

March 3, 2021

David Uejio  
Acting Director  
Consumer Financial Protection Bureau  
1700 G St., N.W.  
Washington, DC 20552

Rebecca K. Slaughter  
Acting Chair  
Federal Trade Commission  
600 Pennsylvania Ave., N.W.  
Washington, DC 20580

Dear Acting Director Uejio and Acting Chair Slaughter:

On behalf of the low- and moderate-income communities and the people and communities of color we represent, we urge the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC) to take immediate action to prevent or limit imminent rental evictions and home foreclosures in the private mortgage market pursuant to your existing authorities under section 5 of the FTC Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), and the Fair Debt Collection Practices Act (FDCPA). As the CFPB's recent report highlighted, [over 11 million](#) families are at risk of losing housing.

The FTC Act and the Dodd-Frank Act give your agencies the authority to prohibit or prevent unfair, deceptive or abusive actions. The FDCPA prohibits abusive conduct, including by attorneys who bring eviction or foreclosure actions to collect debts. These statutes give you authority to address unfair, deceptive or abusive evictions or foreclosures in the midst of a health and economic crisis.

The Centers for Disease Control (CDC) recently extended an eviction moratorium adopted last September to address the "historic threat to public health" that has necessitated "unprecedented or exceedingly rare actions."<sup>1</sup> The CDC found that an eviction moratorium would "facilitate self-isolation by people who become ill or at risk of serious illness from COVID-19." Moreover, "housing stability helps protect public health because homelessness increases the likelihood of individuals moving into close quarters in congregate settings, such as homeless shelters, which then puts individuals at higher risk to COVID-19." Housing stability also plays a critical role in limiting the spread of disease by preventing individuals from moving from one temporary location to another or from overcrowding the homes of friends or family members.

While the CDC eviction moratorium has been helpful, it still leaves many families unprotected, it has been inconsistently implemented, and some landlords have used questionable and sometimes abusive tactics to evade it. The CDC moratorium also does not address the loss of homes due to foreclosures, and the foreclosure moratorium adopted by the federal housing agencies does not extend to one-third of the mortgage market.

Protection from evictions and foreclosures is greatly needed due to the ongoing economic crisis accompanying the COVID-19 pandemic, including the loss of household income in the near and long term. Without additional protections, many will lose their homes and be forced to move at a time when COVID-19 levels are still extremely high and vaccination access for many is still months away. As a result, the financial impact of COVID would result in substantially greater

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<sup>1</sup> <https://www.cdc.gov/coronavirus/2019-ncov/more/pdf/CDC-Eviction-Moratorium-01292021.pdf>.

risk of spreading illness.<sup>2</sup> Moreover, communities of color have been hardest hit by illness and financial hardship; failure to act will exacerbate racial inequality and the racial wealth gap.

Already high levels of eviction filings have affected consumers' safety and household stability, rental records and credit scores. According to the Census Bureau, nearly [one in five](#) renters – disproportionately Black and Latino renters as compared to white renters – are behind on their rent. Experts estimate that these households already owe between [\\$34 billion](#) to nearly [\\$60 billion](#) in back rent. Without continued federal intervention, up to [30 million to 40 million](#) renters could lose their homes. When households are evicted, it can become even more difficult to find stable housing, pushing families [deeper into poverty](#) for years to come. Without significant federal intervention, our nation will experience an eviction crisis that will put lives at risk, undermine public health, and have long-term negative consequences that harm renters for years to come.

With respect to homeowners, the foreclosure moratorium for government-backed loans does not cover homeowners with private loans, including those with private loans on 2-4 family properties, or homeowners facing a foreclosure due to past-due taxes, homeowner association fees or payments on most manufactured homes. Yet all homeowners who are at risk of foreclosure need protection. The need for protection is especially dire in communities of color. The [U.S. Census Bureau's Household Pulse Survey](#) reports that 19% of Black borrowers, 14% of Hispanic borrowers, and 14% of Asian borrowers are not current on their mortgage payments, compared to 8% of white borrowers. [Analysis from the National Women's Law Center](#) consistently shows that Asian, Black, and Latina women are more likely to be behind on mortgage payments than white, non-Hispanic men. Approximately [650,000 borrowers](#) in forbearance have private mortgages (including portfolio and private label securities), which are not covered by the government-backed loan foreclosure moratorium. The Urban Institute has found that [35% of manufactured home owners](#) – who also are not protected by the existing foreclosure moratorium – work in the top five industries that have faced job loss due to COVID-19.

Many of these mortgage delinquencies may soon become foreclosure actions, and if we wait to act until there is a wave of foreclosures, it will be too late. For example, while many tax foreclosures were halted last year, they are restarting in many localities. In Philadelphia, 62% of homeowners delinquent on property taxes are not in a payment plan.

We urge the FTC and the CFPB to work together to use your authority, including under section 5 of the FTC Act, the Dodd-Frank Act, and the Fair Debt Collection Practices Act, to prevent or limit imminent rental evictions and home foreclosures not subject to existing protections. Bold action will protect the health and welfare of families, promote equity, and prevent avoidable foreclosures and evictions. These measures are needed in addition to other specific homeowner protections many of us have sought in our [letter to the CFPB](#) on January 28<sup>th</sup>.

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<sup>2</sup> Jowers, Kay and Timmins, Christopher D. and Bhavsar, Nrupen and Hu, Qihui and Marshall, Julia, Housing Precarity & the Covid-19 Pandemic: Impacts of Utility Disconnection and Eviction Moratoria on Infections and Deaths Across Us Counties (January 2021). NBER Working Paper No. w28394, *available at SSRN*: <https://ssrn.com/abstract=3772641>.

Thank you for your consideration. For further discussion or questions, please contact Alys Cohen, Staff Attorney at the National Consumer Law Center ([acohen@nclc.org](mailto:acohen@nclc.org)), Sarah Saadian, Vice President at the National Low Income Housing Coalition ([ssaadian@nlihc.org](mailto:ssaadian@nlihc.org)), or Lisa Sitkin, Senior Staff Attorney at the National Housing Law Project ([lsitkin@nhlp.org](mailto:lsitkin@nhlp.org)).

Sincerely,

National Consumer Law Center (on behalf of its low-income clients)  
National Low Income Housing Coalition  
National Housing Law Project  
Organization  
AARP  
ACCESS (Arab Community Center for Economic and Social Services)  
American Association Health and Disability  
Americans for Financial Reform Education Fund  
Association of Programs for Rural Independent Living (APRIL)  
Barbara Poppe and Associates  
Bend the Arc Jewish Action  
BRIDGE Housing  
Center for Community Progress  
Center for Law and Social Policy (CLASP)  
Center for LGBTQ Economic Advancement & Research  
Coalition on Human Needs  
Community Solutions  
Congregation of Our Lady of Charity of the Good Shepherd, U.S Provinces  
Consortium for Citizens With Disabilities (CCD) Housing Task Force  
Consumer Action  
Consumer Credit and Budget Counseling D/B/A National Foundation for Debt Management  
Consumer Federation of America  
Empowering Pacific Islander Communities (EPIC)  
Faith in Action  
Hispanic Health Network  
HomeFree-USA  
Invisible People  
Kearney, McWilliams & Davis  
Latino Commission on AIDS  
League of Women Voters of the United States  
Local Initiatives Support Corporation  
NAACP LEGAL DEFENSE AND EDUCATIONAL FUND, INC. (LDF)  
National Advocacy Center of the Sisters of the Good Shepherd  
National Affordable Housing Trust  
National Alliance of HUD Tenants  
National Alliance on Mental Illness  
National Association for Latino Community Asset Builders  
National Association of Consumer Advocates

National CAPACD  
National Center for Law and Economic Justice  
National Coalition for the Homeless  
National Community Development Association  
National Community Reinvestment Coalition  
National Council of Churches  
National Council of Jewish Women  
National Domestic Violence Hotline  
National Fair Housing Alliance  
National Health Care for the Homeless Council  
National Homelessness Law Center  
National Housing Resource Center  
National NeighborWorks Association  
National Network to End Domestic Violence  
National Organization for Women  
NeighborWorks Capital  
NETWORK Lobby for Catholic Social Justice  
New Hope  
NewWest Community Capital  
NOAAH Prime  
Olympus Consulting Group,LLC  
Operation Restoration  
Oxfam America  
Poverty & Race Research Action Council  
Prosperity Now  
Public Citizen  
Public Good Law Center  
Restaurant Opportunities Centers United  
RESULTS  
SchoolHouse Connection  
Seasoned Partners  
Siemer Institute  
Southern Poverty Law Center  
Start Early  
Technical Assistance Collaborative  
The Arc  
The Leadership Conference on Civil and Human Rights  
Triage Cancer  
U.S. PIRG Education Fund  
Union for Reform Judaism  
We Own It  
ZERO TO THREE