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United States Senate

COMMITTEES:
BANKING, HOUSING, AND
URBAN AFFAIRS
COMMERCE, SCIENCE, AND
TRANSPORTATION
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AGING
INDIAN AFFAIRS
RULES AND ADMINISTRATION

February 5, 2018

The Honorable Mike Crapo
Chairman
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sherrod Brown
Ranking Member
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

I write to you today to request that the U.S. Senate Committee on Banking, Housing, & Urban Affairs hold an oversight hearing on the current housing crisis facing Puerto Rico. I believe that conditions in Puerto Rico will impact the territory and its economy for years to come and deserve Senate oversight at this critical time.

A housing market that was already experiencing turmoil is now in dire shape following Hurricanes Irma and Maria. According to a recent *New York Times* report, one third of homeowners in Puerto Rico are behind on their mortgages, with 90,000 of those homeowners delinquent due to Hurricane Maria.¹ An estimated 300,000 Puerto Ricans have moved to Florida following the storms, leaving their damaged homes behind.² Large areas of the island have spent months without power, leaving businesses unable to open and tens of thousands of people without jobs. While the end of the Department of Housing and Urban Development's moratorium preventing evictions and new foreclosure proceedings on certain loans is approaching in March, many banks have already ended their moratoriums, meaning foreclosures are set to drastically skyrocket.³ FEMA reports it has provided \$341 million to more than 100,000 individuals and households but it would be helpful to know if that assistance has been adequate.⁴

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

² Robin Respaut and Alvin Baez, "Florida communities scramble to help displaced Puerto Ricans," *Reuters*, Jan. 12, 2018, available at: <https://www.reuters.com/article/us-usa-florida-puertorico/florida-communities-scramble-to-help-displaced-puerto-ricans-idUSKBN1F10GI>

³ Danica Coto, "Puerto Rico awaits foreclosure wave as moratoriums expire," ABC News, Jan. 24, 2018, available at: <http://abcnews.go.com/International/wireStory/puerto-rico-awaits-foreclosure-wave-moratoriums-expire-52569496>

⁴ Alex Amparo, FEMA Assistant Administrator, Letter to Senator Chris Murphy, Jan. 11, 2018.

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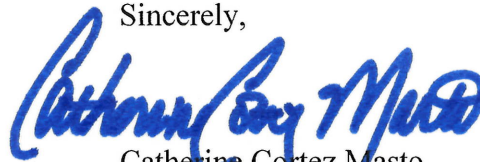
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In addition to the impact on homeowners, the Committee should consider the effects of the hurricanes on renters. Prior to the hurricanes, more than 100,000 families received federal rental assistance in Puerto Rico. FEMA reports that it has provided \$112 million in rental assistance to more than 124,000 individuals and households.⁵ A hearing would allow us to consider if that response is adequate. We could also explore how the Federal Emergency Management Agency is coordinating with the U.S. Department of Housing and Urban Development to address the housing crisis. We know from previous disasters that close coordination with HUD and FEMA can permit the assistance of expedited temporary and long-term assistance for affected residents.

I believe oversight by this committee is necessary to understand the scope of this housing crisis, and to ensure that federal borrower protections are enforced and Puerto Rican residents have access to these protections.

Thank you for your consideration of this request. I look forward to hearing from you soon.

Sincerely,



Catherine Cortez Masto
United States Senator

⁵ Alex Amparo, FEMA Assistant Administrator, Letter to Senator Chris Murphy, Jan. 11, 2018.