



**Tom McGee**  
President & CEO

March 31, 2020

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Ave. N.W.  
Washington, DC 20220

The Honorable Jerome Powell  
Chairman  
Board of Governors of the Federal Reserve System  
20th St. and Constitution Ave. N.W.  
Washington, DC 20551

Dear Mr. Secretary and Chairman Powell:

On behalf of our member network of nearly 70,000, the International Council of Shopping Centers (ICSC) applauds your leadership during this historic and difficult time for families, businesses and communities. Officials have appropriately placed the health and safety of our fellow citizens as the top priority while also taking decisive action in beginning to address the financial and economic challenges resulting from the COVID-19 pandemic. The passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the extraordinary actions taken by the Federal Reserve this past week are historic in scope and appreciated and necessary first steps.

However, an existential threat to our industry remains, which if left unaddressed, will cause long-term damage to financial markets, rampant unemployment and irreparable harm to communities across our country. The necessary public health and safety actions being taken by federal, state and local officials have resulted in retailers, restaurants, theaters, gyms and other service providers closing. These mandated closures have created a growing and significant threat to the continuity of cash flow between tenant, property owner and lender. An increasing number of national retailers and tenants have publicly expressed their intent to skip monthly lease payments, beginning April 1, 2020, during this crisis. In fact, on March 27, the National Retail Federation issued a letter to the National Governors Association and U.S. Conference of Mayors formally requesting their support for a 90-day rent abatement period. This action will jeopardize the repayment of up to \$1 trillion of secured and unsecured debt that underlays the shopping center industry. The subsequent foreclosures would result in empty storefronts and vacant shopping centers across our country, leaving an indelible stain on communities.

With an increasing number of tenants forgoing monthly rent payments, our industry needs urgent assistance. Specifically, ICSC requests appropriate government officials coordinate rules for a temporary forbearance of secured and unsecured debt obligations underlying the shopping center industry, including amounts owed to commercial banks, life insurance companies, holders of commercial mortgage backed securities (CMBS) and publicly traded bonds. While improvements in some existing federal programs, such as the inclusion of CMBS in the new TALF program, should be implemented, generally, these debt holders have backstops minimizing their risk of loss as a result of actions taken by the Treasury Department or Federal Reserve. However, shopping center owners have no backstop if tenants unilaterally stop paying contractually obligated rent.

The long-term strength of the shopping center industry is critical to the economic, civic and social viability of communities across the nation. The majority of the estimated \$6.7 trillion of consumer activity generated by the retail, food-and-beverage, entertainment and consumer service industries occurs within America's shopping centers, with nearly 1 out of 4 U.S. jobs retail related. Approximately \$400 billion of state and local taxes that support local communities and public safety resources and infrastructure is generated by the industry. Our entire industry is at risk if action to support it is not taken.

ICSC respectfully requests that you urgently consider our proposal. We stand ready to discuss and support you in its implementation.

Sincerely,

A handwritten signature in black ink that reads "Tom McGee". The signature is fluid and cursive, with the first name "Tom" and last name "McGee" clearly legible.

Tom McGee  
ICSC President & CEO