

United States Senate

WASHINGTON, DC 20510

March 9, 2020

The Honorable Ben Carson
Secretary
U.S. Department of Housing and Urban
Development
451 7th Street SW
Washington, D.C. 20410

Hugh R. Frater
Chief Executive Officer
Fannie Mae
Midtown Center
1100 15th Street NW
Washington, D.C. 20005

The Honorable Brian Montgomery
Assistant Secretary for Housing - Federal
Housing Commissioner
U.S. Department of Housing and Urban
Development
451 7th Street SW
Washington, D.C. 20410

David Brickman
Chief Executive Officer
Freddie Mac
8200 Jones Branch Drive
McLean, VA 22102

Dear Secretary Carson, Assistant Secretary Montgomery, Mr. Frater, and Mr. Brickman:

As the United States mobilizes to respond to the recent outbreak and spread of COVID-19, the novel coronavirus, we write to urge you to provide servicers with guidance in order to help facilitate access to affordable mortgage credit to affected borrowers, consistent with safety and soundness of the housing finance system.

As you may well know, the novel coronavirus has sickened more than 108,000 people around the world, and killed more than 3,500 people to date. While this situation is rapidly evolving in the United States, the Centers for Disease Control and Prevention (CDC) has said the potential public health threat posed by COVID-19 is very high and the spread of the disease in other countries shines a light on the need for a whole-of-society response.¹ Much of the U.S. response has been appropriately focused on access to testing and medical care, with Congress poised to allocate substantial resources to fighting this virus. The Federal Reserve has also recently made a decision to cut interest rates in an effort to address any macroeconomic impacts. It is now vital that the broader financial system follow suit by assuring consumers that their economic circumstances – and in particular their credit scores – will not be negatively impacted by this crisis.

On March 3, 2020, the CDC issued an interim guidance recommending that specific community actions be taken to limit exposure to the virus,² on top of previously recommended community-based interventions in the event of a COVID-19 outbreak such as school dismissals, event cancellations, social distancing, and creating employee plans to work remotely.³ While the spread of COVID-19 is likely to affect different individuals, families, and communities

¹ <https://www.cdc.gov/coronavirus/2019-ncov/summary.html>

² <https://www.cdc.gov/coronavirus/2019-ncov/php/risk-assessment.html>

³ https://www.cdc.gov/coronavirus/2019-ncov/community/index.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fpreparing-individuals-communities.html

differently, it is increasingly likely that a significant number of Americans will need to practice social distancing in some way. No one should be penalized financially or suffer financial duress for following CDC guidance.

As Americans seek to comply with CDC guidance and protect the well-being of their families, many borrowers may face negative shocks to household finances, including challenges with mortgage payments, among other financial obligations. Accordingly, we urge you to issue guidance to mortgage servicers in order to help borrowers navigate the broader financial effects of the coronavirus. This includes authorizing servicers to suspend or reduce a homeowner's mortgage payments immediately if the servicer believes the homeowner's financial circumstances are affected by the virus, waiving late fees, and suspending credit bureau reporting, foreclosures and other legal proceedings as necessary, in order to help families cope with the effects of this health emergency.

We look forward to hearing swiftly from you about what steps you will take to provide guidance to servicers seeking to assist borrowers during this challenging time. Ensuring appropriate containment of COVID-19 is a community effort, and it is imperative that our housing finance system works to prioritize the financial, mental and physical well-being of borrowers. Thank you in advance for your prompt attention to this matter. We are anxious to hear your response.

Sincerely,



Mark R. Warner
United States Senator



Sherrod Brown
United States Senator

cc: The Honorable Mark A. Calabria, Director, Federal Housing Finance Agency