USDA Rural Development

Multifamily Housing

August 4, 2021

Multifamily Housing Partners,

Thank you for your ongoing dedication to providing quality housing to tenants. We wanted to bring to your attention that on August 3 the CDC published a new notice on a <u>Temporary Halt in Residential Evictions</u>, authorized under Section 361 of the Public Health Service Act, 42 U.S.C. 264 and 42 CFR 70.2. The notice is effective through OCTOBER 3, 2021, and only applies to counties with a substantial or high rate of COVID-19 transmission.

This letter is a reminder of the CDC's requirements and its application on Rural Development Multifamily Housing programs. We strongly encourage you to read the <u>CDC notice</u> in its entirety to fully understand CDC's requirements. This halt in residential evictions applies to tenants in Rural Development MFH properties who certify to their landlord that they meet the following CDC criteria:

- All adults in the household have attempted to obtain any available government assistance for rent
- The household meets income limits of \$99,000 per individual or \$198,000 per couple
- The household is unable to pay full rent due to a loss in household income or extraordinary medical expenses
- Timely partial payments have been attempted
- Eviction would likely make the household homeless or force them into an unsafe shared living arrangement

The US Department of Treasury has funding available to assist households that are unable to pay rent. We encourage owners and agents to visit the <u>Department of Treasury's Emergency Rental Assistance program</u> to access resources for tenants who have fallen behind on rent.

If needed, RD owners may borrow from the project reserve account while waiting for ERA funds to be received to clear tenant accounts receivable. In addition, receipt of Treasury ERA funds qualifies the property for the \$5 per unit per month add-on management fee for properties with multiple subsidies (additional reporting requirements). This can be included in your property's proposed budget for the next year.

Many RD Multifamily properties received American Rescue Plan Rental Assistance (ARP RA) beginning in May 2021 to assist current tenants that were rent-overburdened (paying more than 30% of adjusted income towards rent). If upon recertification management discovers any additional rent-overburdened tenants, please reach out to your servicing specialist to inquire if they can be provided with Rental Assistance under ARP.

If properties are experiencing financial hardship due to COVID-19 and tenant inability to pay, please reach out to your assigned servicing staff to discuss options. To review our previously posted Multifamily Housing questions and answers on the CARES Act forbearance and COVID-19 in general, please visit the **Rural Development COVID-19 Response website**.