

United States Senate

WASHINGTON, DC 20510

March 20, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles Schumer
Democratic Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Michael Crapo
Chair
Committee on Banking, Housing,
and Urban Affairs
239 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
503 Senate Hart Office Building
Washington, D.C. 20510

Dear Leader McConnell, Leader Schumer, Chair Crapo, and Ranking Member Brown,

As discussions progress on the Congressional response to the COVID-19 pandemic, I write to implore you to include a national moratorium on all evictions and foreclosures on residential and commercial properties as a result of COVID-19. This is vital to dealing with both the health and economic crises that we are facing. It will help slow the spread of the virus and also assist with the economic recovery.

The challenge that America faces is unprecedented in modern times. Too many families are likely to lose paychecks due to lay-offs or reduced hours as a result of necessary actions taken to slow the spread of the pandemic. Come April 1st, many of them will be wondering how they will pay rent, and many are already likely struggling to make mortgage payments. America's health must come first in this crisis, and removing people from their homes and forcing them to move in with relatives or into already overwhelmed shelters or leaving them out on the street altogether would compound COVID-19 spread and make the challenge unnecessarily worse. Further, foreclosures and evictions have long-lasting consequences for those removed and their children, potentially making what could be a temporary crisis for many into a life-altering event. No renters or homeowners should be removed from their homes because of a COVID-19-related disruption to their health, employment or income.

We also need to ensure that people have jobs to go back to when social distancing ends. Many small businesses are paying last month's bills with this month's revenue. With little to no revenue this month, they will struggle to keep workers on payroll and pay their next month's lease payments. America's economy is built on the back of small businesses, which employ half of the nation's workers. Evicting businesses that were healthy prior to this crisis because of a temporary decline in demand, often as a result of a government order, would turn what could be a temporary economic crisis into a longer and deeper downturn.

Some steps have been taken already. The Department of Housing and Urban Development (HUD) and Federal Housing Finance Agency (FHFA) announced a partial and temporary moratorium this week. But this only protects single-family homeowners in FHA-, Fannie Mae-, and Freddie Mac-backed loans. They also encouraged Public Housing Authorities to suspend evictions. These directives do not cover nearly enough properties, nor do they last long enough. It is imperative that we go further and ensure that all property-owners and renters are protected from COVID-19-related evictions, foreclosures, and defaults.

To this effect, in addition to providing rental and mortgage payment assistance to those hit hardest and increasing funding for homeless shelters, I ask that you ensure that the next COVID-19 package under consideration accomplish the following goals:

- No residential or commercial renters should be removed from their homes or place of business due to missed payments that result from COVID-19 for the duration of the national emergency. Only emergency evictions should be allowed to proceed, and the burden of proof should fall on the evictor to prove that an eviction is necessary and unrelated to COVID-19.
- No homeowner should face foreclosure or penalties because of missed payments related to COVID-19. Any missed payments on a mortgage should be added to the end of the loan term. Foreclosures are not in anyone's interest at this time, and they should not occur. To the extent homeowners were excluded from HUD and FHFA's recent proclamations, this package needs to close the gap.
- Owners of multifamily properties should similarly be prevented from having their properties foreclosed on if those missed payments are the result of tenants' inability to pay rent due to the crisis. Lenders should be required to act to prevent defaults by providing forbearance and adding missed payment to the end of the loan. It is in both borrowers' and lenders' best interest to add to the length of loans rather than put these loans into default.
- Further, no penalties should be able to accrue to renters or property-owners for missed payments related to COVID-19, and credit bureaus should be prohibited from penalizing the credit scores of homeowners and renters who miss payments due to the crisis.

Unprecedented times call for unprecedented measures. We need to take extraordinary steps to keep people in their homes and ensure that businesses can survive. These protections should be included in whatever package we next move.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Kaine', with a stylized flourish at the end.

Tim Kaine
United States Senator