

FREQUENTLY ASKED QUESTIONS: EMERGENCY RENTAL ASSISTANCE

DECEMBER 22, 2020

Congress on December 21 passed an emergency [COVID-19 relief package](#) that includes \$25 billion in emergency rental assistance and an extension of the federal eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) through January 31, 2021. The legislation also extends the deadline for funds provided by Congress in the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) through the Coronavirus Relief Fund (CRF) from December 30, 2020 to December 31, 2021. Many states and localities have used CRF resources to provide emergency rental assistance during the pandemic. The relief legislation will provide essential and desperately needed protections for renters, tens of millions of whom would otherwise be at risk of losing their homes this winter.

NLIHC released a [fact sheet](#) on the housing provisions in the COVID-19 relief package. This Frequently Asked Questions (FAQ) document provides additional guidance on the \$25 billion in emergency rental assistance funded through the Coronavirus Relief Fund (CRF) and administered by the U.S. Department of Treasury.

HOW WILL THE DEPARTMENT OF TREASURY DISTRIBUTE THE FUNDING?

Of the total amount of rental assistance, \$400 million will be allocated to U.S. territories and \$800 million to tribal communities. The remaining funds will be distributed within 30 days to states and localities with populations of 200,000 or more. This marks a change from the CRF provision in the CARES Act, in which localities with populations over 500,000 could request to receive a direct CRF allocation from Treasury. Under the program, the District of Columbia is treated as a state.

CAN STATES DECIDE HOW TO ALLOCATE FUNDS TO LOCALITIES?

The CRF enacted in the CARES Act provided states and eligible units of local governments, territories, and tribal governments with the authority to decide how to spend CRF funds. This flexibility allowed entities to allocate funds to local governments that did not qualify for a direct allocation. Since the \$25 billion in emergency rental assistance will be funded through the CRF, it is assumed states will have similar flexibility in how they allocate funds.

WHAT TYPES OF ASSISTANCE CAN ELIGIBLE HOUSEHOLDS RECEIVE?

At least 90% of the funds must be used to provide financial assistance, including back and forward rent and utility payments and other housing expenses that were incurred due, directly or indirectly, to the pandemic. Assistance can be provided for 12 months. States and localities can provide an additional 3 months of assistance “if necessary to ensure housing stability for a household.”

When providing forward rent, assistance can only be given for 3 months, though households can subsequently reapply for additional assistance. To the extent that households have back rent, states and localities may not make commitments for forward rent payments unless they have also provided assistance to reduce an eligible household’s rental arrears.

Recipients can use up to 10% of funds to provide case management and other services related to the pandemic, as defined by the Treasury Secretary, intended to help keep households stably housed.

WHO IS ELIGIBLE TO RECEIVE EMERGENCY RENTAL ASSISTANCE?

Households are eligible for emergency rental assistance funds if one or more individuals: (1) has qualified for unemployment benefits or can attest in writing that he or she has experienced a reduction in household

income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the pandemic; (2) can demonstrate a risk of experiencing homelessness or housing instability; and (3) has a household income below 80% AMI.

Income determination will be based on either the household's total income in 2020, or the monthly income the household is receiving at the time of application. If income determinations are made based on the applicant's monthly income, the state or locality must re-determine eligibility after 3 months.

Funds must be used for households with incomes below 80% of area median income (AMI), and states and localities must prioritize households below 50% of AMI or those who are unemployed and have been unemployed for 90-days. States and localities can provide additional prioritization of funds.

ARE THERE RESTRICTIONS BASED ON IMMIGRATION STATUS FOR THE EMERGENCY RENTAL ASSISTANCE?

Since emergency rental assistance will be funded through the CRF - which does not specify any restrictions based on immigration status - there should be no immigration status eligibility requirements for the rental assistance. The legislation did not include language that would alter this. Disaster assistance is not weighed in a public charge determination.

WILL RENTERS BE REQUIRED TO SUBMIT DOCUMENTATION DEMONSTRATING THAT THEIR NEED FOR RENTAL ASSISTANCE RESULTS DIRECTLY FROM THE PANDEMIC?

In terms of documentation, the legislation states that applicants must qualify for unemployment benefits or attest in writing that they have experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, *directly or indirectly*, to the pandemic. Additionally, applicants must demonstrate a risk of experiencing homelessness or housing instability. This risk can be demonstrated through a past due utility or rent notice or eviction notice; unsafe or unhealthy living conditions; or any other evidence of such risk, as determined by the eligible grantee involved.

WHO WILL ADMINISTER THE RENTAL ASSISTANCE? HOW WILL RENTERS OR LANDLORDS APPLY FOR OR RECEIVE ASSISTANCE?

Renters will apply for assistance with entities that state and local grantees select to administer the program. States and localities can make payments directly to landlords or utility companies on behalf of renters. If a landlord refuses to accept the rental assistance, the administering entity can provide assistance directly to the renter, who can then make payments to the landlord or utility provider. Landlords can directly apply for rental assistance under the program but are required to notify the tenant that assistance is being provided on their behalf and obtain the tenant's consent.

HOW WILL THE EMERGENCY RENTAL ASSISTANCE PROGRAM WORK WITH "DUPLICATION OF BENEFITS?"

The legislation states that grantees should ensure that any rental assistance provided to an eligible household is not duplicative of other federally-funded rental assistance. Our interpretation is that emergency rental assistance through the CRF cannot pay for the same obligation that is being assisted by other funding. Households that have received CARES Act funds for rental assistance this year but are no longer receiving that assistance and still need help in the future should be able to receive CRF funds. Additionally, this should have no impact on people receiving other types of federal housing assistance, such as Housing Choice Vouchers.

IS LEGAL AID AN ELIGIBLE "HOUSING STABILITY SERVICE?"

The legislation states that eligible grantees can spend up to 10% of funds to provide case management

and other services related to the pandemic, *as defined by the Secretary*, to keep households stably housed.

DID THE COVID-19 RELIEF PACKAGE INCLUDE RESOURCES FOR FORECLOSURE PREVENTION?

No.

THE COVID-19 RELIEF PACKAGE PROVIDED A ONE-MONTH EXTENSION OF THE CDC EVICTION MORATORIUM, BUT DID IT STRENGTHEN THE PROTECTIONS?

The emergency COVID-19 relief package extends the federal eviction moratorium through January 31, providing essential and immediate protection for millions of renters on the verge of losing their homes. Extending the moratorium through January provides time for emergency rental assistance to be distributed, and for President-elect Biden to [improve and further extend the moratorium](#) immediately after being sworn into office.

