Congress of the United States
Washington, DC 20515

Director Mel Watt
Federal Housing Finance Agency, Office of the Director
400 7th Street S.W.
Washington, D.C. 20024

March 31, 2014

Dear Director Watt,

Please accept our congratulations on taking the helm of the Federal Housing Finance Agency. As members of Congress, we are looking forward to your leadership on crucial housing issues that have such great implications for our entire economy. We also want to thank you for your service to this country as US Congressmen. You may now be a former colleague, but you'll always be a friend to the many who worked in Congress with you.

We are writing today to respectfully request that the Federal Housing Finance Agency direct the Government Sponsored Enterprises (GSEs) to impose a 6-month forbearance on loan payments on GSE-guaranteed mortgages for struggling borrowers who were current on their payments before losing their unemployment insurance due to recent congressional inaction if they were in good standing before losing their unemployment insurance. Not only would this be helpful to struggling Americans, but it's a policy that is beneficial to taxpayers. These borrowers, who were previously current despite having already lost their jobs, have demonstrated their willingness to try to repay their loans, even in the face of great adversity. It's reasonable to believe that these borrowers will resume making their mortgage payments, allowing the GSEs to avoid costly and unnecessary foreclosures.

On Dec. 28, 1.3 million Americans immediately lost all of their unemployment insurance, with the expiration of the Emergency Unemployment Compensation program. Every week, on average, an additional 72,000 Americans are cut off—the equivalent of one person every eight seconds. This vital economic lifeline helps struggling Americans feed, clothe, and keep a roof over the heads of their families while they look for new employment.

Last week, the number of those cut off from emergency unemployment insurance surpassed 2 million Americans—men and women who worked hard, played by the rules, and lost their jobs through no fault of their own. Every week, another 72,000 people join their ranks, but Congress has been unable to come to an agreement to restore this essential lifeline. The lapse in emergency unemployment insurance is costing our economy 240,000 jobs this year alone. The Congressional Budget Office and economists and JP Morgan estimated that extending unemployment insurance would add 0.2 to 0.4 percent to GDP in 2014.

These Americans lost their jobs—and now their last lifeline, unemployment insurance—through no fault of their own. They don't deserve to lose their homes as well. A few weeks ago, we introduced legislation to this effect. However, in the current political environment, it is unfortunately unlikely this legislation will be taken up and passed. If Congress can't act, we are asking that you take action in our stead. Please direct the GSEs to implement a 6 month forbearance on loan payments on GSE-guaranteed mortgages for people who have lost their unemployment insurance due to recent congressional inaction if they were in good standing before losing their unemployment insurance.

Thank you,

Matt Cartwright
Member of Congress

Steven Horsford
Member of Congress

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David Cicilline
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