



We build strength, stability, self-reliance *and* shelter.

Recommendations to Congress on Federal COVID-19 Stimulus Package

With the spread of the COVID-19 pandemic, families are facing both a health crisis and an economic crisis. Employers are cutting back hours and laying off workers by the thousands, especially those in the service sector. The economic fallout will continue to grow before it gets better.

We need economic relief. And while people await this relief, we need to make sure people remain stably housed.

The growing economic shock puts hundreds of thousands of households at risk of foreclosure or eviction. With housing costs already consuming more than half of monthly income for 18 million households across the U.S., millions of individuals and families have little or no margin for lost income or new health costs.

Housing stability is critical during this time for renters and homeowners across the housing spectrum. Our capacity to mitigate and respond to the coronavirus pandemic is greatly impaired when people lose their homes. You can't shelter in place, self-quarantine or regularly wash your hands if you don't have a home. And you can't take care of your health to reduce your risk of exacerbating health conditions if you're living on the street or in an unhealthy housing situation.

We need to do everything we can as a nation to make sure all of us have a stable place to call home during this health crisis. We call on the public and private sector to work together to get ahead of the impending housing crunch and help people stay in their homes. Specifically, we ask the federal government to:

- **Offer mortgage payment forbearance for 3-6 months.** Mortgage servicers should be required to allow homeowners to defer payments for a grace period of at least three months without reporting missed payments to credit agencies, and without assessing late fees. If this cannot be required of all mortgage servicers, it should at least be required of those servicing loans insured by federal agencies and government-sponsored enterprises like Fannie Mae and Freddie Mac. Forbearance would provide time for unemployment insurance or other assistance to arrive, for businesses to reopen, and for the crisis to pass. A national grace period would be easiest to administer. If it is important to narrow forbearance, it should be targeted to low- and moderate-income households and other property owners earning up to 120% of median income.
- **Provide grants to bona-fide nonprofit lenders to enable extended-period-of payment forbearance to low-income homeowners impacted by COVID-19.** For nonprofit lenders such as Habitat for Humanity, a loss of mortgage revenue has a substantial and immediate impact on their ability to do their work. Financial assistance to offset delayed payments is especially helpful. "Bona-fide nonprofit lenders" could be defined using the criteria established in the SAFE ACT Final Rule from HUD.
- **Issue a national moratorium on foreclosures and evictions.** During Hurricane Harvey, Freddie Mac suspended evictions and foreclosures on homes that were secured by Freddie Mac-owned or guaranteed mortgages. With us now facing a national health emergency, a national moratorium on foreclosures and evictions should apply at least to homes or apartment properties with mortgages guaranteed or insured by Fannie Mae, Freddie Mac, the Federal Housing Administration, the Department of Veteran Affairs and the Rural Housing Service. Better still would be a blanket short-term prohibition on foreclosures or evictions to protect homeowners and renters across the board.



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- **Offer a short-term basic income supplement** to get cash quickly and directly into the hands of low-to-moderate income workers, individuals and families affected by the crisis. This should be enough—e.g. up to \$6,000—to provide basic living expense support for three months, including housing, food and medical. For those out of work or with reduced hours, it will offer stabilization. For those still at work, it will help to cover the extra costs incurred because of the crisis such as medicine and food, pay down debt, or otherwise provide stimulus to the economy. Ideally it would be targeted to those earning no more than 120% of median income.
- **Provide commercial stabilization assistance for small businesses and non-profits.** Commercial tenants also face eviction threats and will need help meeting payroll during this unprecedented crisis. Assistance through the Small Business Administration or other entities should be interest-free loans for non-profits. Given the breath and urgency of delivering assistance, the SBA should explore partnerships with national organizations that can help expedite loans, such as Habitat for Humanity with its network of Habitat ReStores.
- **Relax grant performance requirements in federally assisted housing grants.** For providers of stable, affordable homes partnering with the federal government, an extension of grant performance requirements (e.g. deadlines) is especially helpful as project work slows.

Now is the time for action. During the 2008 financial crisis, we saw the devastating impact that foreclosures have on families, our communities and our economy. The fast-moving challenge posed by the coronavirus adds another urgent reason to ensure that people do not lose their home, given the critical need for people to “shelter at home” while sick.

At Habitat for Humanity, we will remain dedicated to ensuring families and individuals remain stably housed during these uncertain times. We urge the federal government to join us in this critical endeavor.

For more information, contact:

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