Expanded Section by Section

Emergency Rental Assistance

The Emergency Rental Assistance section provides $25 Billion through the U.S. Treasury to States, U.S. Territories, tribes, and large cities in order to provide assistance to struggling renters.

While this is a new program, the formula distribution is modeled after the concept established in the Coronavirus Relief Fund (CRF) enacted in the CARES Act. Of the $25 Billion, $800 Million is reserved for tribes and/or tribal designated housing entities, $400 Million is reserved for U.S. Territories, and each State (as well as the District of Columbia) shall receive no less than $200 Million. Local jurisdictions with a population greater than 200,000 may also apply directly to Treasury for funds under this section. Any amounts granted to local jurisdictions shall be reduced from the amount granted to the State in which that jurisdiction is located.

Grantees shall use funds to provide direct financial assistance or housing stability services to eligible households. Not less than 90 percent of funds shall be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Not more than 10 percent of funds shall be used for housing stability services, including case management and other services intended to keep households stably housed. Grantees may use up to 10 percent of funds received to cover administrative costs.

Eligible households may receive up to 12 months of assistance, plus an additional 3 months if necessary to ensure housing stability. Grantees can only commit to assistance in 3-month increments, after which point an eligible household must re-apply for funds. Grantees may not make commitments for prospective rent payments to an eligible household unless assistance has also been provided to reduce that household’s rental arrears.

An application for rental assistance may be made directly to a grantee by either an eligible household or by a landlord on behalf of that eligible household. In general, grantees will provide funds directly to landlords and/or utility service providers. If a landlord does not wish to participate, the grantee may provide funds directly to the eligible household.

Grantees shall prioritize consideration of applications for eligible households that are at or below 50 percent of the area median income, or where one or more members of the household has been unemployed for 90 days or longer. Grantees have flexibility to devise additional eligibility criteria.

An “eligible household” is defined as a renter household that meets the following criteria:

i) Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship related to COVID-19;
ii) Demonstrates a risk of experiencing homelessness or housing instability; and
iii) Has a household income at or below 80 percent of the area median.

In determining a household's income for purposes of this section, grantees shall consider either the household's total income for calendar year 2020 or the household's monthly income at the time of application for assistance. For household incomes determined using the latter method, grantees must re-determine income eligibility every 3 months. A household receiving other forms of federal housing assistance shall not be eligible to receive assistance under this section.

Funds provided to an eligible grantee expire on December 31, 2021. Starting on September 30, 2021, Treasury shall begin to recapture unspent funds from grantees and shall reallocate such funds to grantees who have obligated at least 65 percent of their original allocation. Grantees receiving a reallocation may be approved for a 90-day extension on the expiration date (thru March 31, 2021) at the discretion of the Secretary.

The Treasury Office of Inspector General (OIG) shall conduct oversight of the program, and may recoup funds from any grantee that fails to comply with the use of funds rules. The Department of the Treasury must meet quarterly and program-length reporting requirements to Congress.

Eviction Moratorium Extension

This section extends the eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) for one additional month, through January 31, 2021.

Community Development Investment

The Community Development Investment Section provides $12 Billion overall to support two emergency programs, the Emergency Capital Investment Program and the Community Development Financial Institutions (CDFI) Fund.

The section provides $9 Billion to Treasury to create an Emergency Capital Investment Program to make direct and indirect capital investments in low- and moderate income (LMI) financial institutions to support lending and investment activity in low- and moderate-income and minority communities. The Program prioritizes smaller financial institutions by setting aside no less than $4 Billion for eligible institutions with total assets of $2 Billion or less, of which no less than $2 Billion is set aside for eligible institutions with total assets of $500 Million or less, that apply quickly. Treasury's authority to make new investments in LMI community financial institutions terminates 6 months after the termination of the national emergency declared by the President on COVID-19.

This section establishes clear standards for participation, such as being a LMI community financial institution, and submitting an application and investment and lending plan. It excludes institutions that have been designated as in troubled condition or that are subject to a formal enforcement action addressing safe and sound lending practices with a Federal regulator. The section also preserves flexibility for Treasury to exit these investments.

This section provides $3 Billion dollars to the CDFI Fund, and set aside as follows:

- $1.25 billion is set aside, and available until September 30, 2021, to support, prepare for, and respond to the economic impact of COVID-19; and
- $1.75 billion is set aside, and remains available until expended, to provide grants to CDFIs to respond to the economic impact of COVID-19, of which $1.2 billion is for financial assistance, technical assistance, awards, and training and outreach for certain institutions.

The Treasury IG is tasked with oversight authority of these programs, and will submit to the House Financial Services Committee and Senate Banking Committee no less than twice a year a report on such oversight. Additionally, Treasury is required to study and report to the House Financial Services Committee and Senate Banking Committee no later than 18 months on the impacts of the programs.

Extensions

The following CARES Act provisions are extended:

- Section 4014, which provides temporary relief from the Current Expected Credit Losses (CECL) accounting standard, is extended through January 1, 2022 and accommodates for a mid-year adoption of the standard;
- Section 4013, which provides temporary relief from the Troubled Debt Restructurings (TDR) classification, is extended through January 1, 2022, and includes clarity regarding its application to insurance companies;
- Section 4016, which increases access to and financial resources through the National Credit Union Administration's Central Liquidity Facility (CLF), is extended through December 31, 2021.

Healthcare Operating Loss Loans

This section also permits the U.S. Department of Housing and Urban Development (HUD) to finance up to one year of operating losses for certain hospital and residential care facilities insured by the Federal Housing Administration (FHA) under Sections 232 and 242 of the National Housing Act.