

**Congress of the United States**  
**Washington, DC 20515**

Speaker Nancy Pelosi  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

Minority Leader Kevin McCarthy  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-230, The Capitol  
Washington, DC 20510

The Honorable Charles Schumer  
Democratic Leader  
United States Senate  
S-220, The Capitol  
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, Leader Schumer:

We write to urge the inclusion of a national rent and mortgage forgiveness fund in the next COVID-19 relief package. As people are fighting for their lives and their communities against this pandemic, we cannot allow housing instability to exacerbate the challenges of meaningful and inclusive relief and recovery.

As we know, this unprecedented public health crisis has essentially brought our economy to a halt, wherein every week we see record breaking unemployment claims.<sup>1</sup> The International Monetary Fund has now projected the global economy will experience its worst recession since the Great Depression.<sup>2</sup> For families with little to no savings to fall back on, this has been, and will continue be, catastrophic as they try to keep food on the table, cover the cost of prescription drugs, or meet other expenses. Further, as state unemployment systems face an unprecedented and overwhelming demand, millions more are expected to lose their sources of income.<sup>3</sup>

With more cases than anywhere else in the country, New York has emerged as the “epicenter of the epicenter”. In dense, urban places like New York City, housing conditions and insecurity have compounded the epidemiological risks of COVID-19.<sup>4</sup> Tragically, poverty, overcrowded homes, and lack of government action are contributing to the crisis we are seeing unfold as many fear their inability to pay rent will result in homelessness.<sup>5</sup> Nationally, nearly half of all renters spend more than a third of their income on rent, while one-quarter of renters spend more than

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<sup>1</sup>U.S. Department of Labor, Unemployment Insurance Weekly Claims, April, 16, 2020, <https://www.dol.gov/ui/data.pdf>

<sup>2</sup> Silvia, Amaro, CNBC, “IMF says the world will ‘very likely’ experience worst recession since 1930s”, April 16, 2020, <https://www.cnbc.com/2020/04/14/imf-global-economy-to-contract-by-3percent-due-to-coronavirus.html>

<sup>3</sup> Tony Romn, Washington Post, “Underfunded, understaffed, and under siege: Unemployment offices nationwide are struggling to do their jobs”, April 6, 2020, <https://www.washingtonpost.com/business/2020/04/06/unemployment-benefits-coronavirus/>

<sup>4</sup>Lucy Block, Association for Neighborhood & Housing Development, April 25, 2019, <https://anhd.org/report/how-affordable-housing-threatened-your-neighborhood-2019>

<sup>5</sup> Annie Correal and Andrew Jacobs, New York Times, “A Tragedy is Unfolding: Inside New York's Virus Epicenter”, April 9, 2020, <https://www.nytimes.com/2020/04/09/nyregion/coronavirus-queens-corona-jackson-heights-elmhurst.html>

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half of their monthly earnings. According to experts, 57 percent of renters cannot afford an unexpected expense of \$400 with the money they have on hand.<sup>6</sup> For the working-class, immigrant, or impoverished populations found in urban places this pandemic has proved disastrous. As such, a national rent moratorium would ensure that these vulnerable communities remain housed.

While we were pleased to see that the recent CARES Act included critical provisions to support individuals and households experiencing housing instability, we must do more. The 120-day eviction moratorium in the CARES Act is an important first step, but we must assure the American people that they will not face insurmountable debt at the end of the moratorium. We also recognize that these provisions are limited to rental housing supported by federal housing programs, or federally-backed mortgages, which account for only one in four rental properties.<sup>7</sup>

Therefore, we urge the establishment of a fund administered by the Department of Housing and Urban Development (HUD) through which landlords would be reimbursed the cost of cancelling rent for their tenants and through which homeowners may access mortgage forgiveness for the duration of the pandemic, and for an additional six months after the pandemic is declared ended. This should be extended to anyone with a current residential lease, small private landlords, public housing authorities, nonprofit organizations or housing cooperatives. Further, any recipient of the fund should be subject to heightened tenant protections. Not only does HUD have the capacity to administer a program of this scale, but it would serve as a direct stimulus for the countless families that are facing unprecedented economic hardship. We need a universal program that will cover all renters without introducing costly bureaucratic measures that will slow the receipt of aid and preserve the already limited stock of affordable housing. Additionally, distressed asset investors are preparing to capitalize on, what they predict will be, regular bankruptcy auctions in the property market.<sup>8</sup> A mortgage forgiveness program would preserve homeownership for the many families whose accumulated wealth will otherwise be decimated by this crisis, and who will be disproportionately lower-income homeowners and people of color.

We have seen how this crisis has exposed the deeply entrenched inequities in our economic and housing system. Therefore, we urge you to include a universal, national rent and mortgage forgiveness fund in the next legislative package – and ensure that as families fight for their health, we protect their human right to stable housing.

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<sup>6</sup> Gianpaolo Baiocchi and H. Jacob Carlson, The New York Times, “The Case for a Rent Moratorium”, April 1, 2020, <https://www.nytimes.com/2020/04/01/opinion/coronavirus-rent-freeze.html>

<sup>7</sup>Laurie Goodman, Karan Kaul, Michael Neal, Urban Institute, “The CARES Act Eviction Moratorium Covers All Federally Financed Rentals – That’s One in Four U.S. Rental Units”, April 2, 2020, <https://www.urban.org/urban-wire/cares-act-eviction-moratorium-covers-all-federally-financed-rentals-thats-one-four-us-rental-units>

<sup>8</sup> Konrad Putzier and Peter Grant, “The Wall Street Journal, Real-Estate Investors Eye Potential Bonanza in Distressed Sales”, April 7, 2020, <https://www.wsj.com/articles/real-estate-investors-eye-potential-bonanza-in-distressed-sales-11586260801>

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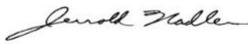
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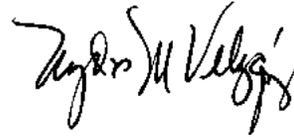
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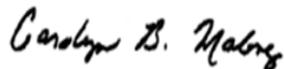
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