



## **Emergency Rental Assistance Programs via the U.S. Treasury and Administered by State and Local Jurisdictions Can Provide Significant Relief**

The COVID-19 pandemic has strained many parts of the global economy over the last two years. Included among those most affected are individuals who lost jobs (temporarily or permanently) and had difficulty paying rent on time. This has caused a ripple effect throughout the rental industry. Landlords have in turn struggled to meet mortgage payments, developers have struggled to satisfy investment requirements with respect to affordable housing projects, and market-rate developments may struggle to attract and retain tenants who can meet the market rental rates. Add to this the moratorium on evictions issued by the Centers for Disease Control for a period of time and similar moratoriums enacted by other jurisdictions and there grew a significant gap of rents owed by tenants that remained uncollected by landlords.

On December 27, 2020, Congress passed the Consolidated Appropriations Act, 2021, Public Law 116-260, Section 501(a), which provides \$25 billion for the U.S. Treasury to establish the Emergency Rental Assistance program (the “Program”) to make payments directly to States and local governments with more than 200,000 residents to provide financial assistance to eligible households unable to pay rent and utilities due to the COVID-19 pandemic. Then, on March 11, 2021, Congress passed the American Rescue Plan Act of 2021, Public Law 117-2, Section 3201, which provides an additional \$21.55 billion for Treasury to make additional funds available for the Program.

In an effort to combat unnecessary evictions and still permit landlords to receive the rent they are entitled to, eligible states and local jurisdictions have established their own jurisdictional programs to provide these funds. These funds are available not

only to tenants that apply for assistance directly, but in many cases, landlords are eligible to apply on behalf of the tenants to seek eligible benefits. Eligible benefits are paid directly to the landlord whenever possible to satisfy eligible rental expenses. To obtain the benefits, the tenants and landlords will have to cooperate in the process, including submitting an application (paper or electronic is usually available), making certifications to the legitimacy and accuracy of the underlying application, and providing supporting information required by the jurisdictional programs, such as leases, proof of property ownership, personal identification, banking information, etc. Benefits can include eligible rental arrears, utility expenses, certain other miscellaneous expenses and fees, and a limited amount of forward rent (if tenants remain unable to meet their rental expense).

The Program does have certain limitations. These include, but are not limited to, limits on total assistance paid that cannot exceed 12 months of arrears or 15 months in total (including any eligible forward rent), benefits cannot be duplicated with funds from the Program or from other eligible programs, and landlords must agree to halt and not bring eviction proceedings (for failure to pay rent) against tenants for such period of time as assistance has been paid.

Owners of rental properties, property managers, and tenants should all be aware of the benefits available to ensure that unnecessary collection activities and expenses, as well as eviction proceedings, are avoided. States and eligible local governments may also be working with sub-grantees such as local nonprofits to try and more directly make benefits available to individuals who may not otherwise be aware of the jurisdictional programs or how to access the benefits. The U.S. Treasury website provides a [link](#) to applicable state programs so that tenants and landlords can investigate the appropriate programs and seek benefit assistance where appropriate.

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