



## **COVID-19 Housing and Economic Response Priorities**

The rapid spread of the COVID-19 virus jeopardizes the lives and well-being of millions of people in the United States and threatens to bring the economy to a screeching halt. Every measure must be taken to keep the public safe and stably-housed to avoid further spread of the virus and to protect against the economic impact of a financial crisis of historic proportions. There is an urgent need for a federal response that is matched to the gravity of the situation; one designed and managed in a just and equitable manner. The federal government must assure the country that we will all be able to weather the potential health consequences of the virus and the income and other financial losses we will face. It must also ensure that all residents of the United States have fair and equitable access to the assistance that they need and the resources being deployed, without regard to race, national origin, religion, sex, family status, disability or other characteristics protected under our civil rights laws.

In times of crisis, legislative and administrative responses rarely are tailored to meet the specific needs of the hardest hit communities. These tend to be communities of color, people with disabilities, and women, all of whom already bear the brunt of the injustices in our economic and housing markets. They are the most likely to experience the greatest financial hardships, have lower levels of net worth to leverage, are the least likely to have personal safety nets to fall back on and are the least likely to benefit from government bailouts. This is true during both the crisis and the recovery periods. These communities still today, disproportionately, have not yet recovered from the Great Recession. The federal COVID-19 response must reflect and rectify this reality.

Below are NFHA's recommendations for federal policy responses to the COVID-19 crisis.

### **The Federal Response Must be Fair and Non-discriminatory**

- The federal government must adopt and enforce a policy that prohibits its officials from associating COVID-19 with any particular geographic region, country or nationality and should both follow and promote the [World Health Organization policies](#) for avoiding social stigma associated with the disease.
- Federal agencies must ensure that the state and local entities to which they provide funds are aware of their civil rights obligations under the Fair Housing Act, Title VI, and the Stafford Act and any other applicable statute, and must conduct oversight to ensure their compliance. Agencies must ensure that programs and activities are carried out in a manner that affirmatively furthers fair housing. The [2016 interagency Title VI guidance](#) may be helpful in this regard.
- Because nearly ten percent of the U.S. population is not proficient in English, the federal government must take the steps necessary to ensure that language barriers do not prevent any person from obtaining the information they need and the assistance for which they are eligible during this crisis.

## **Housing Market and Economic Stabilization Measures**

- For a minimum of 12 months, the following measures should be put in place with a commitment to re-evaluate the need for an extension at a later date:
  - Moratorium on foreclosures and foreclosure-related evictions.
  - Moratorium on rental evictions.
  - Moratorium on consumer and business credit payments – including mortgages, car, student, and personal loans, and credit cards.
  - Moratorium on negative consumer credit reporting. NFHA supports [S. 3508](#), (Sens. Brown [OH] and Schatz [HI]).
  - Suspend rental payments for all federally-subsidized housing programs and facilities.
  - Moratorium on debt collection and wage garnishment.
- Provide every person with a stimulus payment to offset job loss and other income loss during the pandemic. NFHA supports the payment schedule proposed by Rep. Joe Kennedy, III.
- Suspend work and community service requirements in federal housing programs for the duration of the crisis.
- Suspend all federal rulemaking and regulatory actions including requests for information, notices under the Paperwork Reduction Act, notices of proposed rulemaking, advance notices of proposed rulemaking, ongoing development of potential regulations, or issuance of final rules, and any other such releases except any agency actions directly related to COVID-19, the health and safety of the U.S. population, or the financial and economic collateral damage of the health crisis (including rulemaking to extend statutory or regulatory deadlines during this period until after the crisis as necessary).
- Provide rental payment subsidies to people who are unable to pay their rent due to the COVID-19 crisis.
- Upon consumer request, creditors must be required to report accounts with a natural disaster reporting code, so that information that would normally have a negative impact on a consumer's credit history is neutralized. Credit modeling agencies must be prohibited from including negative information from accounts with a natural disaster reporting code in the calculation of a consumers' credit scores. Positive information that may already be contained in a consumer's file shall be retained in the file and be used to determine the consumer's credit rating or profile.

## **Infusions into Critical Homelessness and Housing Assistance Programs**

- Provide \$5 billion in emergency homeless assistance funding to help state and local governments to pay for emergency housing and health services for people experiencing homelessness during the pandemic via the McKinney-Vento Emergency Solutions Grant.
- Provide \$5 billion in short-term rental assistance to keep families in their homes.
- Pass \$10 billion in CDBG grants to provide states and jurisdictions with flexible funding to address immediate housing, community development, and health-related needs, including mobile healthcare services.

## **Measures to Ensure Access to Justice for Victims of Housing and Lending Discrimination and Underserved Communities**

- HUD must establish a policy to ensure that complaints submitted during a time in which HUD's capacity may be limited are not timed out for statute of limitations purposes.
- HUD must establish a process for ensuring that fair housing complaints can be accepted by phone so that people with disabilities who may not be able to use the online complaint system can submit a complaint. Discrimination frequently increases during a crisis, and all members of the public must be able to submit complaints.
- For Fair Housing Initiatives Program (FHIP) grant purposes, HUD must:
  - Provide grantees with guidance describing the process for receiving extensions and changing grant deliverables as may be necessary to protect the health of agency staff and the public.
  - Provide gap funding for recipients whose grants have or will soon expire until new funding is provided.
- Provide \$290 million for fair housing enforcement. Of this, \$55 million emergency funding should go to the Fair Housing Initiatives Program and \$35 million should go to state and local agencies to ensure they have the necessary resources to respond to and investigate elevated levels of housing discrimination. An additional \$200 million should be used to fully staff HUD's office of Fair Housing and Equal Opportunity so it has sufficient capacity to process elevated levels of complaints and to monitor the management and design of HUD pandemic response programs.
- Include strong data collection and public reporting requirements in all pandemic-related programs to ensure they are being administered in a fair and equitable manner and not enabling discrimination.
- Pass legislation prohibiting source of income discrimination to ensure people receiving a Housing Choice Voucher, or those who receive other public assistance, can be stably-housed.

## **Support to Small Businesses and Non-Profit Organizations Working on the Ground**

- The Federal Reserve must implement a special zero percent interest program using its discount window so that financial institutions can make zero or low-interest lines of credit available to non-profit organizations and small businesses.

## **Addressing Needs Beyond the End of the Pandemic**

- Provide \$100 billion in funding to stabilize neighborhoods that are hard-hit by the COVID-19 crisis, similar to the Neighborhood Stabilization Program that was instituted in the aftermath of the 2008 foreclosure crisis. All programs and activities supported by this funding must be implemented in a manner that affirmatively furthers fair housing.
- Pass H.R. 5187, the [Housing is Infrastructure Act](#), (Rep. Waters – CA) to support \$100 billion in infrastructure spending to meet long-term national affordable housing needs.

- Ensure that foreclosed (Real Estate Owned, or REO) properties are maintained and managed in accordance with the Fair Housing Act, and that potential purchasers who will be owner-occupants of these properties will be given preferential treatment to bid on them.
- Pass H.R. 149, the [Housing Fairness Act](#), (Rep. Green -TX) to strengthen the Fair Housing Initiatives Program and provide greater funding to assist victims of housing discrimination throughout local housing markets.
- Ensure that mortgage servicers provide long-term, affordable loan modifications to all residential mortgage borrowers who are unable to bring their mortgages current, including waivers of late charges and all other default-related charges.

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