March 30, 2020

The Honorable Jay Inslee, Governor of the State of Washington
c/o Jim Baumgart, Policy Advisor to Governor Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002
sent via email: Jim.Baumgart@gov.wa.gov

Re: Request for moratorium on foreclosures due to the COVID-19 emergency

Dear Governor Inslee,

We appreciate your ongoing efforts to address the public health and economic crises caused by the COVID-19 pandemic. Your leadership through this crisis shines in stark contrast to the chaos created by the White House.

Each emergency order and relief package—issued at the state, local, and national levels—is addressing immediate needs and, as the crisis continues, new needs are emerging. For example, while the City of Seattle has taken actions to protect residents, small businesses, and nonprofit organizations from eviction—and aim to extend these protections—there is looming concern that banks will foreclose on the thousands of property owners burdened by mortgages as the loss of income for households and businesses causes a downward spiral in the market. Families across Washington are already being forced to choose between basic necessities like food and housing, while many small businesses are barely hanging on or shutting their doors for good—and many will be unable to make their rent or mortgage payments. Banks foreclosing on local property owners would hinder many of the protections we have enacted to support housing stability and economic resilience for our communities during this crisis, and would cause long-term negative economic impacts, delaying economic recovery.

While we have heard about temporary efforts from some financial institutions to delay foreclosures, particularly for mortgages secured by single-family homes and backed by the Federal Housing Administration, Fannie Mae, and Freddie Mac, we remain concerned that these voluntary efforts are not enforceable, and they do not cover all residential mortgages or commercial properties, including apartment buildings and buildings renting to small businesses.

We, the undersigned members of Seattle City Council, respectfully request that you use your authority under State law to order a moratorium on foreclosures and we stand ready to help in any way possible. This action would align with other emergency actions you have

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taken to shore up our local communities, including the 30-day statewide moratorium on evictions, assistance for utility rate payers, expansion of unemployment benefits to include COVID-related impacts to employment, cash assistance for families, and financial assistance for small businesses, among others. It will also support our local efforts to protect our working families and local businesses as this crisis evolves. A moratorium on foreclosures in Washington would mirror actions taken by other states, including California, New York, and New Jersey, to prevent foreclosures.

We urge you to consider such a moratorium, not only while your original State of Emergency Proclamation of February 29, 2020 is still in effect and our Mayor's Proclamation of Civil Emergency, modified by City Council on March 5, 2020, is still in effect, but for several months beyond that date, as there is typically a lag time from when a property owner might become delinquent on their mortgage due to the COVID-19 crisis and when a financial institution might foreclose. Please don't hesitate to reach out to Councilmember Teresa Mosqueda, Chair of the Housing & Finance Committee, at (206) 684-8808 or Teresa.Mosqueda@seattle.gov with any questions. Thank you for your consideration and leadership.

Sincerely,

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Council President M. Lorena González

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Councilmember Debora Juarez

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Councilmember Lisa Herbold

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Councilmember Andrew J. Lewis

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Councilmember Tammy J. Morales

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Councilmember Teresa Mosqueda

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Councilmember Alex Pedersen

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Councilmember Kshama Sawant

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Councilmember Dan Strauss

Cc: Seattle Office of Intergovernmental Relations

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