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America's Hoteliers See Hope for CMBS Relief

ATLANTA, Ga., June 23 – AAHOA, the nation's largest hotel owners association, expressed optimism for the prospect of relief for borrowers with Commercial Mortgage-Backed Security (CMBS) loans after nearly 100 Members of Congress sent a bipartisan letter to Treasury Secretary Steve Mnuchin and Federal Reserve Chairman Jerome Powell asking them to create a relief fund for CMBS borrowers and to use their authority to grant broad assistance to the commercial real estate sector.

The letter, authored by U.S. Representatives Van Taylor, Al Lawson, Jr., Andy Barr, and Denny Heck, addressed the complexity of CMBS loans, the difficulties of loan modification, and the market instability a wave of CMBS loan defaults could cause.

AAHOA President & CEO Cecil P. Staton said, "The COVID-19 economic downturn created a liquidity crisis for hotel owners, for there were no guests to host and therefore no income. This made staying current on mortgage payments nearly impossible. While many hotel owners were able to work with their community banks to delay payments, those with CMBS loans have been largely unable to do so. Delinquency rates for hoteliers with CMBS loans are nearing historic highs, not because of financial mismanagement by borrowers, but because there simply are not any guests or revenue because of the pandemic. AAHOA called on Secretary Mnuchin and Chairman Powell to address relief for CMBS borrowers at the onset of this pandemic, and we are grateful for the leadership and initiative of Reps. Taylor, Lawson, Barr and Heck as they elevate this important issue in Congress. We are confident that their efforts will lead to a solution that will allow more small business owners to come out on the other side of this crisis."

About AAHOA:

AAHOA is the largest hotel owners association in the world. The over 19,500 AAHOA members own almost one in every two hotels in the United States. With billions of dollars in property assets and hundreds of thousands of employees, AAHOA members are core economic contributors in virtually every community. AAHOA is a proud defender of free enterprise and the foremost current-day example of realizing the American dream.

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