



March 18, 2020

The Honorable Maxine Waters
United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Waters:

On behalf of the Mortgage Bankers Association (MBA), I am writing in response to your letter dated March 11, 2020, which raises concerns about the global spread of the coronavirus (COVID-19) and potential financial hardship stemming therefrom.

MBA and its membership share your concerns regarding the very real impact the coronavirus pandemic is having on American households, our employees, our members and their customers. Let me assure you that we have been in regular contact with our members, who represent all elements of single-family and commercial/multifamily mortgage finance, including community lenders that are both depositories and independent mortgage banks (both small and large), to discuss the prioritization of consumer well-being such as special forbearance plans and appropriate loss mitigation options.

MBA has developed a resource portal to assist our member companies as they plan and prepare to address the impact of the novel coronavirus. This portal includes information from the health/disease control agencies, recommended business continuity plans, and relevant information from financial regulators. We have shared guidance on how companies should communicate with employees, their customers and the public. External resources made available include guidance from the Government-Sponsored Enterprises on the proper procedures for extending forbearance and other hardship services to customers, as well as communications from various federal and state financial regulators encouraging regulated institutions to be flexible with customers impacted by this pandemic.

As our member companies have done in response to other significant disruptions, including recent natural disasters, they are working with affected consumers to offer flexible arrangements including special loan programs to eligible consumers, deferred payments on consumer loans, waivers and fee reversals. In addition, our commercial/multifamily member companies are proactively working with borrowers and governmental partners such as the Department of Housing and Urban Development (HUD) to assess and mitigate the impacts of this disruption.

Although there are robust forbearance/hardship procedures on the federal level that allow financial institutions to work with struggling borrowers, Congress should consider legislative approaches to mitigate the economic impact that will arise as Americans are encouraged to limit their social interactions. MBA recommends Congress consider rental assistance proposals to directly assist impacted individuals and businesses, which will provide the additional benefit of helping to prevent large-scale disruption within our nation's housing finance system at a time when stability is critical. Rental assistance also provides funds directly to the individuals and small businesses that need help the most. Congress should also encourage regulators to streamline federal appraisal requirements for certain refinances to ease the current backlog that may prevent homeowners from saving money by locking in lower monthly payments. Congress should also consider legislation to allow consumers to close real estate transactions from the distance and safety of their own homes by permitting nationwide use of remote and electronic notarization – an authority that is already allowed in 23 states.

In sum, our mortgage servicer members stand ready to assist their customers during this challenging time. We appreciate and understand the importance of evaluating options like wide-ranging forbearances in the face of this crisis. It is encouraging to see efforts by Congress to address the income disruptions that are likely to occur, and we would urge the Congress to ask regulatory agencies to consider mechanisms for much-needed liquidity to servicers that would be required to advance borrower payments to security holders in the event of a large-scale forbearance.

Thank you for your attention to these critical health issues that are creating very real economic and financial consequences for households throughout the country. MBA's members remain focused on ensuring that all Americans have access to safe, affordable housing and that mortgage credit is available with only limited or temporary disruptions. I would welcome the opportunity to discuss any of these issues impacting your constituents in greater detail at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "R. D. Broeksmit". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert D. Broeksmit, CMB
President and Chief Executive Officer