



August 26, 2021

Honorable Kathleen C. Hochul
Governor
New York State Executive Chamber
State Capital Building
Albany, NY 12224

Dear Governor Hochul,

On behalf of the New York Mortgage Bankers Association (NYMBA)¹ and the national Mortgage Bankers Association (MBA),² please accept our congratulations on being sworn in as New York's 57th Governor and making history as the Empire State's first woman to hold this enormously important office. Our organizations stand ready to assist you and your Administration serve consumers and businesses in the state's vibrant real estate finance market. To assist we offer the following summary of our views on key issues you will face in the weeks and months ahead.

- The State should continue its efforts to ensure that federally appropriated rental assistance funds for New York gets to renters and housing providers ahead of the Congressionally mandated claw back, which requires 65% of rental assistance funds to be allocated by September 30, 2021, or these critical funds risk being returned to

¹ The New York Mortgage Bankers Association, Inc. (NYMBA), is a 501(c)(6) not-for-profit statewide organization devoted exclusively to the field of real estate finance. NYMBA's rapidly growing membership is comprised of both bank and non-bank mortgage lenders and servicers, as well as a wide variety of mortgage industry-related firms. NYMBA encourages its members to engage only in sound and ethical business practices, and informs its members of changes in the laws and regulations affecting the mortgage business. The association helps those engaged in or affected by the mortgage business to be better informed and more knowledgeable. It is dedicated to the maintenance of a strong real estate finance system. This involves support for a strong economy, a public-private partnership for the production and maintenance of single and multi-family homeownership opportunities, and a strong secondary mortgage market. For additional information, visit www.nymba.org

² The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 330,000 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 1,700 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

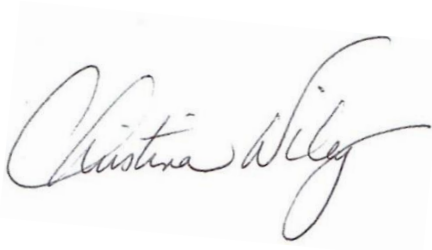
the U.S. Treasury. This matters because New York has the highest percentage of renters in America. Rental assistance is a critical element to help renters and housing providers in need and stabilizes the multifamily housing market. The Office of Temporary and Disability Assistance can take action to expedite the distribution of emergency rental assistance and remove application barriers for renters and housing providers. We recommend providing as much flexibility as possible to allow housing providers to apply on behalf of residents, while providing a safe harbor for those attempting to obtain documentation from uncommunicative residents to support those applications. We also recommend aligning with the U.S. Department of Treasury's updated August 25th FAQ guidance for ERAP funds to help distribute rental assistance as efficiently as possible to those in need.

- State authorities should work closely with mortgage servicers to develop a streamlined and scalable approach to the distribution of federal funds appropriated for the New York State Homeownership Assistance Fund. Servicers have effective tools to help most borrowers resume monthly payments and retain their homes, but some borrowers' post-forbearance incomes may not have recovered sufficiently to afford a modified payment. The more than half a billion dollars allocated to New York for HAF should be deployed to focus on creating home retention solutions for those borrowers who just miss qualifying for an existing loan modification option.
- We recommend that you sign legislation (S.1780-C/A.399-B) to make New York the 37th state to enact remote online notarization (RON) consistent with the nonpartisan Uniform Law Commission's model RON legislation. RON offers consumers safe and secure options to complete real estate finance transactions if implemented properly. To achieve that goal, our organizations submitted a [letter](#) to New York Secretary of State Rossana Rosado urging her to promulgate rules that require credential analysis consistent with those of other states and national standards.
- We recommend that you veto legislation (A.6247-A/S.5246-A) that would impose a new Community Reinvestment Act (CRA) mandate on nonbanks licensed by the New York Department of Financial Services. Our organizations' [veto request](#) emphasizes that the CRA framework is incompatible with the nonbank business model and their historical lending activities. Nonbanks do not have deposits to reinvest, do not have access to direct government support, and already engage in sustainable lending in LMI communities. Imposing CRA requirements on nonbanks is an expensive mandate with limited results. We urge state policy makers to address community development concerns with policy initiatives that address specific barriers to homeownership for minority and LMI households, including sustainable downpayment assistance programs, improving affordable housing supply, and expanding access to financial education and counseling.
- In preparing the Administration's proposed State FY2022-23 budget, we recommend that you do not include a new tax and recording of mezzanine debt and preferred equity investments. While not proposed by the Governor earlier this year, it was included in both the Senate and Assembly budget plans. Our organizations led a broad [coalition](#) in opposition to this concerning policy, which would have had a deleterious effect on the state's commercial real estate market if it had not been excluded from the enacted budget.

In the longer term, our organizations would welcome a meeting to learn how we can cooperate with your Administration in supporting the expansion of affordable homeownership and rental housing as well as ways to expand commercial real estate opportunities for New York businesses. Thank you for offering New York fresh new leadership, and for being willing to consider our views.

If you have questions, or need more information, please feel free to contact Christina Wiley (cwiley@nymba.org) or Pete Mills (pmills@mba.org).

Respectfully,



Christina Wiley
Executive Director
New York Mortgage Bankers Association



Pete Mills
Senior Vice President, Residential Policy
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