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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

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June 12, 2020

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

Dear Mr. Frater:

On March 13, 2020, President Trump declared a national emergency in response to widespread transmission of the novel coronavirus disease (COVID-19). Within two weeks, Congress responded to the COVID-19 emergency by passing the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Since that time, nearly two million Americans have contracted COVID-19, and over a hundred thousand Americans have fallen victim to this deadly virus. The unemployment rate has tripled in three months and the Federal Reserve Bank expects the economy to contract by six and a half percent by year's end.

Congress crafted Section 4024 of the CARES Act (Section 4024) to protect renters from displacement and possible homelessness in the midst of the pandemic. Specifically, Section 4024(b) prohibits property owners from initiating eviction proceedings or "charg[ing] fees, penalties, or other charges" for the nonpayment of rent if the property has a federally-backed mortgage, including a Fannie Mae-backed mortgage, or the property or a tenant is assisted under a federal program, for 120 days from the CARES Act's enactment.

However, there have been numerous reports from around the country of property owners making eviction filings in contravention to CARES Act protections. My office recently received information indicating that a number of properties owned by private equity investors and financed with Fannie Mae-backed loans have initiated evictions since the CARES Act passed. If true, these eviction filings indicate that property owners may not be complying with the law, and tenants may not be fully aware of their protections under the CARES Act. Wrongful evictions would not only be a violation of the law, but could have devastating health and economic consequences for the tenants involved.

As our nation continues its efforts to overcome the health and economic consequences of the COVID-19 pandemic, it is critical that Fannie Mae is taking all steps necessary to ensure that the owners of properties with mortgages backed by the enterprise are complying with federal law, including Section 4024. As such, I ask that you please respond to the following questions by June 19, 2020.

- Is Fannie Mae aware of any evictions filed since March 27, 2020, for nonpayment of rent at any properties with mortgages backed by your corporation? If so, please provide the number of eviction filings of which you are aware and the number of unique property owners that initiated these evictions.
- If there have been any eviction filings in violation of the CARES Act, what steps has Fannie Mae taken to halt any prohibited filings; remedy any harm done to tenants' credit and rental records; help any tenants who were wrongfully displaced; and prevent any future improper eviction filings?
- What steps has Fannie Mae taken to ensure that all tenants in properties whose loans it guarantees are fully informed of their rights under the CARES Act? Has Fannie Mae required property owners to notify all tenants of their rights under Section 4024? If so, how has that information been conveyed to property owners? If not, why not?

It is not the job of journalists and advocates to review court dockets to understand whether all parties are complying with the law – that is your job. To protect tenants as required by the law, Fannie Mae must proactively ensure compliance with this provision. Now is the time to prevent evictions, which are devastating to tenants' lives and health and place additional economic strain on families and individuals who are already reeling from the effects of the pandemic. Thank you for your prompt attention to this urgent matter.

Sincerely,



Sherrod Brown  
Ranking Member