

July 15, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Charles Schumer
Democratic Leader
U.S. Senate

The Honorable Richard Shelby
Chairman
Committee on Appropriations
U.S. Senate

The Honorable Patrick Leahy
Vice Chairman
Committee on Appropriations
U.S. Senate

The Honorable Susan Collins
Chair
Appropriations Subcommittee
Transportation, Housing and Urban
Development
U.S. Senate

The Honorable Jack Reed
Ranking Member
Appropriations Subcommittee
Transportation, Housing and Urban
Development
U.S. Senate

Dear Leader McConnell, Leader Schumer, Chairman Shelby, Vice Chairman Leahy, Chairwoman Collins, and Ranking Member Reed:

We write to express our strong support of a robust emergency appropriation to fund housing counseling in the Senate's next coronavirus relief package to help forestall an emerging housing crisis. We believe the amount necessary to adequately address the breadth of this crisis is reflected in the \$700 million authorization included in S. 4098, the Coronavirus Housing Counseling Improvement Act of 2020. However, Congress should provide at least \$100 million, which is the amount included in H.R. 6800, the HEROES Act, which passed the U.S. House of Representatives on May 15, 2020. In light of the urgent and compelling need, we urge Congress to appropriate the greater amount.

In the economic fallout of the current pandemic, American households are expected to face a wave of evictions and foreclosures even more pernicious than they experienced in the last financial crisis. From 2006 to 2014—in the lead-up to and the aftermath of the Great Recession—nearly 10 million homeowners lost their homes to foreclosure sales, and the number of evictions in 2010 *alone* totaled an estimated one million. In October 2009, the unemployment rate reached 10%, lower than it is today.

As an [op-ed](#) published on July 9, 2020 indicates, the situation today calls for immediate action by Congress. In May, the national unemployment rate was 13.3%, which is the highest our country has experienced in 50 years. While last month's rate declined slightly to 11%, some 15 million people have been without work since February. And there are indications that the housing crisis spawned by the COVID-19 pandemic will only worsen. According to the Eviction Lab at Princeton University, the majority of the states' eviction moratoria and related policies expired last month,

and those in an additional 19 states will soon follow. Similarly, in response to the pandemic, 18 states established moratoria or limits on foreclosures; most are also set to expire or have expired. With unemployment expected to persist at historically high levels, the safety net assembled by state and local governments to forestall evictions and foreclosures is unraveling.

Support for American households is especially critical because the vast majority—61%—reside in privately financed housing, including 28 million renter-occupied units and 25 million homeowner units. The average annual income for a renter household is \$40,000. Some 60% of renter households and 21% of homeowners with mortgages earn low or modest incomes (80% of area median income or below). Clearly the first wave of evictions is imminent; *according to the Aspen Institute, between 19 and 23 million households are at risk of eviction by September 2020.*

There is mounting evidence that a wave of mortgage foreclosures will soon follow. According to Black Knight, in May of this year 4.3 million homeowners missed their mortgage payments, the highest level since 2011. At the end of June an estimated 26% of U.S. households either missed last month's rent or mortgage payment, or had little or no confidence that their household could make the next payment on time.

For these reasons, it is essential that appropriations for housing counseling assistance are significantly increased immediately. Studies show that housing counseling improves outcomes for families struggling with their mortgage payments. Counseling significantly increases a borrower's likelihood of receiving a loan modification or coming to some workout, while avoiding foreclosure. Rental counseling services prevent homelessness and eviction by helping renters relocate to, secure, and retain affordable rental housing.

Thank you for your consideration. To combat the current economic crisis and mitigate its impact on homeowners and renters and help Americans prepare for what lies ahead, we urge the Senate to include \$700 million in federal support for housing counseling to meet the anticipated need—but no less than the \$100 million included in H.R. 6800—through the U.S. Department of Housing and Urban Development's Housing Counseling Assistance Program.

Sincerely,

California Reinvestment Coalition
Center for Responsible Lending
Center for New York City Neighborhoods
Chicanos Por La Causa
Consumer Action
HomeFree-USA
Housing Action Illinois
Local Initiatives Support Corporation (LISC)
Minnesota Homeownership Center

NAACP

National Association for Latino Community Asset Builders (NALCAB)

National Coalition for Asian Pacific American Community Development (National CAPACD)

National Consumer Law Center (on behalf of its low-income clients)

National Fair Housing Alliance

National Rural Housing Coalition

National Association of Real Estate Brokers (NAREB)

National Urban League

New Jersey Citizen Action

Northwest Side Housing Center

Poverty & Race Research Action Council

Prosperity Now

UnidosUS