



**U.S. Housing and Urban Development Secretary Benjamin S. Carson, Sr.
Testimony before the Senate Committee on Banking, Housing
and Urban Affairs
June 9, 2020**

Chairman Crapo, Ranking Member Brown, and members of the Committee, thank you for this opportunity to discuss the steps the U.S. Department of Housing and Urban Development (HUD) is taking to maximize our nation's response to the COVID-19 National Emergency. These actions reflect both my work with the White House Coronavirus Task Force and the measures developed at HUD to protect the health and safety of the American public.

I want to begin by recognizing the unprecedented healthcare and economic challenges facing Americans today. This disease is impacting families and communities across the nation. As HUD Secretary, my highest priority has been to ensure Americans don't lose their homes and to safeguard those at greatest risk of the virus – including homeless and low-income communities.

I also want to thank our nation's medical professionals and first-line responders who have sacrificed so much to keep Americans safe and healthy. As a medical doctor, I am inspired daily by their unwavering commitment to their fellow citizens.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 27, President Trump signed into law the CARES Act. In total, the CARES Act provided more than \$12 billion in funding to HUD programs. Recognizing the unprecedented nature of the global pandemic, I directed my staff to immediately begin the process of getting these funds to communities most impacted by COVID-19.

As of the beginning of the month, HUD has announced allocations for over \$6 billion in funding. This includes:

- \$3 billion in Community Development Block Grant (CDBG) funds
- \$1 billion in Emergency Solutions Grant (ESG) funds
- \$685 million for the Public Housing Operating fund

- \$380 million for Tenant Based Rental Assistance (TBRA)
- \$800 million in Project Based Rental Assistance (PBRA)
- \$200 million in Indian Housing Block Grant (IHBG) funds
- \$75 million for the Section 811 Mainstream Housing Choice Voucher program
- \$65 million in Housing Opportunities for Persons with AIDS (HOPWA) funds

In the coming weeks, HUD will continue to expedite getting the funding provided by the CARES Act into the hands of communities.

Federal Housing Administration (FHA)

Prior to the passage of the CARES Act, FHA acted quickly to help protect single-family homeowners who lost their jobs or were experiencing economic hardship as a result of COVID-19 by implementing a 60-day moratorium on foreclosures and evictions, which was subsequently extended through June 30. The CARES Act also provided a 120-day eviction moratorium for tenants in certain Federally-supported rental properties, including properties with FHA-insured single-family or multifamily mortgages.

FHA further announced a tailored set of mortgage payment relief options for single-family homeowners with FHA-insured mortgages who are experiencing financial hardship because of the pandemic. This includes CARES Act forbearance, which allows borrowers to request up to six months of forbearance and extend for up to six months. Also included was an extension period for calling a loan due for those with a Home Equity Conversion Mortgages (HECM).

FHA also implemented the COVID-19 National Emergency Standalone Partial Claim for borrowers on forbearance. This option will help eligible homeowners resume their mortgage payments and avoid a “lump sum” repayment of arrears by deferring repayment to the end of the mortgage.

Ginnie Mae

Ginnie Mae expanded its pass-through assistance program (PTAP) to help address potential issuer liquidity challenges caused by borrower forbearance requirements implemented by FHA and other Federal mortgage insurance programs. PTAP provides last-resort financing to cover the difference between issuers’ available funds and scheduled payment of principal and interest (P&I) to mortgage-backed security (MBS) holders. The timely payment of P&I to MBS holders, consistent with Ginnie Mae’s statutory guaranty, is essential to the liquidity of the MBS market and the confidence of investors who finance housing through the Ginnie Mae program.

White House Opportunity and Revitalization Council

In December 2018, President Trump signed Executive Order 13853 establishing the White House Opportunity and Revitalization Council. I have had the honor of chairing this Council since its establishment.

In response to the ongoing and unprecedented global pandemic, President Trump has directed me and the Council to utilize its talented structure and build on its original intent with a renewed focus to expand efforts to protect and promote our most vulnerable communities. The Council will work to ensure that minority and underserved communities are kept safe from this invisible enemy, now and into the future. In the coming weeks, the Council will identify different policy approaches needed to help advance opportunity for these communities.

Conclusion

Thanks to the leadership of President Trump, I'm proud of the work this entire Administration - and especially the 7,500 employees of HUD - are doing each and every day to fight this invisible enemy and meet the needs of the American people. I'm grateful to this committee for its bipartisan commitment to meeting this challenge.

Thank you.