



MORTGAGE BANKERS ASSOCIATION

February 10, 2021

The Honorable Maxine Waters
Chairwoman
House Committee on Financial Services
U.S. House of Representatives
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on Financial Services
U.S. House of Representatives
4340 O'Neill House Office Building
Washington, DC 20024

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the Mortgage Bankers Association (MBA),¹ I am writing to express our views regarding specific provisions of the House Financial Services Committee's markup of Title IV of the Budget for Fiscal Year 2021, as part of the budget reconciliation process.

Our organization welcomed the extension of unemployment insurance and other income supports, as well as Troubled Debt Restructurings (TDR) relief, under the Consolidated Appropriations Act of 2021 last year, and we see these policies working in tandem to continue to support housing markets, tenants, landlords, and homeowners in addressing the ongoing effects of the pandemic. In the aftermath of the enactment of that legislation, MBA continues to support the need for additional rental assistance for tenants, broad-based homeowner assistance, and enhancements to the Paycheck Protection Program (PPP) to help the hospitality sector. MBA commends the Committee for continuing to provide relief to those affected by the COVID-19 pandemic and supports targeted measures that will provide aid and assistance to millions of American families and businesses that continue to struggle, especially the most vulnerable and those with the greatest need.

Rental Assistance

A recent [report](#) by the Research Institute for Housing America (RIHA) finds that an estimated \$27 billion was owed in back rent by the end of 2020, despite the impacts of previous COVID-19 relief efforts. In December 2020, Congress passed the Consolidated Appropriations Act of 2021, which included \$25 billion for Emergency Rental Assistance (ERA), which is helping households that are struggling or have struggled to pay rent because of the pandemic. MBA supported this provision in December and continues to support additional ERA, including the \$25 billion included in Title IV of the Budget for Fiscal Year 2021. MBA believes that the funds already appropriated will be critical in helping stave off evictions and preserve shelter for millions of families, and that additional resources similarly will be critical to help meet the emerging challenges in this market.

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, D.C., 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 2,200 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.

Homeowner Assistance Fund

MBA appreciates and supports Title IV of the Committee's mark, which would authorize roughly \$10 billion of funding for a Homeowner Assistance Fund. Direct assistance provided through state housing finance agencies would help homeowners with COVID-19 hardships by supporting mortgage payments; providing funding for deeper loan modifications; assisting with utility payments, property tax and insurance payments, and homeowner association dues; and offering other support to prevent the loss of home equity, mortgage delinquency, default, or foreclosure. The Homeownership Assistance Fund could prevent widescale foreclosures that would be detrimental to both families and the broader economy. Along with a broad and diverse set of stakeholders, we would encourage the Committee to consider additional resources for this purpose in the future.

Funding for Housing Counseling Services

MBA supports the \$100 million included for housing counseling services. Housing counseling is critical for consumer awareness to reach borrowers who have missed one or more mortgage payments because of the COVID-19 pandemic and may be eligible for forbearance assistance under the CARES Act or other forms of mortgage payment relief. These services target borrowers whose forbearance plans are ending and who need to contact their servicer to extend that form of payment relief or request additional assistance. Despite the robust outreach efforts by servicers, some borrowers are not responding and are at risk of losing access to home retention options. These counseling funds will augment the existing communications efforts by servicers and counseling agencies and support virtual events for homeowners in need of assistance. By ensuring availability of these services, borrowers in need will be aware of their options to avoid foreclosure.

Conclusion

Thank you in advance for your consideration of the views expressed within this letter. MBA stands ready to serve as a resource to you, your offices, and your colleagues in the coming days, weeks, and months – and throughout this crisis.

Sincerely,



Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: All Members, House Committee on Financial Services