

H.R. 748, THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

Description: This bill provides over \$2 trillion economic relief package to protect the American people from the public health and economic impacts of COVID-19.

Goals:

- Provide funding for the research and development of vaccines, therapeutics, and diagnostics
- Provide funding for the prevention, preparedness, and response efforts - at the federal, state, and local levels
- Provide funding for medical supplies and health-care preparedness
- Provide relief to businesses and organizations
- Provide relief to individuals

Housing-Related Appropriations:

Non-Appropriations Provisions – Foreclosures and Evictions

Sec. 4022. Foreclosure moratorium and consumer right to request forbearance.

Forbearance

- A borrower with a federally backed mortgage “experiencing a financial hardship due, directly or indirectly, to the COVID-19 emergency” can request a 180-day forbearance, “regardless of delinquency status,” by submitting a request to the borrower’s servicer and affirming that they are “experiencing a financial hardship during the COVID-19 emergency.”
- During forbearance, “no fees, penalties, or interest beyond the amounts scheduled or calculated as if the borrower made all contractual payments on time and in full under the terms of the mortgage contract, shall accrue on the borrower’s account.”
- Servicer cannot require additional documentation “other than the borrower’s attestation to a financial hardship caused by the COVID-19 emergency.”

Foreclosure moratorium

“Except with respect to a vacant or abandoned property,” a servicer of a federally backed mortgage loan cannot initiate foreclosure “for not less than the 60-day period beginning on March 18, 2020.”

Sec. 4023. Forbearance of residential mortgage loan payments for multifamily properties with federally backed loans.

- “During the covered period, a multifamily borrower with a Federally backed multifamily mortgage loan experiencing a financial hardship due, directly or indirectly, to the COVID-19 emergency may request a forbearance under the terms set forth in this section.”
- A multifamily borrower with a Federally backed multifamily mortgage loan that was current on its payments as of February 1, 2020, may submit an oral or written request for forbearance under subsection (a) to the borrower’s servicer affirming that the multifamily borrower is experiencing a financial hardship during the COVID-19 emergency.
- After such a request, the servicer must provide forbearance for up to 30 days and extend forbearance for up to two additional 30 day periods. The borrower can discontinue the forbearance at any time.

- A multifamily borrower that receives a forbearance “may not, for the duration of the forbearance— (1) evict or initiate the eviction of a tenant from a dwelling unit located in or on the applicable property solely for nonpayment of rent or other fees or charges; or (2) charge any late fees, penalties, or other charges to a tenant described in paragraph (1) for late payment of rent.”
- They also “(1) may not require a tenant to vacate a dwelling unit located in or on the applicable property before the date that is 30 days after the date on which the borrower provides the tenant with a notice to vacate; and (2) may not issue a notice to vacate under paragraph (1) until after the expiration of the forbearance.”
- Applies to residential multifamily properties with federally backed mortgages.
- Covered period = ending on sooner of termination of national emergency or December 31, 2020

Sec. 4024. Temporary moratorium on eviction filings.

- Moratorium: for 120 days beginning with enactment of Act, “the lessor of a covered dwelling may not— (1) make, or cause to be made, any filing with the court of jurisdiction to initiate a legal action to recover possession of the covered dwelling from the tenant for nonpayment of rent or other fees or charges; or (2) charge fees, penalties, or other charges to the tenant related to such nonpayment of rent.”
- Lessor also may not require tenant evicted under conditions outlined above to vacate with less than 30 days notice, and can’t issue a notice until expiration of 120-day period.
- Covered dwellings: Applies to dwellings occupied “pursuant to a residential lease” or “without a lease or with a lease terminable under State law” and in any property that participates in “a covered housing program” or in the rural housing voucher program or has a federally backed mortgage loan or federally backed multifamily mortgage loan.

Sec. 4021. Credit protection during COVID-19.

- Amends Fair Credit Reporting Act
- Covers period beginning January 31, 2020 and ending 120 days from enactment or 120 days after termination of national emergency declaration
- If a furnisher agrees to defer one or more payments, accept partial payments, forbear any delinquent amounts, modify a loan or contract, or provide other assistance to a consumer “who is affected by the coronavirus disease 2019 (COVID-19) pandemic during the covered period, and the consumer makes the payments, cures previous delinquency, or otherwise complies with the agreed-upon accommodation, the furnisher will report the payment as current.
- Does not apply to credit obligation or account that has been “charged off.”

New Fund for States and Local Governments

- Grants to state/local government – section 5001 (Title VI: Coronavirus Relief Fund)
 - Appropriation: \$150B in FY 2020
 - Allocations
 - \$3B to territories, \$8B to tribal governments
 - For states, Minimum payment of \$1.25
 - Done by relative population
 - Use of funds “necessary expenditures” due to COVID
 - No accounted for in last budget
 - Incurred March-Dec. 2020

Appropriations for Existing HUD Programs

TBRA

- Appropriation: \$1.25B
- Timing: Until expended
- Allocations

- 850M shall be for section 8 programs, others for "new eligible activities to be defined by the Secretary" inc for health of tenant and retention of owners.
- \$400M for CY 2020 section 8 renewal funding for PHAs with significant increase in per-unit voucher costs, allocated by Secretary based on need.
- Can also reallocated unobligated balances as s. 811 funding, with >25% going to PHAs who received awards in 2017 and 2019 competitions
- Changes to program
 - Allows flexibility along lines of above for spending under Pub. L. 116-94 para (3).
 - Sec. may waive or provide alternative requirements for any requirement for this spending, or spending under Pub L 116-94, except fair housing, non discrimination, labor, environment (needs findings of necessity).
 - Exempted from some notice requirements

Public Housing Operating Fund

- Appropriation: \$685M
- Timing: Until 9/30/21
- Allocations: By normal operating fund formula
- Changes
 - May be used for coronavirus related expenses, inc. health and child care.
 - Sec. may waive requirements (same exceptions, findings, notice)

Native American Programs

- Appropriation: \$300M
- Timing: Until 9/30/24
- Allocations
 - \$200M to NA Housing Block Grants, on normal funding formula
 - \$100M for Indian CDBG, prioritizing coronavirus activities
- Changes
 - Waiver
 - 20% cap on planning and administration
 - No % limitation on use of funds for coronavirus.

HOPWA

- Appropriation: \$65M
- Timing: Until 9/30/21 or 9/30/22 (depending on allocation)
- Allocations
 - \$50M by formula
 - \$10M as one-time awards for permanent supportive housing funded under 854©(5), proportionally to existing grants.
- Changes
 - Spending may be used for quarantining, for relocation services.
 - Some changes to % spending on administrative purposes, technical assistance.

Community Development Fund (CDBG)

- Appropriation: \$5B
- Until 9/30/22
- Allocations
 - \$2B pursuant to section 106 formula (normal formula)
 - \$1B to states, based on public health needs, economic disruption, other factors determined by the secretary
 - \$2B to states or local government, according to formula to be set by secretary (coronavirus and economic factors)
- Changes

- Loosened reporting requirements, loosened requirements for public hearings in putting together statement of activities
- Sec. may waive requirements
- No % limit on use of funds for coronavirus.

Homeless Assistance Grants (ESG)

- Appropriation: \$4B
- Timing: Until 9/30/22
- Allocation
 - \$2B via existing formula in 24 CFR 576.3
 - Remainder allocated to states of local government by formula to be developed by Secretary, based on need (coronavirus risk, homeless rates, economic conditions)
- Changes
 - Families with income below Very Low Income AMI shall be considered “at risk of homelessness” if meet some other statutory criteria
 - Can deviate from procurement standards
 - Consultation, participation, and match requirements waived
 - No spending cap
 - May be used for temporary emergency shelters, and habitability and environmental review standards will not apply
 - May be used for infectious disease training and hazard pay
 - Waivers (which may extend to existing ESG funds)
 - Funds may not be used to requirement people to receive treatment, or any other prerequisite, as condition for shelter

PBRA

- Appropriations: \$1B
- Timing: Until expended
- Changes: Waiver provision

202

- Appropriations: \$50M
- Timing: Until 9/30/23
- Allocations: \$10M shall be for service coordinators
- Changes: Waiver

Section 811

- Appropriation: \$15M
- Timing: Until 9/30/23
- Changes: Waiver

Fair housing enforcement

- Appropriation: \$2.5M
- Until 9/30/21
- Allocations
 - \$1.5M: Special enforcement grants
 - \$1M: Education and outreach

NOTE: May be additional appropriations for housing-related programs not through HUD.

Complementary policy responses:

- Families First Coronavirus Response Act
- Coronavirus Aid, Relief, and Economic Security Act