

Talking Points on Rental Assistance

September 3, 2020

Background

On September 4, the Centers for Disease Control and Prevention (CDC) declared a “temporary halt to residential evictions to prevent the further spread of Covid-19.” This eviction moratorium applies to all residential housing. Further, it applies to all renters who self-certify they meet four criteria. The criteria are:

- Make less than \$99,000 (single) or \$198,000 (married); *This is expected to cover more than 95% of all renters*
- Have used their best efforts to obtain rental assistance;
- Are unable to pay full rent due to loss of household income, hours or wages, lay-offs, or extraordinary out of pocket medical expenses; *note this does not have to be COVID-related AND*
- If eviction, would likely become homeless or need to move in to a residence that is shared by other people in close quarters.

Upon receipt by the landlord of an attestation to the above, the resident may not be lawfully evicted for failure to pay rent through December 31, 2020. Landlords may still evict for other lease violations.

This notice does not relieve residents from their rent obligations, and landlords may charge late fees, penalties and interest on missed rental payments.

Recently, the House of Representatives passed the HEROES Act which included substantial rental assistance, however the new eviction moratorium covers a much larger population of renters, around 95%, placing the vast majority of housing providers in jeopardy.

Why do REALTORS® care?

Right now, housing markets are strong. But a lack of rental assistance jeopardizes the entire real estate market. The eviction crisis that will occur at the end of this eviction moratorium will be significant. It will disrupt housing markets nationwide. This will have a devastating impact on our national economy.

More than 40% of rental units across the nation are owned by ‘mom & pop’ owners who will struggle to keep up with their financial obligations. Additionally, 37% of rental units are categorized as LLC/LP/LLP, many of which are operated by individuals who will also be negatively impacted. Many of these owners rely on their rental income to cover their own necessities, including housing, food and medical needs.

More than 25% of REALTORS® own or manage rental property.

The current eviction moratorium will leave housing providers and renters alike struggling. During the moratorium, property owners will struggle to make their obligations – including mortgage payments, insurance, taxes, property maintenance, utilities and staff. When the moratorium expires, renters will struggle to make up massive amounts of back rent (which could amount to over a years’ worth of rent). This will turn our current healthcare crisis into a significant housing crisis come 2021.

Congress: Rental Assistance is necessary for renters AND Housing Providers.

Congress must enact an emergency rental assistance program that addresses the challenges for housing providers and renters alike. The House-passed HEROES Act did include rental assistance, but not sufficient to cover the number of renters covered by the CDC notice. All renters who are eligible and attest to their need for the eviction moratorium must be covered. Payments should be made directly to housing providers who provide housing authorities with copies of their residents’ attestations.

