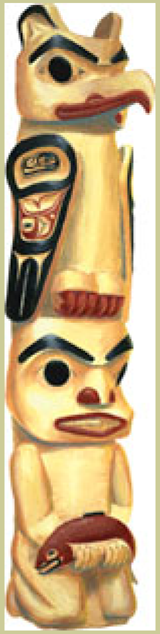

COVID-19 Emergency Rental Assistance (ERA) and Homeowner Assistance Fund (HAF)

Ed Clay Goodman, Partner
Hobbs, Straus, Dean & Walker, LLP
215 SW Washington St. Suite 200
Portland, OR 97204
Ph: (503) 242-1745
egoodman@hobbsstraus.com
http://www.hsdwlaw.com

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Description of Emergency Rental Assistance (ERA) Funding

- The Emergency Rental Assistance program makes $25 billion under the Consolidated Appropriations Act, 2021 available to assist households that are unable to pay rent or utilities.
- Tribes/TDHEs received $800 million.
- ERA funds provide assistance to pay rents, rental arrears, utilities and utility arrears, as well as some housing stability services.
- Assistance may be given to landlords or directly to renters.
- Available on or off tribal lands, to members and non-members
- NO ERA assistance to homeowners to cover their mortgage, utility, or energy costs. See Homeowner Assistance Fund.
- ERA funds to Tribes generally expire on September 30, 2022.
- But must spend 65% by September 30, 2021.

Description of Emergency Rental Assistance (ERA) Funding

- At least 90% of awarded ERA funds must be used for direct financial assistance, including rent, rental arrears (except arrears accrued before March 13, 2020), utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing.
- Remaining 10% of funds are available for administrative costs and for housing stability services.
- If an applicant has rental arrears, T/TDHE may not make commitments for prospective rent payments unless it has also provided assistance to reduce the rental arrears.
- “Other expenses” must be related to housing and “incurred due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak”
- T/TDHE is <u>not</u> required to provide assistance with respect to rent in order to provide assistance with respect to utility or energy costs.
- Manufactured homes and/or the parcel of land the manufactured home occupies are eligible, as well as houseboats.

Availability of ERA Assistance

- An eligible household may receive up to twelve (12) months of assistance (plus an additional three (3) months if necessary to ensure housing stability for the household, subject to the availability of funds).
- Prospective rent payments are limited to three (3) months per application, except that a household may receive assistance for prospective rent payments for additional months subject to availability of funds, and based on a subsequent application for additional assistance.
  - These limitations do not apply to prospective utilities.
- Federally subsidized rental units may receive ERA assistance if ERA funds are not applied to costs that have been or will be reimbursed under any other federal assistance, and to the extent not subsidized.
- ERA assistance available to “rent-to-own” or MHOA program participants under certain conditions.

Availability of ERA Assistance

- An eligible household can receive payment to cover rental arrears that accrued after March 13, 2020, <u>even if they no longer reside in those premises</u>.
- There are no immigration status qualifications.
- You should not request SSNs from applicants.

"Other Expenses"

- Relocation expenses (including prospective relocation expenses), such as rental security deposits, and rental fees, which may include application or screening fees.
- Reasonable accrued late fees (if not included in rental or utility arrears).
- Internet service provided to the rental unit.
- The cost of a hotel/motel room provided that:
  - The household has been temporarily or permanently displaced from its primary residence or does not have a permanent residence elsewhere;
  - The total months of assistance provided to the household do not exceed 12 months; and
  - Documentation of the hotel or motel stay is provided and the other applicable requirements are met.
  - There is a specific policy for addressing the use of these funds for hotel/motel.

ERA Program Eligibility

- T/TDHE may only provide ERA assistance and housing stability services to eligible households.
- To be eligible, a household must be obligated to pay rent on a residential dwelling and the T/TDHE must determine that:
  - One or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak;
  - One or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and
  - The household has a household income at or below 80% of area median income as published by HUD.
- Must obtain a written attestation signed by the applicant that one or more members of the household meets these conditions.

Documentation

- T/TDHEs may be flexible as to the particular form of eligibility documentation they require, including by permitting:
  - Photocopies or digital photographs of documents,
  - E-mails, or
  - Attestations from employers, landlords, caseworkers, or others with knowledge of the household's circumstances, including self-attestation.
- T/TDHEs must require all applications for assistance to include an attestation from the applicant that all information included is correct and complete.
- Applicants may demonstrate a risk of experiencing homelessness or housing instability, by providing:
  - A past due utility or rent notice or eviction notice,
  - Unsafe or unhealthy living conditions (which may include overcrowding), or
  - Any other evidence of risk

Documentation (cont.)

- T/TDHEs may determine income (defined at 24 CFR § 5.609) eligibility based on either: (i) the household's total income for calendar year 2020, or (ii) sufficient confirmation of the household's monthly income at the time of application.
- T/TDHEs may to rely on a determination letter from another government agency that verified the applicant's household income or status as a low-income family made on or after January 1, 2020.
- T/TDHEs may rely on a reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area; where income is not verifiable due to the impact of COVID-19 (for example, because a place of employment has closed) or has been received in cash, or if the household has no qualifying income, T/TDHE may accept a written attestation from the applicant regarding household income.
- T/TDHEs must obtain, if available, a current lease, signed by the applicant and the landlord or sublessor.

Administration

- T/TDHEs must document the policies and procedures for determining a household's eligibility.
- T/TDHEs must keep records of certain demographic information to provide to Treasury.
- T/TDHEs must also have controls in place to ensure compliance and prevent fraud, and must establish data privacy and security requirements.
- T/TDHEs should require recipients of funds under ERA programs, including tenants **<u>and landlords</u>**, to commit in writing to use ERA assistance only for the intended purpose before issuing a payment.
  - T/TDHEs are <u>not</u> required however to obtain documentation evidencing the use of ERA program funds by tenants and landlords
- Preference should be given to households with incomes less than 50% area median income and to households with one or more members that have been unemployed for at least 90 days.

Eviction Limitations

- T/TDHEs must prohibit landlords that receive funds under an ERA program for prospective rent, from evicting the tenant for nonpayment of rent during the period covered by the assistance.
- For landlords that receive funds for rental arrears, T/TDHEs are encouraged to prohibit the landlord from evicting the tenant for nonpayment of rent for some period of time, consistent with applicable law.
- Treasury strongly encourages T/TDHEs to require landlords that receive funds under the ERA, as a condition of receiving the funds, not to evict tenants for nonpayment of rent for 30 to 90 days longer than the period covered by the rental assistance.

Homeowner Assistance Fund

- The Homeowner Assistance Fund (HAF) was established under the American Rescue Plan to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020.
- Funds from the HAF may be used for assistance with mortgage payments, homeowner's insurance, utility payments, and other specified purposes.
- Prioritizes funds for homeowners who have experienced the greatest hardships, leveraging local and national income indicators to maximize the impact.
- $498 million for T/TDHEs distributed based on the ERA allocation formulas, which will be will published after the Tribal consultation process.
- Funding is available through September 30, 2025

HAF Eligibility

- Homeowners are eligible to receive HAF funding for their primary residence if they (1) experienced a financial hardship after January 21, 2020 and (2) have incomes equal to or less than 150% of the area median income.
- T/TDHEs must require homeowners to attest that they experienced financial hardship after January 21, 2020 and describe the hardship (e.g., job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member).
- Financial hardship means "a material reduction in income or material increase in living expenses associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner."

HAF Targets

- At least 60% of HAF funding received must be targeted to homeowners having incomes no greater than 100 percent of area median income **or 100 percent of the median income for the United States**, whichever is greater.
- T/TDHEs should prioritize remaining funds to funds to "socially disadvantaged individuals," as defined by the Small Business Act (SBA). Under the SBA, "Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities."
- T/TDHEs may use HUD's definition of "annual income" in 24 CFR 5.609 or use adjusted gross income as defined for purposes of reporting on Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.

HAF Administration

- Funds may be used for:
  - Mortgage payment assistance
  - Financial assistance to allow a homeowner to reinstate a mortgage or to pay other housing related costs related to a period of forbearance, delinquency, or default;
  - Principal reduction;
  - Facilitating interest rate reductions;
  - Utilities, including electric, gas, and water;
  - Internet service, including broadband internet access service;
  - Homeowner’s insurance, flood insurance, and mortgage insurance;
  - HOA fees, condominium association fees, or common charges;
  - Reimbursement of funds state or local HAF-equivalent funds; and
  - Any other assistance to promote housing stability for homeowners, including preventing eviction, mortgage default/foreclosure, or loss of utilities

Initial Payment and HAF Plans

- Treasury will make initial payments from the HAF available to approved T/TDHEs in an amount equal to **<u>10% of the total amount allocated</u>**.
- To get approved, T/TDHEs must:
  - Enter into the financial assistance agreement with Treasury that outlines applicable federal laws and policies, and
  - Commit to use the funds only for qualified expenses other than reimbursements to state or local entities.
- No more than 50% of the initial payment may be used for planning, community engagement, needs assessment, and administrative expenses.
- Participants are encouraged to use these initial payments to create or fund pilot programs to serve targeted populations, and to focus on programs that are most likely to deliver resources most quickly to targeted populations, such as mortgage reinstatement programs.

HAF Plan Approval

- To receive HAF funds beyond the initial 10% payment described above, a T/TDHE **must develop and submit a plan for its use of HAF funding**. Due by June 30, 2021 (or a statement of when you will provide.
- These HAF plans will describe in detail the needs of homeowners within the relevant jurisdiction, the design of each program the T/TDHE proposes to implement using HAF funds, performance goals, and information regarding the T/TDHE's readiness to implement the programs.
- Treasury will provide eligible entities with a template for the HAF plan, which is expected to include those elements.
- HAF participants must provide information and data that they use to design their programs in a way that effectively targets eligible homeowners.

HAF Plan Approval (cont.)

- Treasury will assess HAF plans based on the following factors:
  - Alignment of Community Needs and Program Design
  - Alignment of Performance Goals with Data on Targeted Populations
  - Methods of Targeting
  - Readiness,
  - Alignment of Budget with Performance Goals
- In the event that the information required in the HAF plan is not available, Treasury will accept alternative information regarding the relevant community.

Requesting HAF Funds

- To participate in the Homeowner Assistance Fund, each T/TDHE must submit a notice of funds request (OMB Form 1505-0269) to the Department of the Treasury by September 30, 2021, or they will not be eligible to participate.
- Department of the Treasury will make available an electronic portal on this webpage through which eligible entities will be able to complete and submit (1) a notice of funds request; (2) the HAF financial assistance agreement; and (3) a payment information form.