parameters of the new federal ERAP in late 2020 and early 2021. Efforts to amend program rules, eligibility or even add additional eligible activities to this new ERAP appropriation will slow disbursement of funds, cause confusion amongst grantees, property owners and renters and could ultimately be detrimental to the success of ERAP and the financial security of our nation's renters.

To assure the urgent need for rental assistance is met across income levels specified in the bi-partisan legislation enacted in December, Congress and Treasury should encourage grantees to not be overly restrictive in income targeting and only consider income at the time of application while preserving eligibility for up to 80 percent AMI for those who have seen income reduced as a result of the pandemic. An area in which Congress and Treasury may wish to expand ERAP is to provide needed flexibility to jurisdictions in high-cost areas of the country to allow for an upwards deviation of program eligibility to 100 percent AMI. The reality is that there is a population who has seen incomes drop as a result of the pandemic but currently are prevented from receiving assistance because they are above 80 percent AMI. There is significant need to help stabilize workforce housing residents who do not traditionally need housing assistance but are under great financial stress all the same.

Congress and Treasury must also prevent funding from being diverted from directly addressing rental and utility arrears and current rent and utility obligations. While these efforts are well-intentioned, they will continue to threaten the housing stability of millions of renters and property owners who are in great need. As Treasury continues to provide guidance to states, territories and localities on disbursement of ERAP funds, we feel further clarification is needed to ensure Congressional intent is acknowledged in seeing that funds are distributed swiftly, efficiently and in a manner that allows for flexibility. In addition, it is imperative that rental assistance programs be easily executable and expeditiously administered to those in need, ensuring residents can self-certify and/or utilize attestation forms to seek assistance, rather than requiring burdensome paperwork.

As important as streamlining the process is, transparency and dissemination of information on how residents and housing providers can access the funds is critical to the success of the program. We encourage Treasury to create a centralized portal with information on the administering entities and relevant program and application details in each jurisdiction. Such a portal would go a long way to ensuring that the much-needed assistance gets into the hands of eligible recipients in an efficient and timely manner.

We urge the Committee to help ensure that the implementation of the ERAP delivers on its promise of ensuring those impacted across all income levels, and who are struggling to make ends meet as a result of the pandemic, can receive assistance.

As we wait for vaccine distribution to hit a critical mass and ensure we can fully resuscitate recovery efforts, we support the extension of the unemployment assistance and rebate checks, the additional housing program funding, and the additional \$19 billion for ERAP included in the Budget Reconciliation legislation and encourage the Senate to support this necessary funding to ensure the financial solvency of residents and many in the rental housing industry, including thousands of small “mom and pop” firms who are in jeopardy. We appreciate initial efforts to help close the growing gap of tens of billions in rental debt that accumulated in 2020 and remain concerned that future rental assistance will be needed to ensure residents have a place to call home and owners can maintain our nation’s rental housing stock. We remain committed to ensuring that the 40 million families who rent have a safe, secure place to call home and we stand ready to work with Congress and the Administration to provide the assistance necessary to meet the challenges of the COVID-19 crisis.

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: The Honorable Janet Yellen, Secretary of the Treasury
The Honorable Marcia Fudge