

September 16, 2021

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

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Majority Leader  
United States Senate  
Room S-221, The Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Room S-230, The Capitol  
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McCarthy, Leader Schumer, and Leader McConnell:

As the leading trade organizations representing those that build, finance, sell, and manage U.S. commercial/multifamily and residential properties, we urge you to work together to take action to raise the statutory debt limit as soon as possible – and avoid roiling the financial markets and other important sectors of the economy unnecessarily.

On August 1, 2021, the United States reached its statutory debt limit, leading the Treasury Department to begin taking “extraordinary measures” to meet the country’s financial obligations. Following that, on September 8, Treasury Secretary Janet Yellen notified you and other congressional leaders that “the most likely outcome is that cash and extraordinary measures will be exhausted during the month of October,” raising concerns about disconcerting government actions and investor reactions should the debt limit not be raised or raised in a timely manner.

As the Wall Street Journal has noted, “Without the ability to issue new debt to raise cash, the government would begin to miss payments to bondholders, Social Security recipients, veterans and others, and default on its obligations. Such an event, which has never happened, could send financial markets into a tailspin.” The result could be permanently higher borrowing costs and a less stable flow of capital during future crises.

This is an exceptionally important issue affecting all Americans regardless of political party or philosophy. We have no collective preference for the manner or legislative vehicle you use to resolve this critical issue and protect the full faith and credit of the United States, but inaction, or even the possibility of inaction, can agitate U.S. financial market stability broadly. Given the more than \$8.6 trillion in mortgage debt backed by the federal government through Fannie Mae, Freddie Mac, Ginnie Mae and other federal agencies, the housing and real estate markets are particularly susceptible to any instability stemming from concern about the U.S. meeting its financial obligations.

Thank you in advance for your consideration of these views.

American Land Title Association

American Resort Development Association

Building Owners and Managers Association International

Commercial Real Estate Finance Council

Housing Policy Council

ICSC

Mortgage Bankers Association

NAIOP, the Commercial Real Estate Development Association

National Apartment Association

National Association of Home Builders

National Association of REALTORS®

National Multifamily Housing Council

The Real Estate Roundtable