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WASHINGTON, DC 20510

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The Honorable Ben Carson
Secretary
U.S. Department of Housing and Urban
Development
451 7th Street S.W.
Washington, DC 20410

Mr. Donald Layton
Chief Executive Officer
Freddie Mac
8200 Jones Branch Drive
McLean, VA 22102-3110

Mr. Timothy Mayopoulos
President and Chief Executive Officer
Fannie Mac
3900 Wisconsin Avenue, N.W.
Washington, DC 20016-2892

Dear Secretary Carson, Mr. Layton, and Mr. Mayopoulos:

I write to urge you to take immediate action to further extend federal foreclosure protection and housing counseling services for all those affected by Hurricanes Harvey, Irma, and Maria. The federal government has a key role to play in helping Puerto Rico and the U.S. Virgin Islands recover from a series of deadly hurricanes that have claimed many lives and wreaked havoc on the islands' infrastructure and housing stock – grinding their economies to a halt and displacing thousands of residents. Recent reports predict further economic decline in anticipation of a wave of mortgage foreclosures. To avoid a full-blown foreclosure crisis, I request that you extend the moratorium on foreclosures in Puerto Rico and the U.S. Virgin Islands for an additional eighteen months, while also expanding access to housing counseling for affected homeowners.

It has been nearly four months since Hurricane Maria first made landfall in Puerto Rico and the U.S. Virgin Islands and many on the islands continue to lack access to basic services such as electricity, clean water, and safe infrastructure. Sadly, this has left thousands on the islands out of work and scrambling to make ends meet. The New York Times reports that close to one-third of the island's 425,000 homeowners have fallen behind on their mortgage payments, while nearly 90,000 borrowers have become delinquent because of Hurricane Maria.¹ To address this burgeoning foreclosure crisis, the Department of Housing and Urban Development (HUD), Fannie Mae and Freddie Mac have taken steps to provide temporary moratoriums on foreclosures in Puerto Rico and the U.S. Virgin Islands. While I commend the action taken by your agencies to provide much-needed relief to hurricane victims, the dire conditions in Puerto Rico and the U.S. Virgin Islands warrants an immediate extension of HUD, Fannie Mae, and Freddie Mac's foreclosure moratoriums, which are set to expire on March 18, 2018, and March

¹ Goldstein, Matthew. "The Next Crisis for Puerto Rico: A Crush of Foreclosures." The New York Times, 16 Dec. 2017, www.nytimes.com/2017/12/16/business/puerto-rico-housing-foreclosures.html.

31, 2018, respectively. An eighteen month foreclosure moratorium with an opportunity for review after the allotted time to assess the need for further extension will provide critical relief for many homeowners that are not expected to have power restored until the end of May, while also allowing taking into account the 2018 hurricane season, which begins in June.²

In light of the sheer number of homeowners that have fallen behind on their mortgages, HUD should expand access to critical housing counseling in Puerto Rico and the U.S. Virgin Islands in the aftermath of these natural disasters. Indeed, HUD's website refers to HUD-approved housing counseling agencies that offer guidance on homebuying, renting, reverse mortgages and default and foreclosure prevention.³ Proper counseling and legal aid – at the right time – can save families from foreclosure and financial ruin.

Therefore, I request that you respond to the following questions regarding your respective agencies' efforts to support homeowners in disaster areas:

- 1.) Are these housing counseling agencies currently operating in full capacity in Puerto Rico and the U.S. Virgin Islands? If not, would HUD agree that the foreclosure moratorium should not be lifted until these resources are fully and completely back in place?
- 2.) What outreach efforts have these agencies conducted to identify and provide counseling to homeowners at-risk of foreclosure in disaster areas?
- 3.) Please describe the legal services and / or resources provided to homeowners that received notices of foreclosure.
- 4.) Does HUD have specific housing counseling services for homeowners in federal disaster areas?

We must not compound the suffering of our fellow Americans who have been impacted by these disastrous storms. Instead, the federal government must use all of the tools at its disposal to support Puerto Rico and the U.S. Virgin Islands on the road to recovery. Extending the foreclosure moratorium and expanding access to critical housing counseling are two such tools. To close, I would like to add my support to similar requests made by my colleagues in recent days.⁴ I look forward to your expeditious response to this important matter that has already affected the lives of thousands of Americans.

Sincerely,



RICHARD BLUMENTHAL
United States Senator

² Robles, Frances, and Patricia Mazzei. "Parts of Puerto Rico Won't Have Power for 8 Months. What's the Holdup?" The New York Times, 23 Dec. 2017, www.nytimes.com/2017/12/23/us/puerto-rico-power-outage.html.

³ Housing Counseling: Puerto Rico/Virgin Islands - HUD | HUD.gov / U.S. Department of Housing and Urban Development (HUD), www.hud.gov/states/puerto_rico_virgin_islands/homeownership/hsgcounseling.

⁴ December 22, 2017 letter from Senator Cortez Masto to Secretary Carson, Mr. Mayopoulos, and Mr. Layton requesting that HUD, Fannie Mae, and Freddie Mac do everything in their power to assist victims of Hurricane Maria in Puerto Rico and the Virgin Islands with keeping their homes.

<https://www.cortezmasto.senate.gov/imo/media/doc/Puerto%20Rico%20Mortgage%20Relief%20Letter.pdf>