

RENT AND MORTGAGE CANCELLATION ACT

The federal government must take urgent action to protect renters, prevent unprecedented displacement, and to guard against 2008-style disastrous real estate speculation bonanza. We must address the current coronavirus housing crisis, and set our country on a new path towards a Homes Guarantee.

Even before the pandemic, 47% of renters spent more than a third of their income on rent, while 25 million people paid more than half of their income to their landlord. According to estimates from the Survey of Household Economics and Decisionmaking, 57% of renters could not afford a \$400 unexpected expense.

Now, due to layoffs and mass unemployment, even more renters are making choices between food and rent, accruing debts, and at risk of being forced from their homes. According to the National Multifamily Housing Council, one-third of renters nationwide did not pay April rent. Millions more will be unable to pay in May.

Congress must protect our nation's renters by cancelling all rent and mortgage payments immediately.

H.R. 6515, the Rent and Mortgage Cancellation Act, introduced by Rep. Ilhan Omar (D-MN) on April 17, calls for:

- ✓ Rent payment suspension for the duration of the crisis, meaning no rent obligation, no late fees, no debts, no retaliation;
- ✓ Mortgage payment suspension for the duration of the crisis, meaning no mortgage payments, no debts, and no retaliation;
- ✓ Enforcement of the suspensions, including civil action against, and steep penalties for, any violators;
- ✓ Relief for some property owners, conditioned on a set of critical tenant protections; and,
- ✓ A buyout fund to prevent massive corporate purchases and real estate speculation, like what occurred after the 2008 crisis, and to begin a transition to social housing.

Congress should use H.R. 6515 as the model for negotiating immediate rent and mortgage suspension.

Without rent and mortgage suspension, other policies fall short. An eviction moratorium is a fine start, but it is not enough. Moratorium periods will end, and tenants will face a pile of debt and potentially mass evictions. Rental assistance puts the burden on the tenant to apply for relief, and means-testing and other restrictions will mean that rental assistance misses large segments of those who need it most

The Rent and Mortgage Cancellation Act, providing for a federal rent and mortgage suspension, is the only policy solution designed to bring necessary relief to renters and property owners in the midst of a crisis, and it begins to lay the groundwork for the longer-term Homes Guarantee we need. We urge all legislators and allies to support this legislation.