

Housing Issues in the CARES Act, HR 748, 116th Congress (2020)

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Contact: Emily Nosse-Leirer (Emily_Nosse-Leirer@leahy.senate.gov or 202-224-2401); Pollaidh Major (Pollaidh_Major@leahy.senate.gov)

UTILITY AND LIVING EXPENSES SUPPORT

LIHEAP

For eligible households, \$900 million is included for the Low Income Home Energy Assistance Program to help low income households with heating and cooling in homes, weatherization, and energy-related low-cost home repairs or replacements. Vermont is expected to receive approximately \$4.1 million for LIHEAP.

Utility Assistance for Rental Property Owners

Under the Small Business Loans provided in the bill, utility costs (electricity, water, gas, trash, and internet services) are eligible costs for which loans can be provided. More information can be found in the [SBA Guide for Small Businesses](#).

Community Services Block Grants

CARES included an additional \$600 million for Community Services Block Grants. Block Grant funding flows through the Community Action Agencies which work with low income Vermonters to help them meet their basic needs in times of crisis. Vermont is expected to receive approximately \$5 million in CSBG funds.

MORTGAGE PAYMENT FORBEARANCE

Single Family Homeowners (1-4 units)

Any homeowner with an FHA, VA, USDA, 184/184A mortgage, or a mortgage backed by Fannie Mae or Freddie Mac, who is experiencing financial hardship is eligible for up to 6 months' forbearance on their mortgage payments, with a possible extension for another 6 months. At the end of the forbearance, borrowers can work within each agency's existing programs to help them get back on track with payments, but they will have to pay missed payments at some point during the loan, so if borrowers can pay they should continue to do so. (See Section 4022: Foreclosure Moratorium and Consumer Right to Request Forbearance.)

Multifamily Property Owners (5+ units)

The bill provides owners of multifamily properties with federally backed loans having a financial hardship up to 90 days of forbearance on their loan payments. Property owners would have to request the forbearance and document their hardship in order to qualify, in 30-day increments. During a forbearance period, the property owner may not evict or initiate the eviction of a tenant for nonpayment of rent and may not charge the tenant any fees or penalties for nonpayment of rent. This protection applies to loans issued or backed by federal agencies (including FHA and USDA) or Fannie Mae and Freddie Mac. (See Section 4023: Forbearance of Residential Mortgage Loan Payments for Multifamily Properties with Federally Backed Loans.)

FORECLOSURE AND EVICTION PROTECTIONS

Foreclosure Protection for Single Family Homeowners (1-4 units)

The bill includes a 60-day foreclosure moratorium, starting on March 18, 2020, for all federally backed mortgage loans. Borrowers with FHA, VA, USDA, or 184/184A loans, or loans backed by Fannie Mae and Freddie Mac, will not see foreclosure actions and cannot be removed from their homes due to foreclosure during that time. (See Section 4022: Foreclosure Moratorium and Consumer Right to Request Forbearance.)

Rental Eviction Moratorium

Renters who have trouble paying rent also have protections under the bill if they live in a property that has a federal subsidy or federally backed loan. This provision applies to all renters who live in properties that receive a federal subsidy, such as public housing, Section 8 rental assistance vouchers or subsidies, USDA rental housing assistance, or Low Income Housing Tax Credits. It also covers any renters in properties where the owner has a federally backed mortgage loan, which includes loans backed by the FHA, USDA, and Fannie Mae and Freddie Mac. This includes any size of property, from single-family houses to multifamily apartment buildings. Owners of these properties cannot file evictions or charge fees for nonpayment of rent for 120 days following enactment of the bill, and cannot issue a renter a notice to leave the property before 150 days after enactment. After this period, renters will be responsible for making payments and getting back on track, so they should continue to make payments if they are financially able to do so. Renters who receive housing subsidies such as public housing or Section 8 who have had their incomes fall should recertify their incomes with their public housing agency or property owner because it may lower the rent they owe. (See Section 4024: Temporary Moratorium on Eviction Filings.)

SUPPORT FOR THE HOMELESS

Homeless Assistance Grants

The Act provides \$4 billion, half distributed within 30 days of enactment based on FY20 allocation numbers and half later based on a formula that will be developed by the HUD Secretary within 90 days. Existing match requirements are removed. The bill language allows these funds to be used for temporary emergency shelters and waives federal habitability and environmental review standards. Funds may also be used to cover staff costs, training, and hazard pay. Vermont is expected to receive approximately \$2.3 million under the allocation of the first \$1 billion.

RENTAL ASSISTANCE

Tenant-Based Rental Assistance

The Act provides \$1.25 billion for tenant-based rental assistance to help public housing agencies maintain normal operations and take other necessary actions to respond to coronavirus. Of this amount, \$850 million can be used for a combination of administrative costs and other expenses for activities including those to “support and maintain the health and safety of assisted households” and to retain and support participating landlords. The remaining \$400 million is to adjust renewal funding for public housing agencies that experience a significant increase in voucher per-unit costs and would otherwise need to terminate rental assistance for families due to

the lack of funds. Funds will be allocated based on need. It is currently unknown how much money will be available to Vermont.

Project-Based Rental Assistance

The Act provides \$1 billion to prevent, prepare for, and respond to coronavirus, including to provide additional funds to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus. Funds will be allocated based on need. It is currently unknown how much money will be available to Vermont.

PUBLIC HOUSING

Public Housing Assistance

The Act provides \$685 million for public housing operating funds and allows PHAs to combine capital and operating funds to respond to coronavirus until at least the end of CY2020. Funds will be allocated based on need. It is currently unknown how much money will be available to Vermont.

HOUSING FOR VULNERABLE POPULATIONS

Housing Opportunities for Persons with AIDS (HOPWA)

The Act provides \$65 million to provide additional funds to maintain operations and for rental assistance, supportive services, and other necessary actions, in order to prevent, prepare for, and respond to coronavirus. \$50 million will be allocated pursuant to the existing HOPWA funding formula and \$10 million will be used for one time grants to permanent supportive housing providers. Vermont is expected to receive approximately \$202,000 for HOPWA.

Housing for the Elderly (Section 202)

The Act provides \$50 million for Section 202 Housing for the Elderly, which will be available for assistance to owners or sponsors of properties receiving project-based assistance to prevent, prepare for, and respond to coronavirus, including to provide additional funds to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus. Of this, \$10 million may be used for service coordinators. It is currently unknown how much money will be available to Vermont.

Housing for Persons with Disabilities (Section 811)

The Act provides \$15 million for Section 811 Housing for Persons with Disabilities, which will be available for assistance to owners or sponsors of properties receiving project-based assistance to prevent, prepare for, and respond to coronavirus, including to provide additional funds to maintain normal operations and take other necessary actions during the period that the program is impacted by coronavirus. It is currently unknown how much money will be available to Vermont.

Older Americans Act Funding

Aging and Disability Services Programs will receive \$955,000,000, to remain available until September 30, 2021, to prevent, prepare for, and respond to coronavirus, domestically or internationally. \$820,000,000 shall be for activities authorized under the Older Americans Act of 1965 ("OAA"), including \$200,000,000 for supportive services under part B of title III. It is currently unknown how much money will be available to Vermont.

COMMUNITY DEVELOPMENT FUNDING

CDBG Funding

\$5 billion is provided to the Community Development Fund. \$2 billion will be allocated under the FY20 formula. \$2 billion will be allocated based on prevalence and the risk of COVID-19 and related disruption. \$1 billion will be granted directly to states based on public health needs and disruptions. The Act eliminates the cap on the amount of funds a grantee can spend on public services, removes the requirement to hold in-person public hearings in order to comply with national and local social gathering requirements and allows grantees to be reimbursed for COVID-19 response activities regardless of the date the costs were incurred. Vermont is expected to receive \$4.7 million of CDBG funding.

LEGAL SUPPORT AND ADMINISTRATIVE FLEXIBILITY

Legal Aid for Tenants

The Act provides \$50 million for the Legal Services Corporation and its grantees. It is unclear how much money Vermont will receive or what the timeline for distribution is.

Flexibility and Temporary Suspension of Rules

The Act includes the following language in a number of its housing provisions, and seems to grant broad flexibility: "The Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the use of amounts made available under this heading in this Act (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), upon a finding by the Secretary that any such waivers or alternative requirements are necessary to expedite or facilitate the use of such amounts to prevent, prepare for, and respond to coronavirus, and such waiver or alternative requirement is consistent with the purposes described under this heading in this Act."

MORE INFORMATION

For more information, see [Coronavirus Aid, Relief, and Economic Security Act Questions and Answers](#) or view the [CARES Act bill text](#).