



## Federal Eviction Moratorium: Affordable Housing & Federally Backed Loans

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2.2 trillion stimulus package to help with the economic fallout of the COVID-19 pandemic. One provision of that law places a temporary moratorium on eviction filings for residential properties that are financed by federally backed mortgage loans or that participate in federal affordable housing programs, including properties with Section 8 housing vouchers.

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**Note:** CAA recommends that an attorney be used for preparation of any termination notices or eviction filings during the current state of emergency.

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### Applicability

This law applies to two categories of property. One such category is properties with federally backed mortgage loans, including multifamily properties (properties with 5+ units) with those loans. A federally backed loan is defined to include any loan made, insured, guaranteed, supplemented, or assisted in any way by any office or agency of the federal government. This includes loans backed by HUD, the VA, the USDA, Fannie Mae, or Freddie Mac.

The other category is for properties that participate in any of the following federal affordable housing programs:

- The Section 8 Housing Choice Voucher Program
- The Section 8 Project-Based Program
- The Low-Income Housing Tax Credit Program
- HOME Investment Partnerships
- Section 2020 supportive housing for the elderly
- Section 811 supportive housing for persons with disabilities
- Section 236 multifamily rental housing.
- Section 221(d)(3) Below Market Interest Rate housing
- Housing Opportunities for Persons with AIDS
- The Rural Housing Voucher Program
- USDA Rural Development
- McKinney-Vento Act homelessness programs

### Prohibited Activity

From March 27 through July 25, 2020, a landlord cannot do either of the following:

- (1) Issue a notice to pay rent or quit for nonpayment of rent or other charges.
- (2) File an unlawful detainer action in court for nonpayment of rent or other fees or charges.
- (3) Charge fees, penalties, or other charges to the tenant related to the nonpayment of rent.



In addition, once the landlord is able to issue a notice to pay rent or quit, the notice needs to provide at least 30 days' notice to the tenant and cannot file an unlawful detainer act before those 30 days expire.

This law does not apply to unlawful detainer cases that were filed before March 27 or that are filed after July 25. Nor does it apply where eviction is not based on default in the payment of rent or other charges.

### **More Protective State & Local Laws Apply**

These properties remain subject to state or local laws that provide additional tenant protections, so landlords may still be limited in the actions they can take during the current state of emergency. See the other state and local eviction tenant protections enacted in response to the COVID-19 pandemic [here](#).

### **Mortgage Forbearance Available**

A landlord of a multi-family property subject to this law experiencing a financial hardship due to the COVID-19 pandemic may be eligible for mortgage forbearance for up to 90 days under another provision of the CARES Act. For more information on this relief, click [here](#).

### **References**

- Public Law 116-136, Secs. 4024, 4023.

