

Congress of the United States
Washington, DC 20515

March 18, 2020

The Honorable Nancy Pelosi
Speaker, U.S. House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable Nita Lowey
Chair, House Committee on Appropriations
H-307 The Capitol
Washington, DC 20515

The Honorable Richard M. Neal
Chair, House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Chair, House Cmte on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Collin Peterson
Chair, House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Chair Lowey, Chair Neal, Chair Waters and Chair Peterson:

As the work gets underway on the next urgently needed spending bill, I would like to share my suggestions on how it should be structured and what should be included.

The most important factor in developing these policies is, I believe, speed. What is most effective needs to be a secondary consideration to what is most efficient. Millions of Americans lost their jobs last week and millions more will lose their jobs this week. They likely have little cushion from savings. We have to get help to them before the month's end.

I believe we have only two channels through which we can work that quickly: replacing lost income by expanding existing federal safety net programs or reducing expenses by encouraging households not to pay their major bills (accomplished by suspending enforcement of defaults, foreclosures, evictions, etc). Unless the expenses are owed to the federal government, I do not believe there is any way to be equitable in suspending payments; therefore, I oppose programs designed to encourage households to skip rent, utility, and other monthly payments. Instead, we

should focus on providing targeted assistance through existing safety net programs while using federal loan programs to reduce expenses where possible.

Safety Net Programs:

- Unemployment Insurance (UI) -- The UI program should be the cornerstone of our efforts to fill the hole in suffering families budgets. It is clear now that we are too late to keep millions of Americans on payrolls. But this provides the opportunity to provide cash directly to them. We should raise the minimum UI payment to \$240 per week -- the amount necessary to meet the federal poverty level for an individual -- and encourage states to raise their maximum payment. We should also extend the duration of UI benefits to six months beyond the end of emergency public health measures in the state and waive the requirement to look for work for the duration of the public health emergency. Enhanced UI benefits would be both more targeted to needy households and far more rapid than sending checks to every American. However, UI does not reach everyone, particularly the self-employed and 1099 employees, so it is critical we move to enhance other safety net programs, including:
- Section Eight Vouchers -- In any other recession, we would look to expand the number of vouchers, but giving out new vouchers requires the recipient to look for a new home and move, which violates the public health imperative. However, states should be provided additional funds to increase the value of vouchers to voucher holders who lose their jobs.
- Health and Nutrition Programs -- Programs including Medicaid, the Supplemental Nutrition Assistance Program (SNAP), the Women, Infants and Children (WIC) program, and Temporary Assistance for Needy Families (TANF) keep American families healthy in times of need. We should expand the benefits available under these programs, suspend all time limits for eligibility and provide incentive payments to states that sign up larger percentages of their eligible population.

Federal Loan Programs:

- All federal loan programs for individuals should provide means-tested forbearance programs for the duration of the crisis.
- Any individual who has a federal student loan and loses their job should be able to suspend payments, with no interest accruing, until 6 months beyond the end of emergency public health measures in their state. Any individual who has a single-family mortgage owned by Fannie Mae or Freddie Mac or insured by the Federal Housing Administration (FHFA), Veterans Administration (VA), or Department of Agriculture should be able to suspend payments with no interest accruing until six months beyond the end of the emergency public health measures in their state.
- To offset the cost of the mortgage forbearance programs, Congress should redirect the 10 basis point guarantee fee that was imposed on Fannie and Freddie's single-family

portfolios as a pay-for to the payroll tax cut extension in 2011. That fee raises approximately \$5B per year that is currently included in the profit sweep under the Preferred Stock Purchase Agreement. Guarantee fees should never have been used for non-housing spending, and Congress should direct these proceeds to be held in a separate account to fund forbearance and modifications, and it should require the fee to remain in place until six months beyond the public health emergency measures have ended.

We will have the opportunity to spend more time devising ways to restart the economy once the crisis passes, but for now speed is the most essential attribute. I believe the tools outlined above give us the ability to help the most people in need the most quickly. I urge their inclusion in the next stimulus bill.

Sincerely,

A handwritten signature in black ink that reads "Denny Heck". The signature is written in a cursive, flowing style with a large, prominent "D" and "H".

Denny Heck
Member of Congress