More than 30 housing organizations sent a letter to congressional leaders on Monday urging them to include rental assistance in the next economic relief package, according to a copy of the letter obtained by POLITICO.

“The funding must be sufficient to ensure that everyone who is impacted by COVID-19 does not lose their rental home due to a pandemic that is beyond their control or fall so far behind on rent that they face an increased likelihood of being evicted down the road,” the groups wrote.

The groups — which include the Mortgage Bankers Association, the National Low Income Housing Coalition and the National Multifamily Housing Council — represent a broad swath of the industry, including lenders, developers, consumer advocates and state and local housing agencies. It took weeks of negotiations to come to an agreement on calling for rental assistance,
according to National Housing Conference President and CEO David Dworkin, who coordinated the effort.

“In order to actually get rental assistance enacted into law, the industry, from conservative industry groups to progressive advocates, have got to be on the same page,” Dworkin said.

The groups diverged on the appropriate mechanism to distribute the money, he said, “because everybody has their favorite program, and every program has significant drawbacks to it. There is no perfect path.”

Some advocates want to funnel the money through the Department of Housing and Urban Development’s Emergency Solutions Grants program, for instance, while others want to give open-ended grants to governors. The final letter does not endorse a method, urging the “maximum amount of flexibility at the state and local level.”

While the CARES Act, H.R. 748 (116), passed by Congress in March, provided relief for homeowners — giving over 60 percent of borrowers the option to request up to a year’s suspension of their mortgage payments on federally backed loans — it did little for renters, who are more likely to be financially vulnerable in the first place.

The package paused evictions through July for tenants of federally backed buildings, but that only applies to about 1 in 4 rental units. The Federal Housing Finance Agency on Monday announced that Fannie Mae and Freddie Mac had created online databases where renters can look up whether their building has one of the covered mortgages.

Yet housing advocates fear renters will be hit with a wave of evictions once the moratorium is lifted.

“We believe that funding an emergency rental assistance program is essential to supporting the health and economic stability of millions of renters across the country who have been impacted by COVID-19 and to the continued availability of rental housing,” the housing groups wrote.

“Failure to act will not only threaten the stability of our housing finance system, but also imperil thousands of small business and non-profit property owners and their employees who live and work in thousands of communities all across the United States,” they added.

Because minorities are more likely to rent than own their homes — and a disproportionate number of blacks and Hispanics have lost jobs in the industries affected by shutdowns — the lack of government assistance for rent so far has raised fears that the economic shock will further widen the racial wealth gap, as the Great Recession did.

Key Democrats like House Financial Services Chairwoman Maxine Waters of California, Senate Banking ranking member Sherrod Brown of Ohio and Congressional Black Caucus Chairwoman
Karen Bass of California are pushing to include billions of dollars in rental assistance in the next economic relief bill.

Yet some Senate Republicans, including Majority Leader Mitch McConnell of Kentucky, are warning that the growing price tag of economic relief is unsustainable, setting up a showdown over the costs of all assistance going forward.

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