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# United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

GREGG RICHARD, STAFF DIRECTOR  
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June 15, 2020

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

Dear Mr. Frater:

Multifamily properties provide housing for millions of people across the United States. The Government Sponsored Enterprises (GSEs) support renters and the multifamily housing market by providing access to credit for owners of these properties. Federally backed properties include both market rate apartments as well as affordable housing for low-income seniors, persons with disabilities, and families, among others. Multifamily loans also finance manufactured housing communities, which provide additional housing options for millions of people.

To support renters and the multifamily housing market during the COVID-19 emergency, Congress included multifamily loan forbearance and renter protections in H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Specifically, Section 4023 of the CARES Act requires lenders to provide eligible property owners with a federally backed loan mortgage forbearance of up to 90 days. During the forbearance period, property owners must suspend evictions and late fees related to the nonpayment of rent and may not issue a 30-day notice to vacate the property until after the forbearance period. Property owners are eligible for a 30-day forbearance with the option of extending this forbearance for two additional 30-day periods.

It has been 11 weeks since the CARES Act was passed, and while many borrowers have received forbearance under Section 4023, I am not aware of any requirement imposed by Fannie Mae that those borrowers notify tenants of their protections. I request that you immediately require borrowers who are granted forbearance to clearly post standard notification to tenants, including manufactured housing community residents renting their unit or pad, of their protections under Section 4023. This notification should include: the dates on which the forbearance and eviction protection will begin and end, information about the protections from eviction and additional fees, notification of renters' obligations to pay rental arrearages that accrue during the forbearance, and contact information for the appropriate property management agent to whom renters can address any questions about their rights. Any notification should be updated at the time the forbearance ends to provide renters sufficient notice of their rights and obligations.

Our states, communities, and health care providers are still working to treat those exposed to COVID-19 and to prevent further spread of the disease. It is critical for individual and public health that renters are protected from eviction in the midst of the crisis. The renter protections contained in the CARES Act will help provide basic support to families and communities recovering from the health, social, and economic effects of the COVID-19 pandemic.

As Fannie Mae continues to work in support of our national response to the COVID-19 pandemic, I ask that you provide an update on the implementation of the multifamily mortgage forbearance program. In that update, please confirm whether Fannie Mae has required all borrowers in forbearance under Section 4023 of the CARES Act to provide a standard notification to tenants with the information described above and the date on which you put that requirement in place. If Fannie Mae has not yet required borrowers to provide such a notice, please provide information on when you will require borrowers to provide this information to tenants. Please provide this update by June 21, 2020.

Thank you for your prompt attention to this important issue.

Sincerely,

A handwritten signature in blue ink that reads "Sherrod Brown". The signature is written in a cursive, slightly slanted style.

Sherrod Brown  
Ranking Member