



June 23, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Leaders McConnell and Schumer:

On May 27th, the New York State Legislature passed legislation to provide substantial yet sensible mortgage forbearance options to help homeowners weather the COVID-19 pandemic. It was signed into law by Governor Andrew Cuomo on June 17th.

This legislation (S8243C - Kavanagh/Kaminsky, A10351B - Rozic) passed with broad, bipartisan support, by a vote of 61 to 0 in the State Senate and 111 to 33 in the Assembly. It will provide New York State homeowners who are experiencing financial hardship because of COVID-19 six months of forbearance—which can be extended an additional six months if the hardship continues—on mortgages issued or serviced by state-regulated financial institutions. The legislation offers several repayment options:

1. Homeowners may choose to extend the duration of their mortgage for a period equal to the period of forbearance they receive;
2. they may choose to spread out the total forborne amount, prorated monthly across the remainder of their mortgage; or

3. the homeowner may reach a separate agreement with their servicer, and if they are unable to do so, may elect to repay the forbore amount in a non-interest-bearing lump sum payment due at the maturity of the mortgage.

While this law will help keep tens of thousands of New Yorkers with state-regulated mortgages from losing their homes, a large majority of homeowners in New York and around the nation hold mortgages that are not issued or serviced by a financial institution regulated by the state in which they live. We are therefore calling on you to support legislation that would extend these protections to every homeowner in the country, regardless of who issued or services the loan.

Due to Congressional action, millions of New Yorkers have received assistance to help them weather this dual public health and economic crisis, including forbearance for homeowners with federally backed mortgages. We particularly acknowledge the leadership of our home state Senator, Leader Schumer, in ensuring that the CARES Act included \$5.1 billion in funding for New Yorkers, and also granted up to a year of forbearance to hundreds of thousands in our state. However, we are concerned that when the existing forbearance on federally backed mortgages expires, many homeowners will face great difficulties in covering payments that have accumulated during the forbearance. Under current federal and state laws, those homeowners whose mortgages are through nationally chartered banks, or from banks chartered by states other than their own, may have no forbearance protection at all if their mortgage is not federally backed.

We ask, as a bipartisan group of state legislators, that you ensure that every homeowner experiencing hardship during this crisis is eligible for forbearance and has the tools necessary to remain in their homes without a lingering financial burden as the crisis abates and their forbearance period expires.

We are encouraged to see the House of Representatives has already taken steps to address this issue facing our nation's homeowners. The Health and Economic Recovery Omnibus Emergency Solutions Act (H.R. 6800, or "the HEROES Act"), which the House recently passed, includes the provisions of the COVID-19 Mortgage Relief Act (H.R. 6741 - Clay), which would provide similar mechanisms for every homeowner in America to both receive forbearance, and repay that forbearance as allowed by the New York State law.

The HEROES Act also prohibits any negative credit reporting resulting from the election of any forbearance option; and it ensures that homeowners will not be charged additional fees or penalties, or be forced to pay any more interest than they would have paid under their original loan agreement. Passing these provisions on the federal level—and applying them to all home mortgages, not just

those that are federally backed—will help relieve the financial stress that many homeowners are currently facing and contribute to a rapid recovery once this public health crisis passes.

We understand that Senator Schumer supports these provisions, and thank you for that. We strongly urge you to work together with your respective Senate conferences and your colleagues in the House of Representatives to ensure that this legislation is enacted as soon as possible. We thank you for your leadership.

Sincerely,



Brian Kavanagh
Senate District 26



Todd Kaminsky
Senate District 9



Nily Rozic
Assembly District 25

ADDITIONAL SIGNATORIES:

Monica Martinez, SD 3
James Gaughran, SD 5
Kevin Thomas, SD 6
Anna Kaplan, SD 7
John Brooks, SD 8
James Sanders, SD 10
John Liu, SD 11
Jessica Ramos, SD 13
Leroy Comrie, SD 14
Joseph Addabbo, SD 15
Toby Ann Stavisky, SD 15
Roxanne Persaud, SD 19
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Brad Hoylman, SD 27
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Jen Metzger, SD 42
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Linda Rosenthal, AD 67
Robert Rodriguez, AD 68

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Jeffrey Dinowitz, AD 81
Carmen Arroyo, AD 84
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Sandy Galef, AD 95
Ellen Jaffee, AD 97
Kevin Cahill, AD 103
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John McDonald, AD 108
Pat Fahy, AD 109
Barbara Lifton, AD 125
Al Stirpe, AD 127
William Magnarelli, AD 129
Harry Bronson, AD 138
Monica Wallace, AD 143