



MORTGAGE BANKERS ASSOCIATION

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Bill McBride
Executive Director
National Governor's Association
444 North Capitol Street, NW, Suite 267
Washington, D.C. 20001
rsolt@nga.org

Matthew Chase
Executive Director
National Association of Counties
660 North Capitol Street, NW, Suite 400
Washington, DC 20001
mchase@naco.org

Tom Cochran
CEO and Executive Director
U.S. Conference of Mayors
1620 I Street, NW
Washington, D.C. 20006
tcochran@usmayors.org

Tim Storey
Executive Director
National Conference of State
Legislatures
444 North Capitol Street, N.W., Suite
515
Washington, D.C. 20001
tim.storey@ncsl.org

David Adkins
Executive Director
Council of State Governments
CSG National Headquarters
1776 Avenue of the States
Lexington, KY 40511
dadkins@csg.org

Elizabeth A. Loudy
Executive Director
State Government Affairs Council
108 North Columbus Street, 2nd Floor
Alexandria, VA 22314
eloudy@sgac.org

We in the real estate finance industry understand and deeply appreciate how your policy maker members and their teams are working around the clock to defeat the impacts of the novel coronavirus and we are ready to assist to best serve our fellow citizens. In this spirit of partnership, the Mortgage Bankers Association (MBA)¹ is writing to respectfully request you to ask your state, county and municipal colleagues about the

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, DC, the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,300 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, credit unions, thrifts, REITs, Wall Street conduits, life insurance companies, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

urgent need to communicate to the general public that mortgage and rental assistance programs must be focused on those most in need.

MBA and its member companies believe this can be accomplished through important clarifications to any communications about mortgage or rental forbearance from your members' offices or from state regulators. It should be made clear that mortgage and rental assistance and resources are available but should only be accessed if truly needed.

Many governors and some mayors have announced that consumers most impacted by the crisis – e.g. hourly employees and others who, through no fault of their own, are unable to work, earn an income and afford to pay their bills – will not have to pay their mortgages and rent for months while social distancing remains necessary. These efforts must also be buttressed by publicly encouraging those who can pay their bills to continue to do so.

The federal government has enacted legislation that includes single-family and commercial/multifamily forbearance, foreclosure protection and provisions to prevent eviction for federally-backed mortgages. Borrowers and renters can request this assistance if they are impacted by COVID-19. MBA and its members are completely supportive of this effort to provide relief.

Forbearance, however, is not forgiveness. It is a measure of last resort, and this step generally requires a consumer to eventually repay the delinquent amount. Secondly, resources available to help those most in need are finite—and stressed by the challenges all businesses face amid this pandemic. It is best for all if these resources can be directed towards those in the most perilous of economic conditions and not those who can afford to meet their financial obligations.

MBA's request is consistent with the message being delivered by the Consumer Financial Protection Bureau that if you can pay your mortgage, you should pay your mortgage: "Don't call your mortgage servicer if you aren't facing an immediate issue. Mortgage servicers are getting a lot of calls and need to first help those who won't be able to pay their mortgage..."²

In fact, the most recent MBA survey data show that forbearance requests grew by 1,270% between the week of March 2 and the week of March 16, and another 1,896% between the week of March 16 and the week of March 30.³ This surge is unprecedented in our nation's history. While our members are fully committed to provide this mandated

² <https://www.consumerfinance.gov/about-us/blog/guide-coronavirus-mortgage-relief-options/>

³ <https://www.mba.org/2020-press-releases/april/mba-survey-shows-spike-in-loans-in-forbearance-servicer-call-volume>

and much needed assistance, the expectation is that these requests will continue to skyrocket. Under these conditions, it critical that those who are not suffering from an interruption in their income not clog call queues and utilize scarce resources intended for those in need.

Importantly, for the real estate finance industry to be able to help desperately impacted consumers take advantage of months of mortgage forbearance, we must have the financial support through a federal liquidity instrument/facility to absorb the effects of an unprecedented shock to our economy and our businesses.

That is why MBA is asking your groups to please urge your members to make public statements that relief efforts must be targeted to assist individuals in acute need of help as efficiently and quickly as possible.

The members of the community who can continue to meet their financial and contractual obligations, like monthly rent and mortgage payments, should do so. This is an important way they can help their neighbors who have lost their jobs or have been furloughed and cannot pay their bills because of COVID-19.

Respectfully,

A handwritten signature in black ink, appearing to read "Pete Mills". The signature is fluid and cursive, with a prominent initial "P" and "M".

Pete Mills
Senior Vice President
Residential Policy and Member Engagement