NMHC NATIONAL MULTIFAMILY HOUSING COUNCIL

Extended Eviction Moratoriums Do More Harm than Good

Better Policy Would Deliver Relief For People Affected By The Crisis

The coronavirus pandemic has caused serious economic pain for millions of American families. Since mid-March, nearly 49 (48.7) million unemployment insurance claims have been filed, and according to the Census Bureau, 42 percent of all renters are unemployed.

Without long-term solutions to support renters affected by COVID-19, our nation's economic crisis threatens to become a housing crisis that could rival the crash of 2008. A protracted eviction moratorium is not the solution, however.

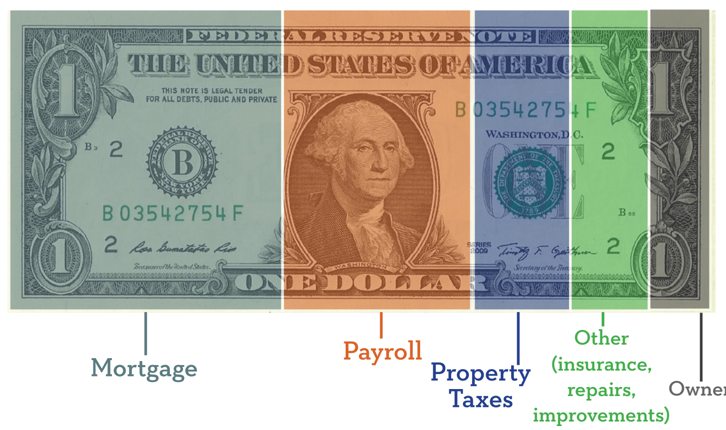
At the outset of this crisis, the National Multifamily Housing Council (NMHC) recognized the need for the industry to support America's renters. We encouraged our members to voluntarily suspend evictions and waive late fees for 90 days to help our residents manage the immediate uncertainties and financial hardships. It was the right thing to do at the time, but a long-term moratorium does nothing to address a renter's underlying financial distress and would have damaging consequences to the housing market as a whole.

Property Owners Depend on Rent to Keep the Doors Open for Residents

Building owners rely on rent payments to pay their mortgages, property taxes, employee salaries, maintenance and utilities. Extended moratoriums create an untenable situation for housing providers by significantly interrupting the revenue needed to meet their financial obligations, support critical city services and operate their properties to safely house America's 109 million renters.

Rental Shortages Cascade Through the Economy and Our Communities

- **39 cents of every $1 in rent goes to pay the property's mortgage;** Multifamily property owners have $1.6 trillion in outstanding mortgage debt (half backed by the federal government)
- **27 cents of every $1 in rent covers payroll, supporting nearly 700,000 apartment industry jobs**
- **14 cents of every $1 in rent goes to property taxes, totaling $58 billion in property taxes paid by apartment firms every year**
- **Just 9 cents of every dollar is returned to the owner**



Extended moratoriums also threaten to exacerbate the affordable housing shortage we already had pre-pandemic by discouraging new rental housing development and renovation and possibly forcing smaller landlords to sell their properties and take those units out of the already under-supplied rental pool. Also, a federal eviction moratorium can frustrate state and local efforts to stabilize their housing market and address local conditions. These policymakers are best situated to deploy tenant protections most appropriate for their circumstances, given the varied and unique eviction laws and judicial processes across jurisdictions.

Renters Need Real Relief

The financial support that has come in the form of expanded unemployment benefits and stimulus funds was successful in helping many Americans meet their housing needs.

We should be working to help those impacted by COVID-19 through robust government assistance, like emergency rental assistance.

Continued direct support and emergency rental assistance provides solutions for residents and housing providers alike, and is necessary to help those with financial hardships, without undermining the stability of the rental market and the financial health of the communities where they operate.

By taking meaningful action now, Congress can keep roofs over families' heads, save small businesses and pull the country back from an emerging housing crisis.