

Consumer, Civil Rights, and Housing Groups Call on U.S. Senate to Save Family Homes and Stop Evictions in Next COVID-19 Bill

FOR IMMEDIATE RELEASE: JULY 28, 2020

Contacts: Americans for Financial Reform: Diop Harris (diop@ourfinancialsecurity.org) or Linda Jun (linda@ourfinancialsecurity.org)

National Consumer Law Center: Jan Kruse (jkruse@nclc.org) or Alys Cohen (acohen@nclc.org)

Washington, D.C. – More than 50 consumer, civil rights, community, housing, and other public interest organizations sent a letter today to U.S. Senate leadership urging inclusion of mortgage and rental protections for families in the next COVID-19 legislation.

In the letter, the groups, which include Americans for Financial Reform, the National Consumer Law Center, the Leadership Conference for Civil and Human Rights, NAACP, and UnidosUS wrote:

“For many Americans, their home is their greatest asset and largest financial investment. But more than that, home is the place that provides families with safety and security in times of crisis. Especially now, when staying home is the best protection against contracting or infecting others with COVID-19, it is critical that Congress enact common-sense mortgage protections that will make it possible for American homeowners to keep their homes and provide them with the stability they need to rebuild. A healthy housing market also requires access to safe and affordable mortgage credit, which not only supports the economic recovery but ensures that the benefits of recovery are broadly shared. While the CARES Act provided important protections for homeowners with government-backed mortgages, these protections need to be expanded to the entire market and refined to provide more comprehensive assistance, especially when borrowers must repay deferred payment amounts. Homeowners who have obtained a forbearance should not be forced into foreclosure before they can make affordable repayment arrangements.”

“The next recovery package must prevent unnecessary foreclosures by providing homeowners with the relief they need to withstand the economic distress caused by the COVID-19 pandemic and preserve long-term homeownership. Congress should expand on the CARES Act by:

- Providing temporary payment relief to homeowners facing a financial hardship due to COVID-19 that interferes with the ability to make mortgage payments, regardless of whether the loan is federally-backed;
- Placing a temporary moratorium on foreclosures and similar actions while a homeowner is in forbearance or seeking post-forbearance repayment arrangements;
- Requiring that all homeowners, regardless of mortgage loan type, be offered an opportunity to resume regular payments, or obtain a more affordable payment where needed, after a temporary payment halt and before any foreclosure begins;
- Requiring that homeowners who are at least 60 days late on their mortgage payments be provided an automatic forbearance;
- Ensuring that all homeowners receive notice of their options if they are facing a COVID-19 hardship, including in-language communications for borrowers with limited English proficiency and information about housing counseling;

- Enacting policies that encourage the mortgage industry to offer broad access to safe and affordable credit; and
- Establishing a mortgage assistance fund to help homeowners who need emergency financial assistance to stay in their homes.

“We urge you to include these mortgage provisions in the next COVID-19 relief legislation. They will provide homeowners the temporary relief they need to get back on their feet and successfully rebuild their lives. Extending mortgage protections will allow more homeowners to save their homes, resulting in more stable communities and a faster economic recovery. Rental assistance is also critical to prevent wide-scale evictions.”