



DAVID E. RYU
COUNCILMEMBER, FOURTH DISTRICT

March 27, 2020

Hon. Maxine Waters
Chair, House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

RE: Rent and Mortgage Payments during COVID-19 Crisis

Dear Chairperson Waters,

Thank you for your leadership in Congress, and for your important proposals to provide relief to the American people suffering during this unprecedented time. I write today to urge you to consider legislation regulating mortgages and rent payments during this global pandemic of the Coronavirus (COVID-19).

The critical and necessary steps that multiple levels of government have taken to keep people at home are necessary to slow the spread of this virus and will save millions of lives. As difficult and disruptive as these changes are, they are in the best interest of the safety and security of our people.

We need a temporary suspension and forgiveness of mortgage payments for both single-family residences and commercial residential properties (in particular for small businesses). Equally important, we need a suspension and forgiveness of rent, full or partial, for all renters or, at least, those impacted by the Coronavirus. The majority of Los Angeles residents rent their home, and this period of time during the Coronavirus crisis should not force people into insurmountable debt. The federal government needs to require the banks and lenders to suspend mortgages, including the accrual of interest and to provide financial relief for landlords, so that we can forgive rent payments for tenants who are unable to pay during this crisis.

The longer the crisis goes on, the more devastating the economic impact will be for both our working families and the most vulnerable among us. In just under two weeks in California, more than one million people have filed for unemployment benefits. Here in Los Angeles, the entertainment capital of the world, we have an extraordinary number of freelancers who work project-to-project, and billions of dollars of our local economy

depend on the tourism trade – including many hourly workers in service jobs – that have largely disappeared.

Locally, we are taking steps to protect tenants the best we can. We have halted evictions due to job loss from the Coronavirus, and I am urging the City to freeze all rent increases and utility increases during this time. I applaud Governor Newsom's efforts to secure agreements with four of the five largest banks for a moratorium on mortgage payments for 90 days.

But we must go further.

Job losses are already staggering and renters or homeowners who lose their jobs will not be made whole by a one-time \$1200 payment, as proposed in the current federal stimulus. Thank you for your proposals and legislation you have already proposed along these lines, and I urge you to continue this important work.

While eviction moratoriums are in place in many jurisdictions for both mortgage and rent, the eventual payback requirements will be impossible. If this crisis lasts for months, and back rent or mortgages are required to be paid back in a number of months, that burden will be too high to bear for America's working families. Many people will be facing the prospect of double rent or double mortgage. We were all stunned by this pandemic, and our working families should not be pushed further into debt because of a crisis they could not have predicted.

A staggering number of Californians are already severely rent-burdened: One study estimated 721,000 people in LA County spend more than 50% of their income on rent. Without substantial and ongoing support, we could be facing a swift and dire exacerbation of our homelessness crisis. California's workers are California's economy - and if we don't protect them now, we won't have an economy to rebuild when this crisis is over.

I urge you to take action to provide relief for renters and homeowners alike and I thank you on behalf of all Angelenos.

Sincerely,

A handwritten signature in dark ink, appearing to read 'David E. Ryu', with a stylized flourish at the end.

David E. Ryu
Councilmember, City of Los Angeles, District Four