

UNITED STATES DISTRICT COURT  
IN THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

LAURENCE WOLF, d/b/a  
LAURENCE WOLF PROPERTIES, individually,  
and on behalf of a class of similarly situated  
persons and entities,

Plaintiff,

Case No. 2:23-cv-11645  
Hon. Brandy R. McMillion  
Magistrate Kimberly G. Altman

v.

CITY OF DETROIT,  
a municipal corporation,

Defendant.

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**PLAINTIFF'S SECOND AMENDED CLASS ACTION COMPLAINT  
AND JURY DEMAND**

Plaintiff Laurence Wolf d/b/a Laurence Wolf Properties (“Plaintiff”), by his attorneys, Kickham Hanley PLLC, individually and on behalf of a class of similarly situated class members, states the following for his Second Amended Class Action Complaint against the City of Detroit (the “City”):

**INTRODUCTION**

1. This is a class action brought by and on behalf of residential landlords in the City challenging the City’s unconstitutional practice of withholding, and/or requiring two Housing Assessment and Resource Agencies (a/k/a “HARAs”) to withhold, a percentage of Covid emergency rental assistance funds (“CERA” funds) provided through federally-funded rental assistance programs—specifically, the

Consolidated Appropriations Act and the American Rescue Plan Act, 15 USCS § 9058a and 15 USCS § 9058c (hereinafter, the “Relief Acts”). Copies of the Relief Acts are attached as Exhibit A hereto.

2. Congress’ expressly stated purpose for the CARES Act, identified in Senate Amendment 1578, was to provide “**emergency** assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic.” *See* Exhibit K, hereto, S.Amdt. 1578 to H.R.748 (emphasis added).

3. The purpose of the Consolidated Appropriations Act, 2021 was expressly stated in the statute’s synopsis as: “An Act Making consolidated appropriations for the fiscal year ending September 30, 2021, providing coronavirus **emergency response and relief**, and for other purposes.” *See* 116 P.L. 260, 2020 Enacted H.R. 133, 116 Enacted H.R. 133 (emphasis added).

4. As further noted by the U.S. Treasury, the Relief Acts were designed to provide **fast, direct economic assistance** for American workers, families, small businesses, and industries. *See* Exhibit L, hereto (U.S. Treasury Department Website, emphasis added).

5. Among other relief, the Relief Acts were clearly designed to economically bolster the rental market by keeping tenants in their homes “while **facilitating prompt payment to landlords**” when the country effectively was on lockdown—ensuring that rent payments were made directly to landlords whose tenants demonstrated eligibility

for CERA payments (the “Approved Landlords”).<sup>1</sup> *See* Exhibit G, Executive Order No. 2020-134, p. 2 (emphasis added).

6. Indeed, the Biden Administration stated that an express purpose of the Relief Acts was to “protect vulnerable tenants **and landlords**” and “to aid the **struggling landlords** and renters most at risk for eviction.” *See* Exhibit H, Biden Administration “Fact Sheet” dated August 25, 2021. The Biden Administration further emphasized the need for accelerated, rapid rental assistance—expressly stating that “no state or locality should delay distributing resources that have been provided by Congress to meet families’ critical need and prevent the tragedy of unnecessary eviction.” *Id.*

7. The City itself even acknowledged that the emergency rental assistance under the Relief Acts was “**designed to help landlords and tenants.**” *See* Exhibit I hereto (emphasis added).

8. Thus, the Relief Acts were intended to be implemented quickly, without obstruction by state or local government, and were designed to both protect eligible households from eviction **and** benefit Approved Landlords by securing rent payments owed by tenants that were financially harmed by the pandemic lockdown.

9. Congress passed both the Consolidated Appropriations Act and the American Rescue Plan Act, 15 USCS § 9058a and 15 USCS § 9058c in 2021. Both Relief

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<sup>1</sup> Landlord eligibility for CERA funding was based on their tenant’s needs. To become an “Approved Landlord” under the Relief Acts, a tenant’s household income, financial hardship and housing situation was considered *See* Exhibit D hereto, p. 2.

Acts included substantially similar provisions that provided for emergency rental assistance.

10. Under the Relief Acts, billions in rental assistance funds were provided directly to states and local governments (“Grantees”) for distribution to Approved Landlords who were encouraged to directly apply for rental assistance relief under state and locally created programs created solely to distribute these federal funds.<sup>2</sup>

11. Under the plain language of the Relief Act statutes, Grantees were **required** to pay rental assistance directly to Approved Landlords—except and unless the Approved Landlord refused to accept payment from the grantee. *See* 15 U.S.C. § 9058a (c)(2)(C)(i)(1): “an eligible grantee **shall** make payments to a lessor...on behalf of the eligible household, **except that**, if the lessor...does not agree to accept such payment from the grantee...the grantee may make such payments directly to the eligible household **for the purpose of making payments to the lessor.**” [Emphasis added.] *See also* Exhibit I, City Document acknowledging that rental assistance was to be paid directly to landlords.

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<sup>2</sup> Tenants were also able to directly apply for CERA Funds. Regardless of whether a tenant or landlord applied, the determination of payment of CERA Funds was based upon the needs of the tenant. In order to demonstrate need, an applicant must show that they were obligated to pay rent and that they had suffered a significant financial hardship (*i.e.* unemployment and risk of tenant becoming homeless) due directly or indirectly to the Covid-19 pandemic. Regardless of who applied, under most circumstances the CERA Funds were intended to be paid directly to Approved Landlords or utility providers if aid in utility payments was sought. *See* 15 U.S.C. § 9058a (c)(2)(C)(i)(1).

12. The City was a Grantee under the Relief Acts and operated as a fiduciary over the CERA Funds, utilizing local HARAs to facilitate distribution of the CERA Funds to Approved Landlords.<sup>3</sup>

13. The HARAs involved here are the Wayne Metropolitan Community Action Agency (“Wayne Metro”) and the United Community Housing Coalition (“UCHC”) which at all times acted as agents and representatives of the City and acted at the direction and under the control of the City, in approving, administering, distributing and withholding the CERA Funds. Neither the City nor the HARAs had a property interest in the CERA Funds—particularly once they were awarded to and designated for payment to Approved Landlords, who, once awarded, had a vested property right to receive CERA Funds under the Relief Acts.

14. Instead of distributing the entire amount of CERA Funds provided for and owed to Approved Landlords as required under the Relief Acts, the City self-servingly imposed unlawful additional and arbitrary requirements upon Approved Landlords that had to be met before the City would permit the HARAs to fully release all CERA Funds to those Approved Landlords. These unlawful additional and arbitrary requirements necessarily delayed the distribution of Relief Funds and in doing so contravened the stated purpose of the Relief Acts—which was to quickly disseminate the Relief Funds provided by Congress without obstruction.

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<sup>3</sup> In September 2022, the CERA Program closed and stopped taking applications.

15. Most specifically, the City required Approved Landlords to first obtain a Certificate of Compliance (or “accepted exception” to same, *see* ¶ 48, *infra*) prior to all CERA Funds being distributed. The City’s Certificate of Compliance (“CoC”) was purportedly required to ensure that the leased premises were habitable.

16. If no Certificate of Compliance was obtained by an otherwise Approved Landlord and no “accepted exception” applied, then, under the City’s directive, the HARA distributed only 80% of CERA Funds to the Approved Landlord and placed the remaining 20% into an escrow account until the Approved Landlord obtained a Certificate of Compliance (or “accepted exception” to same, *see* ¶ 48, *infra*).

17. The City’s practice of requiring HARAs to escrow 20% of CERA Funds that rightfully belong to Approved Landlords was not a requirement of the Relief Acts nor was it a federal requirement of any aspect of the CERA program. The practice of requiring HARAs to escrow 20% of CERA Funds was purely a City-imposed requirement that unlawfully deprived Approved Landlords of millions of dollars that rightfully belonged to them.

18. Worse, although the City mandated that Approved Landlords must obtain a Certificate of Compliance (or “accepted exception” to same) to receive payment in full of CERA Funds, the City was and is months—in some cases even years—behind in processing applications made by Approved Landlords for Certificates of Compliance.

19. Thus, regardless of whether an applicant landlord met all of the requirements set forth under the Relief Acts and became an Approved Landlord who

was entitled to full payment of CERA funding under the Relief Acts, the City imposed yet another hurdle—the elusive Certificate of Compliance (or “accepted exception” to same, *see* ¶ 48, *infra*)—that the City simply could not timely provide even if the Approved Landlord had timely applied for it.

20. The City’s practice of requiring HARAs to withhold 20% of the CERA Funds until a CoC (or “accepted exception” to same, *see* ¶ 48, *infra*) was obtained was not only unconstitutional, but it capitalized on the financial hardship experienced by both landlords and tenants during the pandemic by enforcing—through the seizure of specific funds owned by Approved Landlords—an arbitrary rule that was wholly unrelated to the purpose and intent of the Relief Acts and CERA funding.

21. The City’s practice of requiring the HARAs to withhold 20% of the CERA Funds provided under the Relief Acts constitutes a violation of an Approved Landlord’s rights under the Fifth Amendment of the U.S. Constitution because it provides for a taking of private property for a public purpose without just compensation or is, alternatively, an illegal exaction in violation of Federal Law—specifically the Federal Relief Acts.

## **JURISDICTION AND VENUE**

22. Plaintiff is an Approved Landlord that operated within the City during the relevant time period, was awarded CERA Funds under the Relief Acts but was denied payment of 20% of the CERA Funds to which he was awarded and entitled because of

the City's unlawful policies. Plaintiff seeks to act as class representative for all similarly situated persons and entities.

23. Defendant City of Detroit is a Home Rule municipality located in Wayne County, Michigan.

24. Non-party Wayne Metropolitan Community Action Agency ("Wayne Metro") is a Housing Assessment and Resource Agency operating within the City of Detroit under the City's control and/or direction.

25. Non-party United Community Housing Coalition ("UCHC") is a Housing Assessment and Resource Agency operating within the City of Detroit under the City's control and/or direction.

26. Jurisdiction is proper in this Court pursuant to 28 U.S.C. 1331, because this Court has original subject matter jurisdiction of all civil actions arising under the U.S. Constitution and Plaintiff's claims include a claim arising under the 5th Amendment Takings Clause of the U.S. Constitution, with applies to the City through the 14<sup>th</sup> Amendment to the U.S. Constitution, and an Illegal Exaction claim arising from the City's deprivation of Plaintiff's rights under the Relief Acts. Plaintiff is entitled to enforce these rights through a civil action under 42 U.S.C. § 1983.

27. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(1) because the City is located in this District and the actions which gave rise to Plaintiff's causes of action occurred in this District.

## GENERAL ALLEGATIONS

28. On March 13, 2020, President Trump declared a national emergency in response to the Covid-19 pandemic. By March 18, 2020, the first federal Covid relief package—which guaranteed free testing and paid emergency leave—was signed into law.<sup>4</sup>

29. On March 23, 2020, Governor Whitmer declared a state of emergency within Michigan and issued the “Michigan Stay Home, Stay Safe Order” which barred non-essential business activities, social gatherings, and events. Initially designed to restrict activity and business until April 13, 2020, this “stay-at-home” order was the first of many subsequent “emergency orders” issued by the state that restricted business activity and social gatherings until well into 2021, when finally, on June 7, 2021, Governor Whitmer rescinded all extant “emergency orders.”<sup>5</sup>

30. Starting in December 2020, as part of its sweeping Covid relief programs, the federal government created emergency rental assistance programs that made funding available to assist households that were unable to pay rent or utilities because of the lockdown restrictions imposed under such orders as the “Michigan Stay Home, Stay Safe” protocol.

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<sup>4</sup> Covid-19 Pandemic Timeline Fast Facts  
<https://www.cnn.com/2021/08/09/health/covid-19-pandemic-timeline-fast-facts/index.html> (November 1, 2024)

<sup>5</sup> Michigan COVID-19 Timeline  
<https://covidmapping.org/timeline.html> (November 1, 2024)

31. Two separate rental assistance programs were established by Congress, one under the Consolidated Appropriations Act of 2021 and the other under the American Rescue Plan Act of 2021. *See, e.g.*, US Treasury ERAP site<sup>6</sup>; 15 USCS § 9058a; 15 USCS § 9058c (Exhibit A hereto).

32. 15 USCS § 9058a, entitled Emergency Rental Assistance (“ERA”) provides in pertinent part:

**(c) Use of funds.**

**(1)** In general. An **eligible grantee** shall only use the funds provided from a payment made under this section to provide financial assistance and housing stability services to eligible households.

**(2)** Financial assistance.

**(A)** In general. **Not less than 90 percent of the funds received by an eligible grantee** from a payment made under this section **shall be used to provide financial assistance** to eligible households, including the payment of

- (i)** rent;
- (ii)** rental arrears;
- (iii)** utilities and home energy costs;
- (iv)** utilities and home energy costs arrears; and
- (v)** other expenses related to housing incurred due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak, as defined by the Secretary.

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<sup>6</sup> *See* U.S. Department Of The Treasury website:

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program> (November 1, 2024).

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-American-families-and-workers/emergency-rental-assistance-program> (November 1, 2024).

Such assistance shall be provided for a period not to exceed 12 months except that grantees may provide assistance for an additional 3 months only if necessary to ensure housing stability for a household subject to the availability of funds.

**(B) Limitation on assistance for prospective rent payments.**

**(i)** In general. Subject to the exception in clause (ii), an eligible grantee shall not provide an eligible household with financial assistance for prospective rent payments for more than 3 months based on any application by or on behalf of the household.

**(ii)** Exception. For any eligible household described in clause (i), such household may receive financial assistance for prospective rent payments for additional months:

**(I)** subject to the availability of remaining funds currently allocated to the eligible grantee, and

**(II)** based on a subsequent application for additional financial assistance provided that the total months of financial assistance provided to the household do not exceed the total months of assistance allowed under subparagraph (A).

**(iii)** Further limitation. To the extent that applicants have rental arrears, grantees may not make commitments for prospective rent payments unless they have also provided assistance to reduce an eligible household's rental arrears.

**(C) Distribution of financial assistance.**

**(i)** Payments.

**(I)** In general. **With respect to financial assistance for rent and rental arrears** and utilities and home energy costs and utility and home energy costs arrears provided to an eligible household from a payment made under this section, **an eligible grantee shall make payments to a lessor or utility provider on behalf of the eligible household**, except that, if the lessor or utility provider does not agree to accept such payment from the grantee after outreach to the lessor or utility provider by the grantee, the grantee may make such payments directly to the eligible household for the purpose of making payments to the lessor or utility provider. [15 USCS 9058a (LexisNexis, Lexis Advance through Public Law 117-

214, approved October 19, 2022), attached hereto as Exhibit A (emphasis added)].<sup>7</sup>

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**(f) Application for assistance by landlords and owners.**

**(1)** In general. Subject to paragraph (2), nothing in this section shall preclude a landlord or owner of a residential dwelling from—

**(A)** assisting a renter of such dwelling in applying for assistance from a payment made under this section; or

**(B)** applying for such assistance on behalf of a renter of such dwelling.

**(2)** Requirements for applications submitted on behalf of tenants. If a landlord or owner of a residential dwelling submits an application for assistance from a payment made under this section on behalf of a renter of such dwelling—

**(A)** the landlord must obtain the signature of the tenant on such application, which may be documented electronically;

**(B)** documentation of such application shall be provided to the tenant by the landlord; and

**(C)** any payments received by the landlord from a payment made under this section shall be used to satisfy the tenant’s rental obligations to the owner.

33. Under the Relief Acts, billions of rental assistance funds were provided directly to states and local governments (and other tribes and territories) (the “Grantees”) for distribution to qualifying landlords, utility providers, and renters. Grantees were expressly charged with using the funds to aid eligible households through existing or newly created rental assistance programs. The State of Michigan and the City are “Grantees” under the Relief Acts.

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<sup>7</sup> 15 USCS § 9058c contains virtually identical language as 15 USCS § 9058a. *See* Exhibit A.

34. Emergency Rental Assistance (“ERA”) Grantees were obligated to comply with the requirements outlined in their ERA Award Terms, including the relevant ERA statute, all other applicable federal statutes, regulations, executive orders, and Treasury’s guidance (FAQs, reporting guidance, etc.). *See* US Treasury Guidance at p. 2 (Exhibit B, hereto).

35. Michigan’s Covid Emergency Rental Assistance Program (“CERA”) was operated by the Michigan State Housing Development Authority (“MSHDA”). CERA was “designed to keep Michigan residents who fell behind on their rent and utilities during the COVID-19 pandemic in their homes.” *See* Exhibit C, State of Michigan’s COVID Emergency Rental Assistance Program Guidance, at p. 3.

36. Landlords, like Plaintiff, were encouraged to apply to recover back rent on behalf of their tenants, and eligibility for federal assistance was based upon the tenant’s financial hardship. *See* Exhibit D, “Help for Landlords” at p. 2.

37. Plaintiff applied for CERA relief on behalf of certain of his tenants.

38. A HARA was generally the first point of contact for an applicant seeking relief under the CERA program and was charged with collecting the required documentation to prove eligibility for CERA Funding. *See* Exhibit C, p. 39.

39. Once a CERA application was granted and CERA Funds approved and awarded by the HARA, the Approved Landlord who rented to that tenant had a property interest in—*i.e.*, was the legal owner of—100% of the awarded CERA Funds (the “Landlord’s CERA Funds”). At that point Grantees, like the City and its HARAs,

were fiduciaries over the CERA Funds, holding the Landlord's CERA Funds as a trustee for the benefit of the Approved Landlord.

40. Local administration of CERA Funds, under MSHDA's guidance, permitted additional rules and restrictions to be imposed upon recipients of the funds in order to qualify for payment.<sup>8</sup> Specifically, MSHDA guidelines provided: "local programs may administer the CERA program with additional rules to coincide with existing local codes/ordinances so long **as the additional rules do not conflict with US Treasury regulations or slow the pace of serving eligible tenants and landlords.**" *See* Exhibit C, p. 3; Exhibit E hereto, MSHDA CERA Guidelines, at p. 5 (emphasis added).

41. U.S. Treasury guidelines applicable to Emergency Rental Assistance specifically state that a Grantee may not impose additional eligibility criteria as a condition for households successfully applying for CERA funding. *See* Exhibit J, Department of Treasury Frequently Asked Questions No. 44, p. 19:

44. May ERA grantees impose additional eligibility criteria, including employment or job[1]training requirements, as a condition of providing ERA assistance to households?

The statutes that authorize the ERA1 and ERA2 programs provide specific criteria for establishing a household's eligibility. These eligibility requirements include financial hardship, risk of homelessness or housing instability, qualifying income, and an obligation to pay rent. **While the statutes authorizing the ERA programs and Treasury's policy**

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<sup>8</sup> Upon information and belief, MSHDA's Guidelines that permitted the implementation of "additional qualifying rules" were crafted at the City's request to serve the City's interests.

**guidance afford grantees discretion in structuring their programs, grantees do not have the authority to augment the ERA eligibility requirements by conditioning assistance on a tenant’s employment status, compliance with work requirements, or acceptance of employment counseling, job-training, or other employment services. To the extent that grantees would impose other eligibility criteria or would require tenants to be employed, accept employment services, or comply with work requirements, such additional requirements are not permissible.** [Emphasis added.]

42. The foregoing Treasury guideline clearly prohibits Grantees from “augmenting ERA eligibility requirements” by imposing conditions that are more restrictive than those permitted by the Relief Acts.

43. MSHDA’s guidelines do not have the force of law but, even if they did, the guidelines conflict with the governing provisions of the Relief Acts and the Treasury guidance because they authorized additional conditions that were more restrictive than those permitted under the Relief Acts.

44. Indeed, MSHDA’s Guidelines are preempted by federal law to the extent that they conflict with the emergency rental assistance statutes stated in 15 USCS § 9058a and 15 USCS § 9058c and the Treasury guidance and, as such, stood as an obstacle to the accomplishment and execution of the full purpose and objective of Congress under the Relief Acts—which is to provide timely emergency rental assistance to eligible households, to “**protect vulnerable tenants and landlords,**” and “to aid the **struggling landlords** and renters most at risk for eviction.” *See* Exhibit H; Exhibit K, Exhibit L and 116 P.L. 260, 2020 Enacted H.R. 133, 116 Enacted H.R. 133.

45. The City’s actions in imposing the CoC (or “accepted exception” to same, *see* ¶ 48, *infra*) contravened the Relief Acts and were prohibited by the MSHDA Guidelines because they “slow[ed] the pace of serving eligible tenants and landlords” and imposed additional conditions that were more restrictive than those permitted under the Relief Acts.

46. In the City, Approved Landlords who had satisfied all of the requirements of the Relief Acts, still could not receive all of the CERA Funds awarded to them and to which they were entitled unless their residential rental properties were: (a) registered with the City, (b) subject to periodic inspections for code compliance, and (c) had obtained a Certificate of Compliance. *See* Exhibit F, COVID19 Emergency Rental Assistance (CERA) Rental Compliance Guide.

47. Thus, the City’s implementation and oversight of the CERA program included additional requirements **not** contained in the federal statute, but which had to be met before the City would permit a HARA to fully release the federally-granted CERA Funds to an Approved Landlord. Importantly, however, none of the additional and arbitrary requirements imposed by the City were lawful under the Relief Acts.

48. Specifically, the City imposed the following requirements upon an applicant landlord:

1. **100% OF THE FUNDS WILL BE RELEASED** if all CERA eligibility requirements are met and the property has one of the following:
  - a. **Certificate of Compliance (CoC)**, or

b. **Rental Registration** and an accepted **CoC CERA Exception**, examples include:

- i. Housing Quality Standards (HQS) for Housing Choice Voucher accepting properties, or an active passing REAC score for publicly assisted housing; or
- ii. Written acknowledgement by BSEED (the City's "Buildings, Safety Engineering, and Environmental Department") that the property is effectively in compliance, and the lack of CoC is due to factors unrelated to the conditions of the home;
- iii. Mutual agreement of the landlord and tenant that the condition of the home is of a high standard and all parties wish to proceed without further intervention. [Please note, examples ii. And iii. Under the accepted CoC CERA Exceptions require that the property must have a current "passed" BSEED rental inspection.]

2. **80% OF THE FUNDS WILL BE DISBURSED TO THE LANDLORD, AND 20% WILL BE PAID INTO AN ESCROW ACCOUNT** if there is no CoC or Accepted COC CERA Exception but the property is habitable (per MSHDA guidance relating to units with imminent threats to health and safety). The following outlines the process:

- a. A conditional dismissal or settlement agreement will be established to outline the plan for repairs to the home and/or CoC compliance within an agreed upon timeline. The timeline for these repairs will be decided between the parties, the default time is 3 months.
- b. The landlord becomes eligible to receive the 20% held in escrow if they complete the rental registration and do either of the following:
  - o Obtain a CoC or accepted CoC CERA Exception and provide proof of same; or
  - o Complete the repairs/improvements to the rental property for compliance-related repairs as outlined in the conditional dismissal or settlement agreement in an amount equal to or greater to the 20% escrowed amount. Landlord will provide documentation of repairs to tenant counsel or processor, including proof

of payment/receipts and a signed Affirmation of Repairs and Costs. Inspection costs may be included as repair costs. [Please note, the release of CERA funds *does not exempt* the landlord from meeting CoC requirements under local ordinance.]

3. **HEALTH AND SAFETY** If there is no CoC, or an accepted CoC CERA Exception, and the property is considered uninhabitable according to MSHDA rules, the landlord is not eligible to receive over 50% of CERA funds. The other 50% of the funds will be placed in escrow until the habitability issue is corrected.

- If, upon resolving the habitability issue, the property does not have a CoC or an accepted CoC Exception, 30% of the full payout will be released to the landlord, the remaining 20% will be held in escrow, and the 80/20 process will be initiated.

*See* Exhibit F at pp. 1-2.

49. The City's requirement that its HARAs place rent into escrow was blessed by MSHDA under circumstances where the rental unit posed a threat to health and safety: "rent payments should be held by the agency or put into escrow until it has verified both with the tenant and in writing that the repairs have been made." Moreover, "50% of the CERA Funds may be provided to the landlord to effect the needed repairs." Exhibit C, Program Guidance, at p, 25. This MSHDA guidance was lawless and contravened both the Relief Acts and the Treasury guidance.

50. Plaintiff was awarded and received CERA Funds based upon his applications made on behalf of certain of his tenants but was denied full payment of CERA Funds because of the City's requirement that HARAs escrow 20% of CERA Funds awarded until a CoC or exception to same was acquired.

51. Plaintiff applied for and attempted to acquire a CoC but was unable to obtain a CoC from the City despite Plaintiff's extended efforts to do so over a period of months.

52. Importantly, under the Relief Acts, the City, as Grantee, and its HARAs as the local service providers are required to distribute the CERA Funds to Approved Landlords unless the Approved Landlord does not agree to accept CERA funding—only then may the HARA distribute CERA funding directly to an eligible household.

*See* 15 USCS § 9058a (C)(i)(I):

**With respect to financial assistance for rent and rental arrears** and utilities and home energy costs and utility and home energy costs arrears provided to an eligible household from a payment made under this section, **an eligible grantee shall make payments to a lessor** or utility provider **on behalf of the eligible household**, except that, if the lessor or utility provider does not agree to accept such payment from the grantee after outreach to the lessor or utility provider by the grantee, the grantee may make such payments directly to the eligible household for the purpose of making payments to the lessor or utility provider.

53. In order to obtain distribution of *any* of the CERA Funds to which the Approved Landlord has demonstrated it is entitled, the City, through its HARAs, coerced Approved Landlords, like Plaintiff, to “agree” to the 20% escrow in “consent agreements” that require Approved Landlords to obtain a CoC within **90 Days**—or forfeit the remaining funding. Such consent agreements reflect the Approved Landlord's effort to mitigate the financial consequences of the City's unlawful actions. Predictably, though Approved Landlords attempted to obtain a CoC (or “accepted

exception”) under these “consent agreements” they were unable to because of the City’s sheer inability or unwillingness to timely provide the CoC (or “accepted exception”).

54. If an Approved Landlord balked at the 20% escrow requirement imposed by the City and did not “agree” to the unilaterally imposed and non-negotiable “consent agreement,” then that otherwise Approved Landlord received no CERA funding. If the Approved Landlord “agreed” to the “consent agreement” in order to obtain 80% of the CERA Funds owed to that Approved Landlord it was virtually impossible for that otherwise Approved Landlord to obtain a CoC (or “accepted exception”) and receive the remaining 20% owed.

55. When the Approved Landlord failed to obtain the CoC (a process that was totally within the City’s control), upon information and belief, the CERA Funds were either held in escrow or, paid directly to the tenant to be used as the tenant sees fit—depriving Approved Landlords access to specific funds that were expressly awarded to them and were rightfully theirs as emergency funds awarded under the Relief Acts. This provided a windfall to tenants who were not required to, and had no legal incentive to, forward these funds to Approved Landlords to pay their rental arrears.<sup>9</sup>

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<sup>9</sup> Tenants who received direct payments of CERA Funding from the 20% placed into escrow were under no enforceable legal obligation to forward these Funds the Approved Landlord. Thus, it was effectively a windfall to the tenant. This is especially true when one considers the Relief Acts moratorium on evictions during this time. Simply, Approved Landlords not only were deprived full payment of emergency rental assistance awarded to them, but also had no eviction recourse during the pandemic.

56. Thus, despite the fact that CERA Funds were designed to pay rent directly to Approved Landlords and alleviate rental arrearage in order to keep tenants in their homes, the City arbitrarily withheld, escrowed, or reallocated to tenants 20% of the rent that had been awarded to—and thus rightfully belonged to—Approved Landlords, who were without recourse to collect it. Worse, Approved Landlords were not provided notice of when the HARA reallocated the CERA Funds to tenants and were not provided an opportunity to contest the reallocation of 20% of their CERA Funds to a tenant who has failed to pay rent in the first instance.<sup>10</sup>

57. The City’s CERA Program protocols are preempted by federal law because they stood as an obstacle to the accomplishment and execution of the full purpose and objective of Congress under the Relief Acts—which is to provide timely emergency rental assistance to eligible households, to “**protect vulnerable tenants and landlords,**” and “to aid the **struggling landlords** and renters most at risk for eviction.” *See* Exhibit H; Exhibit K, Exhibit L and 116 P.L. 260, 2020 Enacted H.R. 133, 116 Enacted H.R. 133.

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<sup>10</sup> Upon information and belief, UCHC placed the 20% withheld from an Approved Landlord’s CERA Funding into an escrow account with the 36th District Court, where ostensibly, the CERA Funds could only be released via settlement or motion. Upon information and belief, Wayne Metro escrowed the 20% withheld in its own accounts and, upon information and belief, in many cases released those funds to tenants without notice to Approved Landlords.

## CLASS ALLEGATIONS

58. Plaintiff brings this action as a class action, pursuant to F. R. Civ. P. 23, individually and on behalf of a proposed class consisting of all persons or entities who/which were Approved Landlords under the Relief Acts and had 20% of their CERA Funds withheld by the City.

59. The members of the Class are so numerous that joinder of all members is impracticable. While the number of Approved Landlords is not yet known, the number of Approved Landlords is most certainly in the hundreds, if not in the thousands.

60. Plaintiff's claims are typical of the claims of members of the Class. Plaintiff is a member of the Class he seeks to represent, and Plaintiff was injured by the same wrongful conduct that injured the other members of the Class.

61. The City has acted wrongfully in the same basic manner as to the entire class.

62. There are questions of law and fact common to all Class Members that predominate over any individualized questions and that will be proved using the same evidence for each member. These predominant common questions of law and fact necessitate a class action proceeding in order to generate common answers, drive the resolution of the litigation, and include by way of example and not limitation:

- a. Whether or not the City effected a taking under the Fifth Amendment of the Constitution by requiring the withholding and/or reallocation of specific property that belonged to Plaintiff and members of the putative Class; and
- b. Whether the retention by the City (by and through its agents, the

HARAs) of 20% of the CERA Relief Funds awarded to an Approved Landlord constitutes an “illegal exaction” by the City in violation of the Relief Acts.

63. Given that the actions challenged in this case were undertaken in a uniform manner and made pursuant to an established City policy, the individual circumstances of the Approved Landlords are irrelevant to the resolution of the common legal issues. For example, the reasons the City retained 20% of each Class member’s funds will not need to be examined—retention was unlawful regardless of any “individual reasons” because the City was prohibited by the Relief Acts from withholding any funds awarded and due to Approved Landlords for any reason.

64. Plaintiff will fairly and adequately protect the interests of the Class, and Plaintiff has no interests antagonistic to those of the Class. Plaintiff is committed to the vigorous prosecution of this action and has retained competent and experienced counsel to prosecute this action.

65. The prosecution of separate actions would create a risk of inconsistent or varying adjudications. Furthermore, the prosecution of separate actions would substantially impair and impede the ability of individual class members to protect their interests. In addition, since individual refunds may be relatively small for some members of the class, the burden and expense of prosecuting litigation of this nature makes it unlikely that members of the class would prosecute individual actions.

66. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy.

67. Plaintiff and his counsel anticipate no difficulty in managing this action as a class action.

**COUNT I**  
**42 U.S.C. § 1983**  
**VIOLATION OF FIFTH AMENDMENT TAKINGS CLAUSE-**  
**APPLICABLE TO THE CITY VIA THE FOURTEENTH AMENDMENT**

68. Plaintiff incorporates each of the preceding allegations as if fully set forth herein.

69. Amendment Five to the U.S. Constitution provides that private property shall not “be taken for public use, without just compensation.” This prohibition applies against the states through the Fourteenth Amendment. *Webb's Fabulous Pharmacies, Inc v Beckwith*, 449 U.S. 155, 160; 101 S Ct 446; 66 L Ed 2d 358 (1980); *K & K Construction, Inc v Dep't of Natural Resources*, 456 Mich. 570, 576 n 3; 575 NW2d 531 (1998).

70. The Takings Clause is “designed to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.” *Armstrong v. United States*, 364 U.S. 40, 49 (1960).

71. The Approved Landlords have a cognizable property interest in the CERA Funds under the Relief Acts.

72. The City has asserted ownership of a specific and identifiable parcel of the Approved Landlords’ money—here the City has permanently or temporarily seized and/or impaired the Approved Landlords’ property interest in the CERA Funds for a public use without paying Approved Landlords just compensation.

73. A *per se* or categorical taking occurs when a property owner suffers a permanent physical invasion, without just compensation, of any portion of the property. *See Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 73 L. Ed. 2d 868, 102 S. Ct. 3164 (1982).

74. U.S. Supreme Court decisions have made clear that the government effects a “per se” or categorical taking when it seizes a specific, identifiable “parcel” of money. *See, e.g., Brown v. Legal Found. of Washington*, 538 U.S. 216, 224, 235, 123 S. Ct. 1406, 155 L. Ed. 2d 376 (2003); *Koontz v. St. Johns River Water Management District*, 133 S.Ct. 2586, 2596, 186 L.Ed.2d 697 (2013).

75. The City’s actions in requiring the HARAs to withhold 20% of CERA funding, and the HARAs act of withholding CERA Funding (as required by the City) from Approved Landlords are an overt confiscation of specific identifiable “parcel” of money of these Approved Landlords and constitute a *per se* taking of Approved Landlords’ property by the City in violation of the Fifth Amendment.

76. The HARAs were delegated authority by the City, were tasked by and acted on behalf of the City when carrying out the provisions of the City’s CERA protocol and acted under the City’s direction when they withheld 20% of the CERA Funds awarded to and owed to Approved Landlords. *See Exhibit F hereto.*

77. The City authorized and directed the HARAs to take 20% of the awarded CERA Funds from the Approved Landlords. *See Exhibit F.*

78. Accordingly, the HARA's are the agents of the City and/or acted at the direction and under the control of the City.

79. The Supreme Court has held that if agents of the government accomplish takings of private property, "the action of the agent is the act of the government" and it is the government that is liable for suit, not the agent. *Yearsley v. W.A. Ross Constr. Co.*, 309 U.S. 18, 21-22; 60 S. Ct. 413; (1940) (citation and quotation marks omitted).

80. The City is legally responsible for the actions of its agents, the HARAs. *See, e.g., Lion Raisins, Inc v United States*, 416 F3d 1356, 1362-63 (Fed. Cir. 2005); *Yearsley*, 309 U.S. at 21-22.

81. Even if the HARAs were not agents of the City, the City is still responsible for their actions because the City directed and controlled those actions.

82. The Approved Landlords have been harmed by the City's unlawful practice because they have been unconstitutionally deprived of specific property that is rightfully and legally owned by them.

83. The City's unconstitutional practices require that it pay just compensation to the Approved Landlords in the amount of the CERA Funds it has unlawfully withheld.

84. 42 U.S.C. § 1983 provides as follows:

Every person who, under color of any statute, ordinance, regulation, custom, or usage of any State or Territory or the District of Columbia, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any

rights, privileges or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress. ...

85. The City is a “person” under 42 U.S.C. Section 1983.

86. The City’s actions were taken under color of federal and state law pursuant to an official policy and practice of the City.

87. The City’s actions deprived the Approved Landlords rights owed to them and secured by the Constitution and the Federal Relief statutes.

88. The City’s actions have deprived Plaintiff and the Class of their property rights in violation of the Fifth Amendment.

89. The City’s actions have violated the Federal Relief statutes, 15 USCS § 9058a and 15 USCS § 9058c.

90. Plaintiff and the Class of similarly situated Approved Landlords have been harmed by the City’s unlawful actions.

**COUNT II**  
**42 U.S.C. § 1983**  
**ILLEGAL EXACTION—VIOLATION OF THE RELIEF ACTS**  
**APPLICABLE TO THE CITY VIA THE FOURTEENTH AMENDMENT**

91. Plaintiff incorporates each of the preceding paragraphs as if fully set forth herein.

92. The Supreme Court has recognized that § 1983 actions may be brought against state actors to enforce rights created by federal statutes as well as by the Constitution.” *See Maine v. Thiboutot*, 448 U.S. 1, 65 L. Ed. 2d 555, 100 S. Ct. 2502 (1980) (Court holding that plaintiffs could recover payments wrongfully withheld by a state

agency in violation of the Social Security Act). Indeed, federal statutes are clearly “laws” within the meaning of § 1983. *Johnson v City of Detroit*, 446 F.3d 614, 618 (6th Cir. 2006)(citations omitted).

93. An illegal exaction claim may be brought where “(1) money was taken [from the plaintiff] by the government and (2) the exaction violated a provision of the Constitution, **a statute**, or a regulation.” *Piszeł v. U.S.*, 121 Fed. Cl. 793, 801 (2015) (citation omitted), *aff’d*, 833 F.3d 1366 (Fed. Cir. 2016)(emphasis added). “The claim must assert that the value sued for was improperly paid, exacted, or taken from the claimant in contravention of the Constitution, a statute, or a regulation.” *Eastport Steamship Corp. v. U.S.*, 372 F.2d 1002, 178 Ct. Cl. 599, 605 (1967).

94. Exactions can be “direct” when money was paid directly to the Government or “in effect” when money “was paid to others at the direction of the government to meet a governmental obligation.” *Aerolineas Argentinas v. U.S.*, 77 F.3d 1564, 1572-73 (Fed. Cir. 1996). In the latter case, “the government has ‘in its pocket’ money corresponding to the payments that were the government’s . . . obligation” to make. *Id.* at 1573; *Clapp v. U.S.*, 117 F. Supp. 576, 127 Ct. Cl. 505, 512 (1954) (describing illegal exaction as occurring when “the Government has the citizen’s money in its pocket.”).

95. Congress had particular purposes and objectives in mind when enacting the Relief Acts—to wit, to provide **emergency** rental assistance payments *quickly* and *directly* to those economically affected by the pandemic lockdown—here the Approved

Landlords and their tenants. *See* Exhibit H; Exhibit K, Exhibit L and 116 P.L. 260, 2020 Enacted H.R. 133, 116 Enacted H.R. 133.

96. Congress clearly and unambiguously intended the payment provisions of the Relief Acts to provide an economic benefit to Approved Landlords. *See* 5 U.S.C. § 9058a (c)(2)(C)(i)(1).

97. The Relief Acts imposed a binding and mandatory obligation upon Grantees, like the City (via its HARAs) to pay CERA Funding to Approved Landlords, once awarded. 5 U.S.C. § 9058a (c)(2)(C)(i)(1): **“With respect to financial assistance for rent and rental arrears...provided to an eligible household from a payment made under this section, an eligible grantee shall make payments to a lessor...on behalf of the eligible household.”**

98. Accordingly, 5 U.S.C. § 9058a (c)(2)(C)(i)(1) confers upon Approved Landlords a specific, individually enforceable right for payment of CERA Funding.

99. Further, Congress expressly sought to strip the States and Local Governments of the authority to impede dissemination of the relief funds. White House and Treasury guidelines demonstrate that the Relief Funds were to be distributed quickly and **were not to be conditioned upon extra criteria** (*see e.g.* Biden Administration “Fact Sheet” Exhibit H, hereto; State of Michigan’s COVID Emergency Rental Assistance Program Guidance, Exhibit C, hereto; MSHDA CERA Guidelines, Exhibit E, hereto; and #44, p. 19 of Treasury Facts, Exhibit J, hereto).

100. Thus, the City’s additional requirement that Approved Landlords first obtain a CoC or exception to same prior to receiving payment in full of awarded emergency rental assistance funds actually conflicted with and was inconsistent with, Congress’s stated objectives of the Relief Acts because the City either (a) failed to pay all of the CERA Funds awarded and owed to Approved Landlords—which completely denied emergency relief as to the 20% withheld by the City—or (b) improperly delayed paying Approved Landlords 20% of the CERA Funds owed.

101. The City’s actions in imposing the CoC (or “accepted exception”) contravened and obstructed the purposed of the Relief Acts because they slowed the pace of serving eligible tenants and landlords and imposed additional conditions that were more restrictive than those permitted under the Relief Acts. *See supra* ¶¶ 1-21; ¶¶ 39-48.

102. The City’s practice of requiring HARAs to escrow 20% of CERA Funds that rightfully belong to Approved Landlords was not a requirement of the Relief Acts nor was it a federal requirement of any aspect of the CERA program.

103. The practice of requiring HARAs to escrow 20% of CERA Funds was purely a City-imposed requirement that unlawfully deprived Approved Landlords of millions of dollars of emergency relief funding that rightfully belonged to them.

104. Once CERA Funding was awarded by the City through its HARAs, the Relief Acts created a clear and enforceable right to payment of these emergency funds on behalf of an Approved Landlord. *See* ¶ 32, *supra*; 5 U.S.C. § 9058a (c)(2)(C)(i)(1): “an

eligible grantee **shall** make payments to a lessor...on behalf of the eligible household, **except that**, if the lessor...does not agree to accept such payment from the grantee...the grantee may make such payments directly to the eligible household **for the purpose of making payments to the lessor.**” [Emphasis added.]

105. Thus, the 20% withheld by the City was unlawfully exacted from the Approved Landlords in contravention of the express terms of the Relief Acts.

106. The retention of 20% of an Approved Landlord’s CERA Relief Funds by the HARAs at the City’s direction constitutes either a direct or “in effect” exaction of money by the City made in direct contravention of the Relief Acts. *Norman v. United States*, 429 F.3d 1081,1095 (Fed. Cir. 2005)(A governmental entity withholding funds is a “classic example” of an illegal exaction). The Approved Landlords have a cognizable property interest in the 20% of the Relief Funds retained by the HARAs at the City’s direction and are entitled to recover the Relief Funds improperly exacted and wrongfully held as an illegal action of the City.

107. Plaintiff and the Class have been harmed by the City’s and the HARA’s unlawful practice of illegal exactions because they have been deprived of specific property that is rightfully and legally owned by them.

108. The City’s and its agents’ illegal practices require that they disgorge and pay to Plaintiff and the Class the amount of the Relief Funds the City has illegally exacted through its agents.

## **PRAYER FOR RELIEF**

Plaintiff requests that the Court grant the following relief:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representative and Kickham Hanley PLLC designated Class Counsel;

B. Define the Class to include all persons and/or entities who/which were Approved Landlords that had been awarded CERA Funds under the Relief Statutes, but which 20% of the awarded CERA Funds were withheld by the City either directly or through the HARAs between January 2021 and December 2022;

C. Find and hold that the City, by and through the HARAs, has violated the Fifth Amendment takings clause of the Constitution by withholding and/or reallocating CERA Funds from Plaintiff and the Class and order that the City reimburse Plaintiff and the Class for all CERA Funds that rightfully belong to them;

D. Find and hold that the City, by and through the HARAs, has violated the Federal Relief Acts by illegally exacting a percentage of the Relief Funds awarded to and owned by the Class of Approved Landlords and order that the City reimburse the Class for all Relief Funds illegally exacted;

E. Award Plaintiff and the Class pre-filing, prejudgment and post-judgment interest on the amounts the City is required to pay to compensate members of the Class;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

Respectfully submitted,

*/s/ Gregory D. Hanley* \_\_\_\_\_

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Counsel for Plaintiff and the Putative Class

Dated: November 3, 2024

**CERTIFICATE OF SERVICE**

I hereby certify that on November 26, 2024, I served the ***Plaintiff's Second Amended Class Action Complaint and Jury Demand*** on all counsel of record using the Court's electronic filing system.

/s/ Jamie Warrow  
Jamie Warrow

4876-5736-5493, v. 1

UNITED STATES DISTRICT COURT  
IN THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

LAURENCE WOLF, d/b/a  
LAURENCE WOLF PROPERTIES, individually,  
and on behalf of a class of similarly situated  
persons and entities,

Plaintiff,

Case No. 2:23-cv-11645  
Hon. Brandy R. McMillion  
Magistrate Kimberly G. Altman

v.

CITY OF DETROIT,  
a municipal corporation,

Defendant.

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**INDEX OF EXHIBITS TO PLAINTIFF'S  
SECOND AMENDED CLASS ACTION COMPLAINT**

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
A.	Consolidated Appropriations Act and the American Rescue Plan Act, 15 USCS § 9058a and 15 USCS § 9058c
B.	US Treasury Guidance
C.	State of Michigan's COVID Emergency Rental Assistance Program Guidance
D.	Help for Landlords (cfpb.gov)
E.	MSHDA CERA Guidelines
F.	COVID19 Emergency Rental Assistance (CERA) Rental Compliance Guide
G.	Executive Order No. 2020-134
H.	Biden Administration "Fact Sheet" dated August 25, 2021
I.	City Document Acknowledging That Rental Assistance Was To Be Paid Directly To Landlords
J.	Department of Treasury Frequently Asked Questions
K.	Senate Amendment 1578 to H.R.748
L.	U.S. Department of Treasury Website Information

# EXHIBIT A

[15 USCS § 9058a](#)

Current through Public Law 117-214, approved October 19, 2022.

*United States Code Service > TITLE 15. COMMERCE AND TRADE (Chs. 1 — 120) > CHAPTER 116. CORONAVIRUS ECONOMIC STABILIZATION (CARES ACT) (§§ 9001 — 9141) > ECONOMIC STABILIZATION AND ASSISTANCE TO SEVERELY DISTRESSED SECTORS OF THE UNITED STATES ECONOMY (§§ 9041 — 9141) > CORONAVIRUS ECONOMIC STABILIZATION (§§ 9041 — 9063)*

**§ 9058a. Emergency rental assistance**

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**(a) Appropriation.**

(1) In general. Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for making payments to eligible grantees under this section, \$25,000,000,000 for fiscal year 2021.

(2) Reservation of funds for the territories and tribal communities. Of the amount appropriated under paragraph (1), the Secretary shall reserve—

(A) \$400,000,000 of such amount for making payments under this section to the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa; and

(B) \$800,000,000 of such amount for making payments under this section to eligible grantees described in subparagraphs (C) and (D) of subsection (k)(2); and

(C) \$15,000,000 for administrative expenses of the Secretary described in subsection (h).

**(b) Payments for rental assistance.**

(1) Allocation and payments to states and units of local government.

(A) In general. The amount appropriated under paragraph (1) of subsection (a) that remains after the application of paragraph (2) of such subsection shall be allocated and paid to eligible grantees described in subparagraph (B) in the same manner as the amount appropriated under subsection (a)(1) of section 601 of the Social Security Act ([42 U.S.C. 801](#)) is allocated and paid to States and units of local government under subsections (b) and (c) of such section, and shall be subject to the same requirements, except that—

(i) the deadline for payments under section 601(b)(1) of such Act [[42 USCS § 801\(b\)\(1\)](#)] shall, for purposes of payments under this section, be deemed to be not later than 30 days after the date of enactment of this section [enacted Dec. 27, 2020];

(ii) the amount referred to in paragraph (3) of section 601(c) of such Act shall be deemed to be the amount appropriated under paragraph (1) of subsection (a) of this Act that remains after the application of paragraph (2) of such subsection;

(iii) section 601(c) of the Social Security Act [[42 USCS § 801\(c\)](#)] shall be applied—

(I) by substituting “1 of the 50 States or the District of Columbia” for “1 of the 50 States” each place it appears;

(II) in paragraph (2)(A), by substituting “\$200,000,000” for “\$1,250,000,000”;

## 15 USCS § 9058a

- (III) in paragraph (2)(B), by substituting “each of the 50 States and District of Columbia” for “each of the 50 States”;
- (IV) in paragraph (4), by substituting “excluding the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa” for “excluding the District of Columbia and territories specified in subsection (a)(2)(A)”;
- (V) without regard to paragraph (6);
- (iv) section 601(d) of such Act [[42 USCS § 801\(d\)](#)] shall not apply to such payments; and
- (v) section 601(e) [[42 USCS § 801\(e\)](#)] shall be applied—
- (I) by substituting “under section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021” for “under this section”; and
- (II) by substituting “local government elects to receive funds from the Secretary under section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 and will use the funds in a manner consistent with such section” for “local government’s proposed uses of the funds are consistent with subsection (d)”.
- (B) Eligible grantees described. The eligible grantees described in this subparagraph are the following:
- (i) A State that is 1 of the 50 States or the District of Columbia.
- (ii) A unit of local government located in a State described in clause (i).
- (2) Allocation and payments to tribal communities.
- (A) In general. From the amount reserved under subsection (a)(2)(B), the Secretary shall—
- (i) pay the amount equal to 0.3 percent of such amount to the Department of Hawaiian Home Lands; and
- (ii) subject to subparagraph (B), from the remainder of such amount, allocate and pay to each Indian tribe (or, if applicable, the tribally designated housing entity of an Indian tribe) that was eligible for a grant under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) ([25 U.S.C. 4111](#) et seq.) for fiscal year 2020 an amount that bears the same proportion to the such remainder as the amount each such Indian tribe (or entity) was eligible to receive for such fiscal year from the amount appropriated under paragraph (1) under the heading “native american programs” under the heading “Public and Indian Housing” of title II of division H of the Further Consolidated Appropriations Act, 2020 (*Public Law 116-94*) ([42 U.S.C. 1437](#) et seq.) to carry out the Native American Housing Block Grants program bears to the amount appropriated under such paragraph for such fiscal year, provided the Secretary shall be authorized to allocate, in an equitable manner as determined by the Secretary, and pay any Indian tribe that opted out of receiving a grant allocation under the Native American Housing Block Grants program formula in fiscal year 2020, including by establishing a minimum amount of payments to such Indian tribe, provided such Indian tribe notifies the Secretary not later than 30 days after the date of enactment of this Act [enacted Dec. 27, 2020] that it intends to receive allocations and payments under this section.
- (B) Pro rata adjustment; distribution of declined funds.
- (i) Pro rata adjustments. The Secretary shall make pro rata reductions in the amounts of the allocations determined under clause (ii) of subparagraph (A) for entities described in such clause as necessary to ensure that the total amount of payments made pursuant to such clause does not exceed the remainder amount described in such clause.
- (ii) Distribution of declined funds. If the Secretary determines as of 30 days after the date of enactment of this Act [enacted Dec. 27, 2020] that an entity described in clause (ii) of subparagraph (A) has declined to receive its full allocation under such clause then, not later than 15 days after such date, the Secretary shall redistribute, on a pro rata basis, such allocation among the other entities described in such clause that have not declined to receive their allocations.
- (3) Allocations and payments to territories.

## 15 USCS § 9058a

**(A)** In general. From the amount reserved under subsection (a)(2)(A), subject to subparagraph (B), the Secretary shall allocate and pay to each eligible grantee described in subparagraph (C) an amount equal to the product of—

- (i)** the amount so reserved; and
- (ii)** each such eligible grantee's share of the combined total population of all such eligible grantees, as determined by the Secretary.

**(B)** Allocation adjustment.

- (i)** Requirement. The sum of the amounts allocated under subparagraph (A) to all of the eligible grantees described in clause (ii) of subparagraph (C) shall not be less than the amount equal to 0.3 percent of the amount appropriated under subsection (a)(1).
- (ii)** Reduction. The Secretary shall reduce the amount of the allocation determined under subparagraph (A) for the eligible grantee described in clause (i) of subparagraph (C) as necessary to meet the requirement of clause (i).

**(C)** Eligible grantees described. The eligible grantees described in this subparagraph are—

- (i)** the Commonwealth of Puerto Rico; and
- (ii)** the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

**(c) Use of funds.**

**(1)** In general. An eligible grantee shall only use the funds provided from a payment made under this section to provide financial assistance and housing stability services to eligible households.

**(2)** Financial assistance.

**(A)** In general. Not less than 90 percent of the funds received by an eligible grantee from a payment made under this section shall be used to provide financial assistance to eligible households, including the payment of

- (i)** rent;
- (ii)** rental arrears;
- (iii)** utilities and home energy costs;
- (iv)** utilities and home energy costs arrears; and
- (v)** other expenses related to housing incurred due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak, as defined by the Secretary.

Such assistance shall be provided for a period not to exceed 12 months except that grantees may provide assistance for an additional 3 months only if necessary to ensure housing stability for a household subject to the availability of funds.

**(B)** Limitation on assistance for prospective rent payments.

**(i)** In general. Subject to the exception in clause (ii), an eligible grantee shall not provide an eligible household with financial assistance for prospective rent payments for more than 3 months based on any application by or on behalf of the household.

**(ii)** Exception. For any eligible household described in clause (i), such household may receive financial assistance for prospective rent payments for additional months:

- (I)** subject to the availability of remaining funds currently allocated to the eligible grantee, and
- (II)** based on a subsequent application for additional financial assistance provided that the total months of financial assistance provided to the household do not exceed the total months of assistance allowed under subparagraph (A).

## 15 USCS § 9058a

(iii) Further limitation. To the extent that applicants have rental arrears, grantees may not make commitments for prospective rent payments unless they have also provided assistance to reduce an eligible household's rental arrears.

(C) Distribution of financial assistance.

(i) Payments.

(I) In general. With respect to financial assistance for rent and rental arrears and utilities and home energy costs and utility and home energy costs arrears provided to an eligible household from a payment made under this section, an eligible grantee shall make payments to a lessor or utility provider on behalf of the eligible household, except that, if the lessor or utility provider does not agree to accept such payment from the grantee after outreach to the lessor or utility provider by the grantee, the grantee may make such payments directly to the eligible household for the purpose of making payments to the lessor or utility provider.

(II) Rule of construction. Nothing in this section shall be construed to invalidate any otherwise legitimate grounds for eviction.

(ii) Documentation. For any payments made by an eligible grantee to a lessor or utility provider on behalf of an eligible household, the eligible grantee shall provide documentation of such payments to such household.

(3) Housing stability services. Not more than 10 percent of funds received by an eligible grantee from a payment made under this section may be used to provide eligible households with case management and other services related to the novel coronavirus disease (COVID-19) outbreak, as defined by the Secretary, intended to help keep households stably housed.

(4) Prioritization of assistance.

(A) In reviewing applications for financial assistance and housing stability services to eligible households from a payment made under this section, an eligible grantee shall prioritize consideration of the applications of an eligible household that satisfies any of the following conditions:

(i) The income of the household does not exceed 50 percent of the area median income for the household.

(ii) 1 or more individuals within the household are unemployed as of the date of the application for assistance and have not been employed for the 90-day period preceding such date.

(B) Nothing in this section shall be construed to prohibit an eligible grantee from providing a process for the further prioritizing of applications for financial assistance and housing stability services from a payment made under this section, including to eligible households in which 1 or more individuals within the household were unable to reach their place of employment or their place of employment was closed because of a public health order imposed as a direct result of the COVID-19 public health emergency.

(5) Administrative costs.

(A) In general. Not more than 10 percent of the amount paid to an eligible grantee under this section may be used for administrative costs attributable to providing financial assistance and housing stability services under paragraphs (2) and (3), respectively, including for data collection and reporting requirements related to such funds.

(B) No other administrative costs. Amounts paid under this section shall not be used for any administrative costs other than to the extent allowed under subparagraph (A).

(d) **Reallocation of unused funds.** Beginning on September 30, 2021, the Secretary shall recapture excess funds, as determined by the Secretary, not obligated by a grantee for the purposes described under subsection (c) and the Secretary shall reallocate and repay such amounts to eligible grantees who, at the time of such reallocation, have obligated at least 65 percent of the amount originally allocated and paid to such grantee under subsection (b)(1), only for the allowable uses described under subsection (c). The amount of any such reallocation shall be determined based on demonstrated need within a grantee's jurisdiction, as determined by the Secretary.

**(e) Availability.**

- (1) In general. Funds provided to an eligible grantee under a payment made under this section shall remain available through September 30, 2022.
- (2) Extension for funds provided pursuant to a reallocation of unused funds. For funds reallocated to an eligible grantee pursuant to subsection (d), an eligible grantee may request, subject to the approval of the Secretary, a 90-day extension of the deadline established in paragraph (1).

**(f) Application for assistance by landlords and owners.**

- (1) In general. Subject to paragraph (2), nothing in this section shall preclude a landlord or owner of a residential dwelling from—
  - (A) assisting a renter of such dwelling in applying for assistance from a payment made under this section; or
  - (B) applying for such assistance on behalf of a renter of such dwelling.
- (2) Requirements for applications submitted on behalf of tenants. If a landlord or owner of a residential dwelling submits an application for assistance from a payment made under this section on behalf of a renter of such dwelling—
  - (A) the landlord must obtain the signature of the tenant on such application, which may be documented electronically;
  - (B) documentation of such application shall be provided to the tenant by the landlord; and
  - (C) any payments received by the landlord from a payment made under this section shall be used to satisfy the tenant's rental obligations to the owner.

**(g) Reporting requirements.**

- (1) In general. The Secretary, in consultation with the Secretary of Housing and Urban Development, shall provide public reports not less frequently than quarterly regarding the use of funds made available under this section, which shall include, with respect to each eligible grantee under this section, both for the past quarter and over the period for which such funds are available—
  - (A) the number of eligible households that receive assistance from such payments;
  - (B) the acceptance rate of applicants for assistance;
  - (C) the type or types of assistance provided to each eligible household;
  - (D) the average amount of funding provided per eligible household receiving assistance;
  - (E) household income level, with such information disaggregated for households with income that—
    - (i) does not exceed 30 percent of the area median income for the household;
    - (ii) exceeds 30 percent but does not exceed 50 percent of the area median income for the household; and
    - (iii) exceeds 50 percent but does not exceed 80 percent of area median income for the household; and
  - (F) the average number of monthly rental or utility payments that were covered by the funding amount that a household received, as applicable.
- (2) Disaggregation. Each report under this subsection shall disaggregate the information relating to households provided under subparagraphs (A) through (F) of paragraph (1) by the gender, race, and ethnicity of the primary applicant for assistance in such households.
- (3) Alternative reporting requirements for certain grantees. The Secretary may establish alternative reporting requirements for grantees described in subsection (b)(2).
- (4) Privacy requirements.
  - (A) In general. Each eligible grantee that receives a payment under this section shall establish data privacy and security requirements for the information described in paragraph (1) that—

## 15 USCS § 9058a

- (i) include appropriate measures to ensure that the privacy of the individuals and households is protected;
- (ii) provide that the information, including any personally identifiable information, is collected and used only for the purpose of submitting reports under paragraph (1); and
- (iii) provide confidentiality protections for data collected about any individuals who are survivors of intimate partner violence, sexual assault, or stalking.

**(B) Statistical research.****(i) In general.** The Secretary—

**(I)** may provide full and unredacted information provided under subparagraphs (A) through (F) of paragraph (1), including personally identifiable information, for statistical research purposes in accordance with existing law; and

**(II)** may collect and make available for statistical research, at the census tract level, information collected under subparagraph (A).

**(ii)** Application of privacy requirements. A recipient of information under clause (i) shall establish for such information the data privacy and security requirements described in subparagraph (A).

**(5)** Nonapplication of the paperwork reduction act. Subchapter I of chapter 35 of title 44, United States Code, shall not apply to the collection of information for the reporting or research requirements specified in this subsection.

**(h) Administrative expenses of the Secretary.** Of the funds appropriated pursuant to subsection (a), not more than \$15,000,000 may be used for administrative expenses of the Secretary in administering this section, including technical assistance to grantees in order to facilitate effective use of funds provided under this section.

**(i) Inspector General oversight; recoupment.**

**(1)** Oversight authority. The Inspector General of the Department of the Treasury shall conduct monitoring and oversight of the receipt, disbursement, and use of funds made available under this section.

**(2)** Recoupment. If the Inspector General of the Department of the Treasury determines that a State, Tribal government, or unit of local government has failed to comply with subsection (c), the amount equal to the amount of funds used in violation of such subsection shall be booked as a debt of such entity owed to the Federal Government. Amounts recovered under this subsection shall be deposited into the general fund of the Treasury.

**(3)** Appropriation. Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Office of the Inspector General of the Department of the Treasury, \$6,500,000 to carry out oversight and recoupment activities under this subsection. Amounts appropriated under the preceding sentence shall remain available until expended.

**(4)** Authority of inspector general. Nothing in this subsection shall be construed to diminish the authority of any Inspector General, including such authority as provided in the Inspector General Act of 1978 (5 U.S.C. App.)

**(j) Treatment of assistance.** Assistance provided to a household from a payment made under this section shall not be regarded as income and shall not be regarded as a resource for purposes of determining the eligibility of the household or any member of the household for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

**(k) Definitions.** In this section:

**(1)** Area median income. The term “area median income” means, with respect to a household, the median income for the area in which the household is located, as determined by the Secretary of Housing and Urban Development.

**(2)** Eligible grantee. The term “eligible grantee” means any of the following:

**(A)** A State (as defined in section 601(g)(4) of the Social Security Act ([42 U.S.C. 801\(g\)\(4\)](#))).

**(B)** A unit of local government (as defined in paragraph (5)).

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- (C) An Indian tribe or its tribally designated housing entity (as such terms are defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4103](#))) that was eligible to receive a grant under title I of such Act ([25 U.S.C. 4111](#) et seq.) for fiscal year 2020 from the amount appropriated under paragraph (1) under the heading “native american programs” under the heading “Public and Indian Housing” of title II of division H of the Further Consolidated Appropriations Act, 2020 (*Public Law 116-94*) ([42 U.S.C. 1437](#) et seq.) to carry out the Native American Housing Block Grants program. For the avoidance of doubt, the term Indian tribe shall include Alaska native corporations established pursuant to the Alaska Native Claims Settlement Act ([43 U.S.C. 1601](#) et seq.).
- (D) The Department of Hawaiian Homelands.
- (3) Eligible household.
- (A) In general. The term “eligible household” means a household of 1 or more individuals who are obligated to pay rent on a residential dwelling and with respect to which the eligible grantee involved determines—
- (i) that 1 or more individuals within the household has
    - (I) qualified for unemployment benefits or
    - (II) experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak, which the applicant shall attest in writing;
  - (ii) that 1 or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability, which may include—
    - (I) a past due utility or rent notice or eviction notice;
    - (II) unsafe or unhealthy living conditions; or
    - (III) any other evidence of such risk, as determined by the eligible grantee involved; and
  - (iii) the household has a household income that is not more than 80 percent of the area median income for the household.
- (B) Exception. To the extent feasible, an eligible grantee shall ensure that any rental assistance provided to an eligible household pursuant to funds made available under this section is not duplicative of any other Federally funded rental assistance provided to such household.
- (C) Income determination.
- (i) In determining the income of a household for purposes of determining such household’s eligibility for assistance from a payment made under this section (including for purposes of subsection (c)(4)), the eligible grantee involved shall consider either
    - (I) the household’s total income for calendar year 2020, or
    - (II) subject to clause (ii), sufficient confirmation, as determined by the Secretary, of the household’s monthly income at the time of application for such assistance.
  - (ii) In the case of income determined under subclause (II), the eligible grantee shall be required to re-determine the eligibility of a household’s income after each such period of 3 months for which the household receives assistance from a payment made under this section.
- (4) Inspector general. The term “Inspector General” means the Inspector General of the Department of the Treasury.
- (5) Secretary. The term “Secretary” means the Secretary of the Treasury.
- (6) Unit of local government. The term “unit of local government” has the meaning given such term in paragraph (2) of section 601(g) of the Social Security Act ([42 U.S.C. 801\(g\)](#)), except that, in applying such term for purposes of this section, such paragraph shall be applied by substituting “200,000” for “500,000”.

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**(l) Termination of program.** The authority of an eligible grantee to make new obligations to provide payments under subsection (c) shall terminate on the date established in subsection (e) for that eligible grantee. Amounts not expended in accordance with this section shall revert to the Department of the Treasury.

## History

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Dec. 27, 2020, *P.L. 116-260*, Title V, Subtitle A, § 501, *134 Stat. 2069*; Mar. 11, 2021, *P.L. 117-2*, Title III, Subtitle B, § 3201(h), *135 Stat. 58*.

Annotations

## Notes

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### HISTORY; ANCILLARY LAWS AND DIRECTIVES

#### Explanatory notes:

#### Amendment Notes

2021.

#### Explanatory notes:

This section was enacted as part of Act Dec. 27, 2020, *P.L. 116-260*, and not as part of Act March 27, 2020, *P.L. 116-136*, which generally comprises this chapter.

#### Amendment Notes

2021.

The 2021 amendment by P.L. 117-2 substituted “September 30, 2022” for “December 31, 2021” in (e)(1).

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[15 USCS § 9058c](#)

Current through Public Law 117-214, approved October 19, 2022.

*United States Code Service > TITLE 15. COMMERCE AND TRADE (Chs. 1 — 120) > CHAPTER 116. CORONAVIRUS ECONOMIC STABILIZATION (CARES ACT) (§§ 9001 — 9141) > ECONOMIC STABILIZATION AND ASSISTANCE TO SEVERELY DISTRESSED SECTORS OF THE UNITED STATES ECONOMY (§§ 9041 — 9141) > CORONAVIRUS ECONOMIC STABILIZATION (§§ 9041 — 9063)*

**§ 9058c. Emergency rental assistance**

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**(a) Funding.**

(1) Appropriation. In addition to amounts otherwise available, there is appropriated to the Secretary of the Treasury for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, \$21,550,000,000, to remain available until September 30, 2027, for making payments to eligible grantees under this section—

(2) Reservation of funds. Of the amount appropriated under paragraph (1), the Secretary shall reserve—

(A) \$305,000,000 for making payments under this section to the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa;

(B) \$30,000,000 for costs of the Secretary for the administration of emergency rental assistance programs and technical assistance to recipients of any grants made by the Secretary to provide financial and other assistance to renters;

(C) \$3,000,000 for administrative expenses of the Inspector General relating to oversight of funds provided in this section; and

(D) \$2,500,000,000 for payments to high-need grantees as provided in this section.

**(b) Allocation of funds to eligible grantees.**

(1) Allocation for States and units of local government.

(A) In general. The amount appropriated under paragraph (1) of subsection (a) that remains after the application of paragraph (2) of such subsection shall be allocated to eligible grantees described in subparagraphs (A) and (B) of subsection (f)(1) in the same manner as the amount appropriated under section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 (*Public Law 116-260*) [[15 USCS § 9058a](#)] is allocated to States and units of local government under subsection (b)(1) of such section, except that section 501(b) of such subtitle A [[15 USCS § 9058a\(b\)](#)] shall be applied—

(i) without regard to clause (i) of paragraph (1)(A);

(ii) by deeming the amount appropriated under paragraph (1) of subsection (a) of this Act that remains after the application of paragraph (2) of such subsection to be the amount deemed to apply for purposes of applying clause (ii) of section 501(b)(1)(A) of such subtitle A [[15 USCS § 9058a\(b\)\(1\)\(A\)](#)];

(iii) by substituting “\$152,000,000” for “\$200,000,000” each place such term appears;

(iv) in subclause (I) of such section 501(b)(1)(A)(v) [[15 USCS § 9058a\(b\)\(1\)\(A\)\(v\)](#)], by substituting “under section 3201 of the American Rescue Plan Act of 2021 [[15 USCS § 9058a](#)]” for “under section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 [[15 USCS § 9058a](#)]”; and

## 15 USCS § 9058c

(v) in subclause (II) of such section 501(b)(1)(A)(v) [[15 USCS § 9058a\(b\)\(1\)\(A\)\(v\)](#)], by substituting “local government elects to receive funds from the Secretary under section 3201 of the American Rescue Plan Act of 2021 [[15 USCS § 9058c](#)] and will use the funds in a manner consistent with such section” for “local government elects to receive funds from the Secretary under section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 [[15 USCS § 9058a](#)] and will use the funds in a manner consistent with such section”.

(B) Pro rata adjustment. The Secretary shall make pro rata adjustments in the amounts of the allocations determined under subparagraph (A) of this paragraph for entities described in such subparagraph as necessary to ensure that the total amount of allocations made pursuant to such subparagraph does not exceed the remainder appropriated amount described in such subparagraph.

(2) Allocations for territories. The amount reserved under subsection (a)(2)(A) shall be allocated to eligible grantees described in subsection (f)(1)(C) in the same manner as the amount appropriated under section 501(a)(2)(A) of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 (*Public Law 116-260*) [[15 USCS § 9058a\(a\)\(2\)\(A\)](#)] is allocated under section 501(b)(3) of such subtitle A [[15 USCS § 9058a\(b\)\(3\)](#)] to eligible grantees described under subparagraph (C) of such section 501(b)(3) [[15 USCS § 9058a\(b\)\(3\)](#)], except that section 501(b)(3) of such subtitle A [[15 USCS § 9058a\(b\)\(3\)](#)] shall be applied—

(A) in subparagraph (A), by inserting “of section 3201 of the American Rescue Plan Act of 2021 [[15 USCS § 9058c](#)]” after “the amount reserved under subsection (a)(2)(A)”; and

(B) in clause (i) of subparagraph (B), by substituting “the amount equal to 0.3 percent of the amount appropriated under subsection (a)(1)” with “the amount equal to 0.3 percent of the amount appropriated under subsection (a)(1) of section 3201 of the American Rescue Plan Act of 2021 [[15 USCS § 9058c](#)]”.

(3) High-need grantees. The Secretary shall allocate funds reserved under subsection (a)(2)(D) to eligible grantees with a high need for assistance under this section, with the number of very low-income renter households paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and change in employment since February 2020 used as the factors for allocating funds.

**(c) Payment schedule.**

(1) In general. The Secretary shall pay all eligible grantees not less than 40 percent of each such eligible grantee’s total allocation provided under subsection (b) within 60 days of enactment of this Act [enacted March 11, 2021].

(2) Subsequent payments. The Secretary shall pay to eligible grantees additional amounts in tranches up to the full amount of each such eligible grantee’s total allocation in accordance with a procedure established by the Secretary, provided that any such procedure established by the Secretary shall require that an eligible grantee must have obligated not less than 75 percent of the funds already disbursed by the Secretary pursuant to this section prior to disbursement of additional amounts.

**(d) Use of funds.**

(1) In general. An eligible grantee shall only use the funds provided from payments made under this section as follows:

(A) Financial assistance.

(i) In general. Subject to clause (ii) of this subparagraph, funds received by an eligible grantee from payments made under this section shall be used to provide financial assistance to eligible households, not to exceed 18 months, including the payment of—

(I) rent;

(II) rental arrears;

(III) utilities and home energy costs;

(IV) utilities and home energy costs arrears; and

(V) other expenses related to housing, as defined by the Secretary.

## 15 USCS § 9058c

(ii) Limitation. The aggregate amount of financial assistance an eligible household may receive under this section, when combined with financial assistance provided under section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 (*Public Law 116-260*) [[15 USCS § 9058a](#)], shall not exceed 18 months.

(B) Housing stability services. Not more than 10 percent of funds received by an eligible grantee from payments made under this section may be used to provide case management and other services intended to help keep households stably housed.

(C) Administrative costs. Not more than 15 percent of the total amount paid to an eligible grantee under this section may be used for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities, including for data collection and reporting requirements related to such funds.

(D) Other affordable rental housing and eviction prevention activities. An eligible grantee may use any funds from payments made under this section that are unobligated on October 1, 2022, for purposes in addition to those specified in this paragraph, provided that—

(i) such other purposes are affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937 (*42 U.S.C. 1437a(b)*)); and

(ii) prior to obligating any funds for such purposes, the eligible grantee has obligated not less than 75 percent of the total funds allocated to such eligible grantee in accordance with this section.

(2) Distribution of assistance. Amounts appropriated under subsection (a)(1) of this section shall be subject to the same terms and conditions that apply under paragraph (4) of section 501(c) of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 (*Public Law 116-260*) [[15 USCS § 9058a\(c\)](#)] to amounts appropriated under subsection (a)(1) of such section 501 [[15 USCS § 9058a](#)].

**(e) Reallocation of funds.**

(1) In general. Beginning March 31, 2022, the Secretary shall reallocate funds allocated to eligible grantees in accordance with subsection (b) but not yet paid in accordance with subsection (c)(2) according to a procedure established by the Secretary.

(2) Eligibility for reallocated funds. The Secretary shall require an eligible grantee to have obligated 50 percent of the total amount of funds allocated to such eligible grantee under subsection (b) to be eligible to receive funds reallocated under paragraph (1) of this subsection.

(3) Payment of reallocated funds by the Secretary. The Secretary shall pay to each eligible grantee eligible for a payment of reallocated funds described in paragraph (2) of this subsection the amount allocated to such eligible grantee in accordance with the procedure established by the Secretary in accordance with paragraph (1) of this subsection.

(4) Use of reallocated funds. Eligible grantees may use any funds received in accordance with this subsection only for purposes specified in paragraph (1) of subsection (d).

**(f) Definitions.** In this section:

(1) Eligible grantee. The term “eligible grantee” means any of the following:

(A) The 50 States of the United States and the District of Columbia.

(B) A unit of local government (as defined in paragraph (5)).

(C) The Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

(2) Eligible household. The term “eligible household” means a household of 1 or more individuals who are obligated to pay rent on a residential dwelling and with respect to which the eligible grantee involved determines that—

(A) 1 or more individuals within the household has—

15 USCS § 9058c

- (i) qualified for unemployment benefits; or
  - (ii) experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic;
- (B) 1 or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and
- (C) the household is a low-income family (as such term is defined in section 3(b) of the United States Housing Act of 1937 (*42 U.S.C. 1437a(b)*)).
- (3) Inspector General. The term “Inspector General” means the Inspector General of the Department of the Treasury.
- (4) Secretary. The term “Secretary” means the Secretary of the Treasury.
- (5) Unit of local government. The term “unit of local government” has the meaning given such term in section 501 of subtitle A of title V of division N of the Consolidated Appropriations Act, 2021 (*Public Law 116-260*) [[15 USCS § 9058a](#)].
- (g) **Availability.** Funds provided to an eligible grantee under a payment made under this section shall remain available through September 30, 2025.
- (h) [Omitted]

## History

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March 11, 2021, *P.L. 117-2*, Title III, Subtitle B, § 3201, *135 Stat. 54*.

Annotations

## Notes

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### HISTORY; ANCILLARY LAWS AND DIRECTIVES

#### Explanatory notes:

This section was enacted as part of Act March 11, 2021, *P.L. 117-2*, and not as part of Act March 27, 2020, *P.L. 116-136*, which generally comprises this chapter.

Subsec. (h), which has been omitted, amended [15 USCS § 9058a](#).

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# EXHIBIT B

# U.S. DEPARTMENT OF THE TREASURY

## EMERGENCY RENTAL ASSISTANCE PROGRAM

Allocations and Payments

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Award terms

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### Guidance

FAQs

FAQs by Category

Change log

Latest FAQs

---

Program & service design

---

Promising Practices

---

Promote the program

---

Report fraud, waste, and abuse

---

Reporting

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Renters and landlords

---

ERA Self-Service Resources

### Looking for rental assistance?

Renters and landlords can [find out what emergency rental assistance covers, how it works, and who's eligible](#) on the interagency housing portal hosted by the Consumer

Financial Protection Bureau (CFPB).

## Guidance

ERA grantees must comply with the requirements outlined in their ERA Award Terms, including the relevant ERA statute, all other applicable federal statutes, regulations, executive orders, and Treasury's guidance (FAQs, reporting guidance, etc.).

### ERA2 Reallocation Guidance

- [Guidance: ERA2 Reallocation Guidance](#) (published March 30, 2022, updated November 16, 2022)

### ERA2 Fact Sheet (3/30/2022)

- [ERA Fact Sheet Summary of Reallocation Guidance](#) (published March 30, 2022)

### Frequently Asked Questions (FAQs)

- [All FAQs \(7/27/2022\)](#)
- [Browse FAQs by category](#)
- [View all changes](#)

### ERA Fact Sheet (6/24/2021)

- [ERA Fact Sheet](#) (5/7/2021)

### ERA1 Reallocation Guidance

- Forms
  - Request for reallocated funds: Grantees should input their requests for reallocated funds directly in the Treasury Portal, which is accessible through [ID.me](#) or [Login.gov](#). Please do

not submit previously issued Request for Reallocated Fund forms by portal, email, or otherwise.

- Request for voluntarily reallocated funds: Grantees that wish to request funds that are being voluntarily reallocated should directly input their requests for reallocated funds and identify the grantee transferring the funds in the Treasury Portal, which is accessible through [ID.me](#) or [Login.gov](#). Please do not submit previously issued Request for Reallocated Fund forms by portal, email, or otherwise.
- Grantees that wish to have excess funds reallocated should input their requests directly to the Portal, which is accessible through [ID.me](#) or [Login.gov](#). Please do not submit previously issued Template Letter for Requesting Excess funds to be Voluntarily Reallocated forms by portal, email, or otherwise.
- [Program Improvement Plan form](#)
- Guidance
  - [Guidance on ERA reallocation](#) (updated September 6, 2022)
  - [Addendum to Reallocation Guidance for Tribal Governments](#) (updated June 1, 2022)
- Communications
  - On July 29, 2022 Treasury released a notice regarding [extensions of the deadline to obligate reallocated ERA1 funds](#).
  - On July 18, 2022, Treasury released a [notice](#) regarding ERA1 recapture for Tribal Governments.
  - On October 25, 2021, [Deputy Secretary Adeyemo published a letter](#) to all grantees to highlight additional detail on the reallocation process.
  - On October 4, 2021, Treasury sent [letter from Deputy Secretary Adeyemo to ERA grantees about the reallocation guidance](#).
  - On October 4, 2021, Treasury published a [summary on ERA reallocation highlights](#).
  - On September 24, 2021, Deputy Secretary Adeyemo published a [letter](#) to all grantees providing further insight into how Treasury intends to approach the reallocation process.

## Other Guidance

[Allocations and Payments](#)

[Reporting Guidance](#)

## 2022 ERA Compliance Supplement

ERA1 Closeout Resource (published September 19, 2022)

# EXHIBIT C

## State of Michigan's COVID Emergency Rental Assistance

### Program Guidance

**July 23, 2021**

*This guidance will be expanded upon or amended as the work continues.*

*Updates are highlighted throughout the document.*

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## PROGRAM SUMMARY

The State of Michigan's COVID Emergency Rental Assistance Program ("the Program") is designed to keep Michigan residents who fell behind on their rent and utilities during the COVID-19 pandemic in their homes. In addition, the Program may assist households that have an executed Writ of Restitution/Order of Eviction or are doubled up with other families or experiencing Category 1 Homelessness with motel assistance while they search for permanent housing. These families may then be eligible for additional assistance that may include application fees, security deposit, future rent, utility and internet assistance. The program utilizes a collaborative community process to expedite rental and utility assistance to COVID-19 affected tenants and their landlords.

Rental, utility, internet, motel and additional assistance in the amount of \$560 million will be distributed through MSHDA's network of Emergency Solutions Grant Fiduciaries and then sub-granted to Housing Assessment and Resource Agencies and other local service agencies. \$62 million in program funds are available for housing stability services, case management, legal services and administrative costs. Service Agencies will work with tenants and landlords to provide rental, utility and internet assistance for eligible renter households. Homeless households will be provided with case management if they are housed in a motel paid for by the Program. Legal services for renters will be provided by local legal aid organizations funded by grants made through the Michigan State Bar Foundation.

MSHDA is administering the Program and has convened a state leadership team comprised of staff from MSHDA, MDHHS, SCAO, Michigan Poverty Law Program and the Michigan State Bar Foundation. Their purpose is to guide the program's execution, monitor program outcomes, and distribute information within their respective agencies/areas of influence to aid in program effectiveness.

The Program is a partnership between multiple community organizations: Housing Assessment and Resource Agencies (HARA), Community Action Agencies (CAA), local Legal Services programs, judges and district court administrators. Other organizations can be added as necessary. These organizations will come together to design a local process whereby (1) tenants and landlords are served by the program so that tenants remain stably housed and landlords recoup rental arrears, (2) for court involved cases, the Landlord/Tenant docket is managed in a manner consistent with Michigan Supreme Court Administrative Order 2020-17 (as amended) and to facilitate service delivery by Legal Services and the HARA and (3) tenants and landlords are informed about the program, tenants are assisted by Legal Services and all parties work with the HARA to resolve eviction cases.

Partners will meet at least bi-weekly to design program operations, communicate results and other program issues, and discuss changes to improve processes and outcomes. HARAs will convene these meetings. HARAs will work with the courts and legal aid programs to distribute program flyers in Summons and Complaint mailings to share information on the program.

HARAs and other agencies involved in CERA utility assistance should contact utility providers to discuss CERA assistance and determine how to most efficiently serve tenants in need. When possible, arrangements for batch payments should be made with utility providers along with a plan for handling future utility assistance payments made on behalf of the tenants.

Based on consultation with MSHDA, local programs may administer the CERA program with additional rules to coincide with existing local codes/ordinances so long as these additional rules do not conflict with US Treasury regulations or slow the pace of serving eligible tenants and landlords.

The expenditure deadline for the ERA 1 funds is September 30, 2022. However, the US Treasury Department may recapture any funds not obligated by grantees as of September 30, 2021 if 65 percent of the funds are not obligated and reallocate/repay those amounts to grantees who, as of that time, have obligated at least 65 percent of their original grant.

MSHDA will be closely monitoring the expenditure of funds throughout the state and will work with each Continuum of Care/Local Planning Body (CoC/LPB) to address any problems that may arise regarding the expenditure of the funds. If it appears that the funding needs for any CoC/LPB were overestimated, the amount of funding for that area may be reviewed and some funds may be moved to a CoC/LPB where the funding needs may have been underestimated.

Program characteristics and guidance may change at any time based on funding availability, program experience, or revised US Treasury guidance.

## HOW THE PROGRAM WORKS

- Grants will be made from MSHDA to the established fiduciary from the Continuum of Care (CoC) or Local Planning Body (LPB) for the Emergency Solutions Grant (ESG) program. The fiduciary will then sub-contract with the Housing Assessment and Resource Agency (HARA) and other local service providers.
- HARAs will, in collaboration with local stakeholders, design an eviction prevention, utility and internet assistance process where tenants and landlords are notified about the program and ideally cases are resolved using a Settlement Statement before a court filing, and filed cases are resolved as often as possible by Conditional Dismissal Orders.
- CRF Emergency Rental Assistance funds should be expended on eligible households before accessing any other sources of eviction diversion or utility assistance funding (i.e. ESG, CSBG, CDBG, etc.). The exception to this is whenever possible, eligible homeless families should be served with ESG-CV Rapid Rehousing or Prevention Funds.
- HARAs and other local agencies providing Program assistance will provide case management to homeless families not eligible for ESG-CV who are benefitting from CERA with motel stays while searching for housing. These households may also be eligible for Program assistance with application fees, security deposit and future rent utility and internet assistance.
- Conditional Dismissal Orders, based on MCR 2.602, will outline the terms by which the landlord and tenant may resolve a rent dispute in a court case. Those terms will typically include eligible lump sum payments from the Program and other sources and the landlord's required waiver of late fees over \$400.
- Using a Conditional Dismissal Order instead of a judgment will protect the tenant's credit history.
- Tenants with incomes up to 80% of area median income are eligible for the rental and utility assistance.
- The Program is not compulsory for landlords and utility providers. If they refuse to participate, the rental and/or utility assistance payment will be made to the tenant so the tenant can pay the landlord and/or utility provider the amount due and any future payments if applicable.
- Using a Conditional Dismissal Order instead of a judgment will protect the tenant's credit history.
- Financial Status Reports (FSR) are required monthly to document program expenditures. Agencies may submit FSRs more frequently if needed to address cash flow issues. Agencies are also encouraged to establish a line of credit to assist with cash flow and timely program assistance payments.

## TENANT ELIGIBILITY

- Tenant household income must be no more than 80% of Area Median, **and**
- One or more individual in the household currently or at some point after March 13, 2020,
  - qualified for unemployment benefits or
  - experienced a reduction in household income or
  - incurred significant costs or
  - experienced other financial hardship due directly or indirectly to the corona virus outbreak, **and**
- The household:
  - is currently defined as Category 1 Homeless (Literally Homeless (1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution or
  - is doubled up with another household or
  - has an executed Writ of Restitution/Order of Eviction or
  - can demonstrate a risk of experiencing homelessness or housing instability which may include a:
    - past due utility notice or
    - past due rent notice (including a ledger or statement showing rent arrears or a Notice to Quit) or an eviction notice
- Households may not receive CERA assistance to cover rental arrearages that were part of the landlord forgiveness for MSHDA's Eviction Diversion Program or paid for with MSHDA's Eviction Diversion Program funding (or any agency's eviction prevention program). Tenants may be eligible for CERA assistance to pay the balance due on the tenant repayment agreement from the Eviction Diversion Program if the tenant was not able to fulfill the repayment obligation to the landlord and the arrearages are from on or after March 13, 2020. A case note describing the situation and the outstanding balance amount should be included in the case file. The outstanding balance amount should be included on the CERA Program Worksheet on the "Total Rental Arrears after March 13, 2020" line.

## REQUIRED DOCUMENTATION

- Proof of Income: The household's 2020 calendar year income or present income (within the past 60 days of application) will be used to determine eligibility and assistance amounts. Income verification may be shown through:
  - 2020 calendar year income (first two pages of IRS form 1040) or
    - The Adjusted Gross Income on line 11 of the 1040 is to be used
  - SNAP/Food Assistance Program "Notice of Case Action" letter if it is dated January 2020 or later.
    - Families that have three or less household members and are currently enrolled in the SNAP (Supplemental Nutrition Assistance Program) with income determination/redetermination since January 2020 are categorically eligible per US Treasury.
      - Household with four or more members are not include as categorically eligible because the income limits for FAP are higher than 80% AMI in many counties.
    - The Notice of Case Action letter can be accessed in the applicant's MI Bridges account
  - paystubs for all income sources, W-2s or other wage statements such as a 1099, bank statements demonstrating regular income, or a statement from an employer.
    - Paystubs
      - must be dated within 60 days of the application date
      - do not have to be consecutive
  - Self-attestation accompanied by agency case notes as proof of income is acceptable only when all other verification options are not reasonably or readily available, not for applicant convenience or agency efficiency.
- ID: Tenant state ID (or an alternate form of identification, as necessary) is required for only the primary adult household member
  - Expired IDs are acceptable.
  - Alternate identification may include a birth certificate, military ID, student ID, Medicaid or other health coverage card, voter registration card, or any type of official documentation including verification from a DHHS worker.
  - Verification of residency as noted below will be required for any form of identification that does not state the unit address. If the family lacks a current state ID, the case manager should work with the family to set up a plan for the household member to obtain one.

- Proof of Address:
  - If the tenant ID address does not match the address of the unit, the tenant must provide a recent utility bill, benefit statement, some other official documentation, or other reliable evidence verifying they occupy the unit for which the assistance has been requested. If the tenant has received any court filings, the court filings may be used as verification of residency or
  - Verification of Category 1 Homelessness provided in writing by the HARA or other local homeless service provider or
  - Verification of being doubled up with another household provided in writing by the household permanently residing at the unit
  
- Proof of Occupancy
  - Copy of the lease agreement if a written lease was completed.
  - If the lease is not signed, an email or documented phone call confirmation from the other party verifying the lease document/amounts and basic information are correct should be placed in the file.
  - Verbal lease agreements are also acceptable. Verbal lease agreements will need to be substantiated by utility bills in the tenant's name at the unit address, cancelled checks or other proof of prior rental payments such as a ledger, or other reliable evidence. Documents need to clearly place the tenant at the unit address during the time period assistance is being sought.
  - If there is not a written lease and the tenant has a Complaint – Termination of Tenancy – Non-Payment of Rent, this document may be used as verification of occupancy.
  
- Tenant Application
  - Required for all cases even if the landlord is applying on behalf of the tenant.
  - Applicants cannot be denied Program assistance due to not providing a social security number for any member of the household.
  - Paper applications must be provided to tenants that cannot or will not complete an online application.
  
- Landlord Application
  - A ledger can be attached to the application in lieu of completing the rental payment history.
  - Paper applications must be provided to landlords and tenants that cannot or will not complete an online application.
  - The landlord application is not required for tenants using a paper application seeking utility assistance only. Please see Utility Assistance Payment Information for additional details.
  
- Proof of Tenant Supplied Utilities: Copy of current utility bill(s) (gas, electric, water/sewer, trash removal and energy costs such as fuel oil) as stated in the lease as being tenant responsibility to pay.

- Trash removal will only be paid if it is included within another utility bill such as water or sewer. If trash is billed separately it will not be paid.
- If there is no written lease the utility bills must be in the tenant's name or the tenant must be able to show a history of having paid the utility bills in the past for CERA to provide utility assistance.
- Utility bills do not need to show an arrearage for the tenant to be considered for future utility assistance.
- Current account detail statements provided by the utility company are an acceptable substitute for a copy of the current utility bill if they include the same information included on a bill such as name, service address, account number, balance due, dates, etc.
- Proof of Internet Service: Copy of current internet bill showing service was in place or suspended due to non- payment at the time of program application, if tenant is requesting assistance with internet payments.
- Proof of Rental Arrears: Documentation showing tenant has rental arrears (statement from landlord, ledger, Notice to Quit, Complaint for Eviction or other court documentation)
- Proof of Court Costs: Court documentation verifying court costs if applicable. Court costs can only include expenses paid to the court and verified as court expenses. Attorney fees are not included in court costs.
- Rental Assistance Calculation Worksheet
- Landlord W-9 Form (if rent payment is made directly to the landlord)
- Proof of Agreement: Settlement Statement or Conditional Dismissal Order – All funds must be secured with a Settlement Statement or Conditional Dismissal Order in place before Program funds are dispersed to the landlord except for cases in which a landlord or utility refuses to participate in CERA and the payment is made directly to the tenant. By signing the application, the landlord and tenant are agreeing upfront to the Settlement Statement terms at the time of application. If a repayment agreement is part of the Settlement Statement or Conditional Dismissal Order, the tenant will be responsible for making those payments in the future as outlined in the Settlement Statement or Conditional Dismissal Order.
- Proof of COVID-Related Hardship
  - Documentation of one COVID hardship based on the chart below.
  - Hardships must have occurred on or after March 13, 2020 and may have since been resolved.
  - Automatic denials for no COVID hardship should not be issued. While the COVID pandemic has caused most households in Michigan experience some type of increase in costs or significant expenses since March 13, 2020, some applicants will mark “No” for the COVID hardship questions on the application. If the tenant marks “No” for all COVID hardship questions and the comment box (portal application) or hardship letter (paper application) is not clear and/or does not provide details indicating a COVID hardship, the

agency must follow up with the tenant. The agency should make at least two attempts to reach out to the tenant to get clarification on the COVID hardship response. These attempts and any additional information obtained must be documented in the portal by adding Notes in the audit log area. When talking with an applicant who has marked “No” for these questions, it may be beneficial to explore with the applicant what each question means with the reminder that there is not a threshold dollar amount to meet this program requirement. Some examples of COVID hardships that would meet the eligibility requirements include:

- Purchasing PPE
- Having to pay for delivery of groceries or supplies due to not being able to ride public transportation or go into a store
- Having to pay additional expenses due to children being home from school during the day. Examples include increased costs for food, school supplies, keeping the heat turned up during the day, childcare, etc.
- Having to pay increased prices and/or shipping for items due to lack of availability of products in the store
- Having to purchase more cleaning products such as disinfecting wipes, cleaners and hand sanitizer
- Reducing work hours to stay home and care for children
- Reducing hours or discontinuing employment for health reasons (for example leaving a job due to concerns of increased exposure)

Type of COVID Hardship	Best Documents to Show Proof	Alternate Documents to Show Proof
A member of my household qualified for unemployment after March 13, 2020	Unemployment Monetary Determination Letter OR screen shots from unemployment website showing payments and person's name	Signed letter from applicant stating the time period they received unemployment benefits
A member of my household has had a reduction in income after March 13, 2020	Signed letter from applicant outlining your original hours and pay rate and reduced hours and pay rate during the COVID outbreak	
A member of my household has incurred significant costs after March 13, 2020	Signed letter from applicant stating what type of increased expenses the household incurred during the COVID outbreak	
A member of my household experienced other financial hardship after March 13, 2020	Signed letter from applicant stating what type of financial hardship occurred during the COVID outbreak	

Online applicants only need to check the appropriate box regarding the COVID Hardship and provide a brief explanation in the comments box. A separate letter regarding COVID Hardship is not required for online applicants if they check a COVID Hardship box and complete the comment box.

## **SELF-ATTESTATION OF INCOME and OTHER FACTORS**

- While the Program seeks to be flexible about documentation requirements and to avoid undue documentation burdens, self-attestation should be used as verification as a last resort under limited circumstances.
- Self-attestation is acceptable only when all other options of verification are not reasonably or readily available, not for applicant convenience or agency efficiency.
- Applicants should be notified that self-attestation may delay the processing of their application because additional information may be required.
- Self-attestation is not acceptable verification of utility or internet bills.
- Agencies may not have more than 25% of their cases use self-attestation to verify income unless additional fraud prevention measures have been implemented by the agency and a description of these measures has been provided to and approved by MSHDA in writing.
- Zero income is considered self-attestation if there is no verification showing the loss of income.
- Situations when self-attestation may be relied upon:
  - To accommodate applicants with a disability
  - Extenuating circumstances related to the pandemic or household circumstances
  - Lack of technological access
  - Imminent eviction (within 14 days) and standard verification is not immediately available
  - Various income sources and/or self-employment that are cash payments and/or may not have a standard paystub such as babysitting, lawn care and plasma donations and the income source does not or will not provide written verification of the income.
- Case notes describing why self-attestation was used must be included for all cases with self-attestation. The case notes must include an analysis of why verifications could not be obtained and why it was acceptable to use self-attestation. For example:
  - Applicant babysits for cash and does not have any form of recordkeeping. Applicant states parents of children are not willing to write a statement of the income provided to applicant therefore self-attestation of this income was accepted.
  - Applicant has a disability that impedes ability to obtain verification; has a final court date in 10 days for eviction. Applicant is not able to locate paystubs, does not have a phone with a camera to screenshot electronic paystubs and does not have immediate access to a computer and printer to print paystubs. Employer will not provide another printed copy of paystubs to applicant therefore self-attestation of this income was accepted.

**FACT-SPECIFIC PROXY USAGE TO ENABLE SELF-ATTESTATION OF HOUSEHOLD INCOME**

US Treasury FAQ dated 5/7/21 introduced the ability to establish a fact-specific proxy in conjunction with income eligibility determinations. The FAQ states:

*Fact-specific proxy: A grantee may rely on a written attestation from the applicant as to household income if the grantee also uses any reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household's geographic area.*

MSHDA has evaluated census data and will use a fact-specific proxy based on zip codes and household incomes. MSHDA will allow self-attestation of household income in zip codes where the median household income is less than 70% of the county Area Median Income (AMI).

Both the online and paper application will prompt the household to disclose all household income sources and upload/include third party verifications (pay stubs, benefit statements, etc.). When service agencies are evaluating the case for eligibility in zip codes within the fact specific proxy list, they will use all provided information from the household to determine the income level, but not seek out additional information from the tenant if less than full documentation was received. If the income isn't fully documented, the Reviewer or Approver will mark the 'Income Self-Attested' area as 'Yes' while they are processing the case in the CERA portal.

If the household reports income that is over 80% AMI, they will be denied assistance. For applications received outside of the fact specific proxy zip code list, service agencies will request additional information from tenants so that the household income is sufficiently documented as described in guidance.

Zip Code	City	County	Zip Code	City	County	Zip Code	City	County
48705	Barton City	Alcona	48743	Long Lake	Iosco	48756	Prescott	Ogemaw
48737	Glennie	Alcona	48748	National City	Iosco	48761	South Branch	Ogemaw
48728	Curran	Alcona	48739	Hale	Iosco	48635	Lupton	Ogemaw
48745	Mikado	Alcona	48770	Whittemore	Iosco	48654	Rose City	Ogemaw
48740	Harrisville	Alcona	49903	Amasa	Iron	49912	Bruce Crossing	Ontonagon
49839	Grand Marais	Alger	49902	Alpha	Iron	49960	Rockland	Ontonagon
49825	Eben Junction	Alger	49915	Caspian	Iron	49953	Ontonagon	Ontonagon
49884	Shingleton	Alger	49935	Iron River	Iron	49910	Bergland	Ontonagon
49895	Wetmore	Alger	48896	Winn Mount	Isabella	49665	Marion	Osceola
49450	Pullman	Allegan	48858	Pleasant	Isabella	49631	Evart	Osceola
49747	Hubbard Lake	Alpena	49263	Norvell	Jackson	49677	Reed City	Osceola
48703	Au Gres	Arenac	49202	Jackson	Jackson	48636	Luzerne	Oscoda
48658	Standish	Arenac	49074	Nazareth	Kalamazoo	48647	Mio	Oscoda
49073	Nashville	Barry	49007	Kalamazoo	Kalamazoo	49401	Allendale	Ottawa
48708	Bay City	Bay	49006	Kalamazoo	Kalamazoo	49743	Hawks Houghton Lake Heights	Presque Isle Roscommon
49616	Benzonia	Benzie	49001	Kalamazoo	Kalamazoo	48630	Heights	Roscommon
49683	Thompsonville	Benzie	49048	Kalamazoo	Kalamazoo	48656	Saint Helen	Roscommon
49084	Riverside Benton	Berrien	49052	Fulton	Kalamazoo	48651	Prudenville	Roscommon
49022	Harbor	Berrien	49507	Grand Rapids	Kent	48601	Saginaw	Saginaw

49098	Watervliet Berrien	Berrien	49503	Grand Rapids	Kent	48607	Saginaw	Saginaw
49103	Springs	Berrien	49509	Wyoming	Kent	48724	Carrollton	Saginaw
49224	Albion	Calhoun	49548	Grand Rapids	Kent	48602	Saginaw	Saginaw
49799	Wolverine	Cheboygan	49504	Grand Rapids	Kent	48060	Port Huron	Saint Clair
49788	Kincheloe	Chippewa	49512	Grand Rapids	Kent	48039	Marine City	Saint Clair
49768	Paradise	Chippewa	49505	Grand Rapids	Kent	48097	Yale	Saint Clair
49736	Goetzville	Chippewa	49901	Ahmeek	Keweenaw	48453	Marlette	Sanilac
49710	Barbeau	Chippewa	49642	Idlewild	Lake	49883	Seney	Schoolcraft
49748	Hulbert	Chippewa	49304	Baldwin	Lake	49836	Germfask	Schoolcraft
49793	Trout Lake	Chippewa	49656	Luther	Lake	49027	Breedsville	Van Buren
48625	Harrison	Clare	49644	Irons	Lake	49043	Covert	Van Buren
48632	Lake	Clare	48440	Hadley	Lapeer	49056	Grand Junction	Van Buren
48831	Elsie	Clinton	48727	Clifford	Lapeer	49026	Bloomington	Van Buren
48853	Maple Rapids	Clinton	48444	Imlay City	Lapeer	49057	Hartford	Van Buren
49864	Nahma	Delta	48760	Silverwood	Lapeer	49013	Bangor	Van Buren
49829	Escanaba	Delta	49256	Morenci	Lenawee	49045	Decatur	Van Buren
49852	Loretto	Dickinson	48139	Hamburg	Livingston	49090	South Haven	Van Buren
49802	Kingsford	Dickinson	48816	Cohoctah	Livingston	48109	Ann Arbor	Washtenaw
49877	Ralph	Dickinson	49838	Gould City	Mackinac	48198	Ypsilanti	Washtenaw
49764	Oden	Emmet	48089	Warren	Macomb	48104	Ann Arbor	Washtenaw
49722	Conway	Emmet	48091	Warren	Macomb	48197	Ypsilanti	Washtenaw
49718	Carp Lake	Emmet	48015	Center Line Mount	Macomb	48211	Detroit	Wayne
49769	Pellston	Emmet	48043	Clemens	Macomb	48201	Detroit	Wayne
48505	Flint	Genesee	48066	Roseville	Macomb	48204	Detroit	Wayne
48529	Burton	Genesee	48021	Eastpointe Clinton	Macomb	48203	Highland Park	Wayne
48504	Flint	Genesee	48036	Township	Macomb	48208	Detroit	Wayne
48503	Flint	Genesee	49619	Brethren	Manistee	48218	River Rouge	Wayne
48502	Flint	Genesee	49626	Eastlake	Manistee	48238	Detroit	Wayne
48507	Flint	Genesee	49879	Republic	Marquette	48213	Detroit	Wayne
48458	Mount Morris	Genesee	49458	Walhalla	Mason	48234	Detroit	Wayne
48506	Flint	Genesee	49410	Fountain	Mason	48210	Detroit	Wayne
48532	Flint	Genesee	49402	Branch	Mason	48206	Detroit	Wayne
49968	Wakefield	Gogebic	49305	Barryton	Mecosta	48227	Detroit	Wayne
49959	Ramsay	Gogebic	49307	Big Rapids	Mecosta	48228	Detroit	Wayne
49938	Ironwood	Gogebic	49863	Nadeau	Menominee	48212	Hamtramck	Wayne
49911	Bessemer	Gogebic	49848	Ingalls	Menominee	48209	Detroit	Wayne
49969	Watersmeet	Gogebic Grand	49874	Powers	Menominee	48215	Detroit	Wayne
49666	Mayfield	Traverse Grand	49847	Hermansville	Menominee	48229	Ecorse	Wayne
49637	Grawn	Traverse	48618	Coleman	Midland	48202	Detroit	Wayne
48801	Alma	Gratiot	49667	Merritt	Missaukee	48205	Detroit	Wayne
48856	Middleton	Gratiot	48157	Luna Pier	Monroe	48217	Detroit	Wayne
49961	Sidnaw	Houghton	48133	Erie	Monroe	48216	Detroit	Wayne

49921	Dodgeville	Houghton	48161	Monroe	Monroe	48235	Detroit	Wayne
49931	Houghton	Houghton	48852	Mcbrides	Montcalm	48207	Detroit	Wayne
49963	South Range	Houghton	48829	Edmore	Montcalm	48141	Inkster	Wayne
49942	Kearsarge	Houghton	49756	Lewiston	Montmorency	48219	Detroit	Wayne
49917	Copper City	Houghton	49709	Atlanta	Montmorency	48214	Detroit	Wayne
49913	Calumet	Houghton	49746	Hillman	Montmorency	48224	Detroit	Wayne
49922	Dollar Bay	Houghton	49440	Muskegon	Muskegon	48126	Dearborn	Wayne
49965	Toivola	Houghton	49442	Muskegon	Muskegon	48223	Detroit	Wayne
48720	Bay Port	Huron	49444	Muskegon	Muskegon	48122	Melvindale	Wayne
48933	Lansing	Ingham	49309	Bitely	Newaygo	48221	Detroit	Wayne
48910	Lansing	Ingham	49312	Brohman	Newaygo	48120	Dearborn	Wayne
48915	Lansing	Ingham	48342	Pontiac	Oakland	48146	Lincoln Park	Wayne
48911	Lansing	Ingham	48340	Pontiac	Oakland	48225	Harper Woods	Wayne
48912	Lansing	Ingham	48341	Pontiac	Oakland	48184	Wayne Dearborn	Wayne
48906	Lansing	Ingham	48030	Hazel Park	Oakland	48125	Heights	Wayne
48823	East Lansing	Ingham	48034	Southfield	Oakland	48185	Westland	Wayne
48870	Palo	Ionia	48033	Southfield	Oakland	48180	Taylor Dearborn	Wayne
48865	Orleans	Ionia	48237	Oak Park	Oakland	48127	Heights	Wayne
						48174	Romulus	Wayne
						49638	Harrietta	Wexford

## GENERAL INFORMATION

- Rental assistance does not need to be provided to assist with utility, energy, or internet costs.
- Landlords and owners may apply on behalf of tenants meeting the eligibility requirements, so long as:
  - the tenant cosigns the application and provides required documentation to the landlord to be included with the application,
  - the landlord provides information on the rental assistance payment to the tenant and
  - the payments are used to satisfy the tenant's rental obligation to the owner.
- Rental, utility, and internet assistance can only be paid for amounts due on or after March 13, 2020.
- If a tenant has arrearages from before and after March 13, 2020 and some payments have been made during that time, those payments should be applied to the oldest arrearages, charges and fees regardless of the date the payments were made. For example, if a tenant did not pay rent for March and April and then paid rent in May, the tenant payment made in May should be applied to March rent.
- To calculate the number of months in arrears, take the total rental arrears (less late or other fees that were applied after March 13, 2020) and divide it by the monthly rent due and round that number up. For example, if the household has arrears (without late fees) of \$5,000 and their monthly rent is \$800, they are 7 months in arrears because  $\$5,000/\$800 = 6.25$  months.
- When calculating total rental arrears, late fees applied prior to March 13, 2020 do not need to be removed. Ideally the landlord will forgive these late fees. If the landlord will not forgive late fees applied prior to March 13, 2020 they will be the tenant's responsibility to pay. The landlord and tenant will need to agree upon a payment plan if necessary.
- 70% of the rental assistance will be reserved for households at or below 50% AMI.
  - Grantees must track their spending by tenant income category so that they ensure at least 70% of funds are spent on households at or below 50% AMI.
- Tenants will only be eligible to participate in the CERA program one time unless there are insufficient applications to fully spend down the funding.
- SER applications are not required to qualify for Program assistance.
  - SER applications are encouraged for households that are below 50% of AMI and have rental arrearages that exceed program limits.
- College students are eligible for Program assistance so long as they are named on the lease.
- For tenants with variable incomes, the averaged income amount should be used when calculating annual income in the calculation worksheet.

## Zero Income

- When interviewing the tenant it is important to inquire about all types of income, earned and unearned.

- If the household has zero income this must be noted on the tenant application and the family will be considered below 50% AMI.

### **Types of Housing**

- Homeless - Category 1 Homeless and Doubled Up Homeless: May be assisted with a motel while searching for housing (see Motel Assistance for Non-Lease Holders) or may be immediately assisted with application fees, security deposit, future rent and utilities and internet if applicable.
- Renting from a Relative: If the tenant and landlord are related, the case manager should investigate to ensure that the tenant has actually been living in the unit and past rent has been paid to the landlord.
- Mobile Homes: Tenants living in mobile homes may be assisted with Program funds. If the tenant is renting the mobile home and the lot, apply the FMR for the number of bedrooms in the unit (if there is only one person in the household apply the one-bedroom FMR regardless of the number of bedrooms in the unit). If the tenant owns the mobile home and is only renting the lot, the MH FMR should be used.
- Cooperatives: Tenants living in cooperatives are eligible for Program assistance.
- Land Contracts: Persons buying a property on a land contract are NOT eligible for assistance. Tenants renting a property from a land contract buyer are eligible for assistance.
- Motels: Tenants living in self-paid for motels are NOT eligible for assistance. These households should be evaluated for ESG assistance.
- Commercial Buildings: Tenants living in commercial buildings (stores, warehouses, etc.) are NOT eligible for assistance.
- Subsidized Housing: An eligible household that occupies a federally subsidized residential or mixed-use property may receive assistance, provided program funds are not applied to costs that have been or will be reimbursed under any other federal assistance.
  - If an eligible household receives a monthly federal subsidy (e.g., a Housing Choice Voucher, Public Housing, or Project-Based Rental Assistance) and the tenant rent is adjusted according to changes in income, the renter household may receive ERA assistance for the tenant-owed portion of rent or utilities that is not subsidized.
  - The agency must review the household's income and sources of assistance to confirm that the Program assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs.
  - Agencies may rely on an attestation from the applicant regarding nonduplication with other government assistance in providing assistance to a household.
  - Utility assistance provided to tenants through their rental subsidy program does not need to be considered for CERA.

### **Tenants Renting a Room**

- Obtain the following information and submit the request to [MSHDA-CERA@michigan.gov](mailto:MSHDA-CERA@michigan.gov) for a determination:
  - Is there a lease?
  - Is there verification of past payments made to the landlord?
  - Are the tenant and landlord related and if so, what is the relationship?
  - Has the tenant ever lived in the unit without being required to pay rent?
  - Has the landlord filed for eviction?
- If MSHDA determines that the tenant can be assisted with Program funds, 0-bedroom size unit should be used for the purpose of FMR.

### **Roommate Situations**

- Review documentation verifying the rent arrearage for the name(s) of the person(s) applying for assistance.
- Household income is calculated based on the income of the adult(s) listed on verification of past due rent.
- Unit size is based on the number of bedrooms the persons listed occupy unless there is only one roommate using one bedroom being evicted. If there is only one roommate being evicted and that person only occupies one of the bedrooms, use 0 bedrooms for FMR.
- If the person being evicted has children, the number of bedrooms used by the children need to be added to the number of bedrooms for FMR.
- If one or more roommates are assisted at the same time, any other roommates in the unit are not eligible to apply for Program assistance for the same time period/rental arrearage.

### **Moving Tenants**

- If the tenant wishes to move of their own volition shortly after the rental arrears assistance is provided, that is allowable.
- Future rental assistance may be provided, for eligible tenants, on the new unit if the new landlord completes the application and submits the required documents for payment.
- If the tenant is being required to move against their will, CERA can only be provided to the current landlord if it will allow the tenant to stay in the unit for the entire time period that CERA is paying forward rent payments. If a landlord refuses to allow the tenant to stay through the time period that could be covered by future payments, the rental arrears will be paid directly to the tenant so the tenant can pay the financial obligation or judgment against them. Future rent payments may be made to a future landlord once a lease has been signed and the landlord application and required documents have been submitted.
- Tenants moving out of units to doubled up situations with friends or family members will not be eligible for future rent payments to pay rent to the friend or family member.

## RENT-TO-OWN LEASES versus LAND CONTRACTS

Default of either a Rent-to-Own Lease or a Land Contract can result in an eviction, but a Rent-to-Own Lease is eligible for CERA benefits, while a Land Contract is not.

**The problem: the title at the top of an agreement may not match what is actually going on. Sometimes a Rent-to-Own Lease is a Land Contract in disguise.**

How can you tell what kind of agreement it really is? Unfortunately, there are no easy answers on this topic: Michigan law does not draw a clear line between the two kinds of agreements. Both are considered legal, if written properly, but what kind of agreement it actually is comes down to the particular terms – what they legally agree to defines the document, not the label at the top.

As you read the terms of the agreement, look for some Red-Light clues that suggest a Land Contract, and some Green-Light clues that suggest a proper Lease:

### Red Lights (could be a Land Contract):

- Tenant has to pay property insurance and/or property taxes.
- Significant amount of “rent” is credited toward purchase price (*more than 5% of the monthly payment*).

*The more money the tenant has paid to landlord towards the purchase price, the more the tenant stands to lose if the landlord evicts them for defaulting on payments.*

- Significant deposit required toward purchase price or purchase option (*5-7% of final purchase price or more*).
- If the rent-to-own agreement says it may be recorded (*whether it is actually recorded or not*).
- Term of Years is more than one year. (*Most Michigan residential leases are for 12 months, then going month-to-month thereafter.*)
- The document talks about forfeiture or foreclosure if the Tenant defaults.

### Green Lights (could be Lease eligible for CERA):

- Tenant has no obligation to purchase the property at the end of the contract and does not own the property at the end of the contract: the tenant just has an option to purchase for additional payment.
- Very little or no money is required as a cash “deposit” towards the purchase portion of the agreement.

*Proper leases often have a security deposit requirement, which is allowed under the law; a disguised land contract may have an additional cash deposit toward the purchase price or may try to say that the security deposit will be applied toward the purchase price.*

- Tenant does not have to insure anything other than their own personal belongings.

If you have any questions or concerns about whether a Rent-to-Own agreement is eligible for CERA benefits as a lease, or ineligible as a land contract, spend some extra time studying the terms, and asking for additional input.

#### **RENTAL ASSISTANCE PAYMENT INFORMATION**

- Rental Assistance will be based on income level with households at lower income levels being offered longer periods of rental assistance.
- Rental arrears attributed to late fees charged on or after March 13, 2020 are capped at \$400.
  - Monthly late fee charges cannot exceed the late fee amount stated in the lease.
  - Late fees for tenants without a lease are limited to \$50/month.
  - Landlord must forgive any remaining late fees charged on or after March 13, 2020.
- Actual court costs of up to \$150 incurred on or after March 13, 2020 may be included for cases that have already filed for eviction. Landlord must forgive any remaining court costs charged on or after March 13, 2020.
- If the landlord is not participating in CERA and the funds are paid directly to the tenant to pay the landlord, the tenant will still owe the late fees and court costs above the program limits. If these fees and costs are not paid by the tenant, the tenant will risk eviction.
- Tenant is responsible for late fees charged prior to March 13, 2020.
- Tenant is responsible for arrearages and any other charges from prior to March 13, 2020.
- Tenant responsibility arrearages may be put into a payment plan agreed upon by the tenant and landlord with payments generally being split over a 12-month period.
- Tenants at or below 50% AMI can be considered for ESG, SER, CSBG, CDBG or other funds if these funds are necessary to fully pay the rent arrearage.
- Monthly rental assistance will be capped at 150% of HUD's Fair Market Rent (FMR) levels adjusted by county and unit size. Tenants are not disqualified from the program if their monthly rent exceeds this amount, but Program assistance is capped at 150% of FMR based on the unit size. Tenants may be referred to other programs such as ESG-CV or SER for possible assistance with the difference.
- A single tenant's maximum rental assistance will be 150% of the one-bedroom FMR regardless of actual unit size.
- For households with more than one person, assistance is based on the number of bedrooms in the unit, not the number of people in the household. For example, two people living in a three-bedroom unit would be assisted up to 150% of the FMR for a three-bedroom unit.
- Utilities will not be included when determining the FMR.
- Tenants are responsible for monthly rental amounts over 150% of FMR and must pay the landlord this portion. This may be done through a payment plan if agreed to by the landlord and tenant.
- The tenant is not required to accept the future rent assistance; however, this decision must be made by the tenant, not the agency providing Program assistance. If the tenant declines future

rent assistance it must be noted on the worksheet that the tenant has specifically expressed that they do not want future rent to be paid.

- The tenant must be living in the unit at the time the Program assistance funds are disbursed. Persons temporarily away from the unit (e.g., hospitalization, family visit) are eligible for assistance.
- Agencies must make payments directly to a landlord on behalf of the eligible household unless the landlord does not agree to accept the payment, in which case the agency may make payments directly to a member of the eligible household. Agencies must make reasonable efforts to obtain the cooperation of landlords to accept payments from the Program. The final outreach attempt or notice to the landlord must be documented. The cost of contacting landlords would be an eligible administrative cost. Outreach will be considered complete if:
  - a request for participation is sent in writing, by mail, to the landlord, and the addressee does not respond to the request within 14 calendar days after mailing; or
  - the agency has made at least three attempts by phone, text, or e-mail over a 10 calendar-day period to request the landlord participation; or
  - a landlord confirms in writing that the landlord does not wish to participate.
- Future rent payments may be made on a monthly basis or in one lump sum based on agency preference.
- If the landlord will not participate in any part of the of application process:
  - the tenant must provide a current utility bill or some other type of official mail that shows that they live at the address.
  - case workers should attempt to get confirmation of the rental arrearage, a copy of the ledger and monthly rent amount from the landlord over the phone or email. This documentation should be uploaded in the supporting documents area of the portal.
  - if the case worker is only able to get verbal confirmation of some information from the landlord, add a Note in the Audit/Activity Log section of the portal to document the information received.
  - if the tenant cannot provide a copy of the lease and no information is obtained from the landlord, the tenant must have some type of proof of the amount of rent that was paid to the landlord in the past. If the tenant cannot provide proof of the amount of rent paid to the landlord, FMR is the maximum rent amount permitted.
- If the household AMI has increased from up to and including 50% AMI to 51-80% AMI by the time the household returns for the additional three months of rental assistance, the household will still be eligible for up to 15 months of rental assistance if they meet other eligibility requirements.
- If a tenant declines rental assistance and only wishes to receive utility assistance, but then requests rental assistance after the Fiscal process is completed for the utility assistance, the tenant may only be considered for three months of rental assistance as a returning CERA participant. Agencies should proceed with the request based on the Additional Rental Assistance Guidance found later in this document.

**Rental Assistance**

Tenant AMI	Total Full Months Rental Assistance (including up to 3 months future rent assistance)	Late Fees	Court Costs and Court
Up to and including 50% AMI	12 months	\$400 maximum	\$150 maximum
51-80% AMI	10 months	\$400 maximum	\$150 maximum

- **An additional three months of rental assistance may be provided if necessary, for housing stability, but is subject to availability of funds.**
- **Rental assistance is capped at 15 months total for households up to and including 50% AMI.**
- **Rental assistance is capped at 13 months total for households 51-80% AMI.**
- **Rental assistance for households moving from homeless/doubled situations is capped at 3 months of initial assistance and 3 months of additional assistance.**

**Rental Assistance Examples**

**Up to and including 50% AMI:**

- **Example #1**
  - 9 months of arrears on or after March 13, 2020
  - Tenant eligible for 9 months of arrears and 3 months future rent (12 months total)
  - Tenant may be eligible for one additional assistance block of three months future rent based on availability of funding and redetermination of eligibility through recertification process
- **Example #2**
  - 6 months of arrears on or after March 13, 2020
  - Tenant eligible for 6 months of arrears and 3 months future rent (9 months total)
  - Tenant may be eligible for one additional assistance block of three months future rent based on availability of funding and redetermination of eligibility through recertification process
- **Example #3**
  - 10 months of arrears on or after March 13, 2020
  - Tenant eligible for 10 months of arrears and 2 months future rent (12 months total)

- Tenant may be eligible for one additional assistance block of three months future rent based on availability of funding and redetermination of eligibility through recertification process
- Example #4
  - 12 months of arrears on or after March 13, 2020 and 4 months of arrears prior to March 13, 2020
  - Tenant eligible for 12 months of arrears for the arrearage amount from on or after March 13, 2020
  - Refer tenant to other sources of funding to assist with the 4 months of arrears prior to March 13, 2020 or the tenant and landlord can resolve the balance due
  - Tenant is immediately eligible for 3 months future rent based on availability of funding
- Example #5
  - 16 months of arrears on or after March 13, 2020
  - Tenant eligible for 12 months of arrears
  - An additional 3 months of arrears may be provided based on the availability of funding
  - Refer tenant to other sources of funding to assist with the 16<sup>th</sup> month and any additional months not covered by CERA due to funding limitations or the tenant and landlord can resolve the balance due
  - Tenant is not eligible for any future rent assistance
- Example #6
  - No rental arrears
  - Past due utility bill
  - Tenant eligible for 3 months of future rent assistance
  - Tenant may be eligible for one additional assistance block of three months future rent based on availability of funding and redetermination of eligibility through recertification process
- Example #7
  - No rental arrears
  - No past due utility bill
  - Tenant is not eligible for any CERA assistance

**51-80% AMI:**

- Example #1
  - 5 months of arrears on or after March 13, 2020
  - Tenant eligible for 5 months of arrears and 3 months future rent (8 months total)
  - Tenant may be eligible for one additional assistance block of three months future rent based on availability of funding and redetermination of eligibility through recertification process
  
- Example #2
  - 14 months of arrears on or after March 13, 2020 and 3 months of arrears prior to March 13, 2020
  - Tenant eligible for 10 months of arrears from after March 13, 2020
  - An additional 3 months of arrears may be provided based on the availability of funding
  - Refer tenant to other sources of funding to assist with the 3 months of arrears prior to March 13, 2020, the 14<sup>th</sup> month of arrears from after March 13, 2020, and any additional months not covered by CERA due to funding limitations or the tenant and landlord can resolve the balance due
  
- Example #3
  - No rental arrears
  - Past due utility bill
  - Tenant eligible for 3 months of future rent assistance
  - Tenant may be eligible for one additional assistance block of three months future rent based on availability of funding and redetermination of eligibility through recertification process
  
- Example #4
  - No rental arrears
  - No past due utility bill
  - Tenant is not eligible for any CERA assistance

## IMMINENT THREATS TO HEALTH AND SAFETY/RELOCATION

### Substandard Housing Conditions

- Tenants living in units with imminent threats to health and safety due to the unit being in poor repair may be assisted by the Program once the case has been processed to determine CERA eligibility.
- If the tenant had to move out of the unit due to the repairs not being done, the agency must determine eligibility based on the application date, when the tenant moved out, if the tenant fully moved out without the intention of returning or if the tenant is temporarily living elsewhere but has belongings in the unit with the intent to return to live in the unit. If the tenant moved out of the unit prior to the CERA application date with no intention of moving back to the unit, the tenant is not eligible for CERA assistance and should be referred to other housing assistance programs.
- The rent payments should be held by the agency or put into escrow until it has been verified both with the tenant and in writing (receipts or verification from a contractor or local code compliance) that the repairs have been made. If the repairs are not made, the originally escrowed funds are returned to the grant and, if applicable, the funds needed for relocation are drawn from the grant.
- Imminent threats to health and safety are defined as:
  - no heat due to heat source issues
  - no water due to plumbing issues
  - no hot water
  - raw sewage
  - black mold
  - significant holes in the roof where there are significant amounts of water in the unit every time it rains or snows
  - other conditions that present an immediate and significant threat to household health and safety
- If, while processing the case, the tenant states one or more of the imminent threats listed above is present in their unit, the tenant needs to communicate with the landlord in writing using all methods available (mail, email, text) to advise the landlord of the problem. Whenever possible, copies of these communications should be submitted to the agency for the tenant file.
- If the tenant has a court case the tenant should be referred to Legal Services.
- If the tenant does not have a court case, the agency will contact the landlord using all methods available (mail, fax, email, text) regarding the need to make necessary repairs and provide verification to the agency that the repairs have been made. The landlord must be notified that the agency will withhold the payment until the repairs have been verified. Copies of all communications/attempted communications should be retained in the tenant file.
- The landlord must be given the opportunity to make repairs before relocation will be considered.
- The LL must provide in writing from themselves or a contractor if necessary, within 5 days of request, the date of when the work will begin. If the documentation of when the work will begin is not provided within 5 business days or the work does not begin by the day stated in the written documentation, the tenant may be authorized to move.
- Repairs should generally be completed within one week from the start of the project. If the repairs are not completed within one week, the landlord must explain why it is taking longer. A determination of whether the additional time needed will be allowed will be made by the agency.
- Partial rent assistance payments (up to 50%) may be made to the landlord if the funds are needed to cover the expense of completing the repairs.

- If the landlord will not make repairs, with MSHDA approval, the family may possibly be assisted with a security deposit, application fees and up to 3 months rent to relocate.
- If the landlord is not responsive to any available means of communications from the tenant or agency within 14 calendar days, the tenant may be considered for relocation.
- Relocation determinations will be made by MSHDA. Agencies must send details of the situation and available documentation to [mshda-cera@michigan.gov](mailto:mshda-cera@michigan.gov) for a determination.
- Households that are assisted with relocation must be informed that they will be responsible for any penalties due to breaking the lease, if applicable.
- Households that are assisted with relocation may be assisted with both rental arrears (to prevent a judgment against the tenant) and future rent. Two CERA worksheets must be used for relocation cases, one for each unit to determine eligibility.
- Partner agencies are not responsible for finding a new unit for the tenant but should do whatever they can within reason to assist the tenant in locating decent housing. If agencies have a significant number of these cases, they may wish to dedicate a staff member or sub-grant a small amount of the funds to another CoC member to help the tenants in need of relocation.

#### **Landlord Supplied Utilities Shut Off**

- Tenants living in units without heat, water or hot water due to unpaid utility bills may be assisted because it may be presumed that the payments will allow for the utility arrearages to be paid so the utility services may be reinstated.
  - The landlord must be notified in writing that landlord supplied utilities must be reinstated within three business days of receipt of CERA payment or the tenant may be given the option to receive assistance with relocation.
- Future rent assistance payments should be made monthly rather than in a lump sum payment until utility issues are resolved.
- If there are tenant responsibility utilities for the unit, future utility assistance payments should be held until it has been verified that the landlord paid utilities have been reinstated.
- CERA will not assist with relocation due to only a lack of landlord supplied utilities in the unit. If the rental assistance has been paid and the landlord does not pay the utility bills to have the utilities reinstated, the agency should request assistance from Legal Services and/or the local municipality code compliance.

#### **Very Urgent/Severe Situations**

- **CERA is not intended to replace systems and resources already in place to address immediate needs for various types of emergency situations.**
- Resources that are already in place such as emergency shelters, code compliance and other programs intended to meet emergency needs should be utilized for households in need of immediate relief from their unsafe living situation while the CERA application is processed and the relocation determination is made, if applicable.

- Tenants that need to leave the unit and are already engaged with Rapid Rehousing may benefit more from working with Rapid Rehousing rather than CERA because they can receive longer forward rental assistance without the need to reapply.

**“Landlords” Not Owning the Unit**

- If a tenant thought they were living lawfully in a unit, but then finds out the person they were renting from is not the property owner, if the tenant is otherwise eligible for CERA (must have a utility arrearage since rental arrearages will not be considered in this situation), the tenant may be considered for relocation.
- Rental arrears will not be paid to the person posing as the landlord.
- With MSHDA approval, the household may possibly be assisted with a security deposit, application fees and up to three months rent to relocate. Details and documentation of the situation must be sent to [mshda-cera@michigan.gov](mailto:mshda-cera@michigan.gov) for a determination.

**Locked Out Tenants**

- Tenants who have been illegally locked out of the unit due to non-payment of rent should be referred to the police department for assistance.
- If the situation cannot be resolved by the police and the tenant does not have access to the unit, with MSHDA approval, the family may possibly be assisted with a security deposit, application fees and up to 3 months rent to relocate. Details and verification of the situation must be sent to [mshda-cera@michigan.gov](mailto:mshda-cera@michigan.gov) for a determination.

### **MOTEL ASSISTANCE FOR NON-LEASE HOLDERS**

Whenever possible, eligible homeless families should be served with ESG-CV Rapid Rehousing or Prevention Funds. Homeless families not eligible for ESG-CV may be assisted by CERA with motel stays while searching for housing, application fees, security deposit and future rent assistance. Agencies will use their discretion to determine if a household should be referred to CERA for motel assistance based on ESG-CV eligibility, shelter availability and the household situation.

#### **Eligibility**

Household must be:

- Assessed through the normal Coordinated Entry System
- Currently living in a doubled up or Category 1 Homeless situation
- Actively searching for permanent housing or in the process of recovering from a medical situation with the intention of actively searching for permanent housing as soon as possible
- Determined eligible for CERA through the standard CERA application process and if applicable, recertification process.
  - Households may apply with a paper application or through the portal using an alternate email address for the landlord email address.
  - If there is an immediate safety issue requiring motel assistance before a CERA determination can be made, the agency should use the general emergency shelter program/existing resources to meet the immediate need. If the family is later determined to be eligible for CERA, motel costs from that point forward may be paid for with CERA funds.

#### **Financial Assistance May Include:**

- Motel assistance provided on a weekly basis for up to 3 months with the possibility of one 3-month extension (total 6 months, all paid on a weekly basis) if eligible after recertification process
- Rent application fees
- Security Deposit
- Three months future rent (recertification may be required)
- Additional three months future rent (recertification required)
- Utility arrearages from previous unit only if the utility arrearage prevents the tenant from having utility assistance turned on once housed with a lease
- Future utility assistance once housed with a lease if there are tenant responsibility utilities
- Internet assistance once housed with a lease if the tenant wishes to establish internet service

#### **Recertification and Extension Process**

Households benefitting from CERA motel assistance for a full three months must be recertified using the standard CERA recertification process prior to receiving an additional three-month block of assistance, whether it be for motel assistance or future rent assistance.

In addition, if a household needs motel assistance beyond the initial three months, the agency must submit a request for up to an additional three months of motel assistance. MSHDA expects that the vast majority of households will be permanently housed before exceeding three months in hotel stays, so this process should be conducted rarely. The request must be submitted to [MSHDA-CERA@michigan.gov](mailto:MSHDA-CERA@michigan.gov) 7-14

days in advance of the last night in the motel. The request for up to three additional months in the motel must include the following information:

- Head of household name and CERA#
- Has the household completed the CERA recertification process and been determined eligible?
- Is the household participating in weekly case management check in appointments with the agency?
- What housing search/relocation/case management assistance has been provided to the household?
- What progress has the household made in securing housing?
- What progress has the household made in securing income to support future housing?
- Where (county and city) is the household searching for housing?
- What special housing needs does the family have (accessible, large family/high number of bedrooms, walkable community/public transportation needed, specific location required for work, etc.)?
- What additional barriers are causing delays in locating housing?
- Estimate of how much longer it will take to secure housing for the household.

[MSHDA-CERA@michigan.gov](mailto:MSHDA-CERA@michigan.gov) will respond to the agency by email with a determination on the motel extension request.

#### Example One

- Household assisted with motel for 6 weeks
- Household assisted with three months future rent assistance
- Recertified and determined eligible for CERA
- Household assisted with final future three months rent assistance

#### Example Two

- Household assisted with motel for two months
- Household assisted with three months future rent assistance
- Recertified and determined eligible for CERA
- Household assisted with final future three months rent assistance

#### Example Three

- Household assisted with motel for two months
- Household assisted with three months future rent assistance
- Recertified and determined over income for CERA
- Household is not eligible for additional CERA assistance

#### Example Four:

- Household assisted with motel for three months
- Recertified and determined eligible for CERA
- Request for up to an additional three months of motel assistance submitted to MSHDA and approved

- Household assisted with motel for final three months
- Recertified and determined eligible for CERA
- Household assisted with three months future rent assistance
- Recertified and determined eligible for CERA
- Household assisted with final future three months rent assistance

### **Case Management**

- Households and agencies must minimally have a weekly telephone check in to discuss the household housing needs, housing search and progress made. Case managers should work with households to problem solve, provide information and referral, and connect households with services that may benefit the household.
- Case managers should reinforce motel policies requirements during weekly check ins, covering issues such as allowing staff in for cleaning, no guests, etc. Households should be informed that failure to follow motel rules may result in motel assistance being revoked.
- Agencies must minimally check in with the motel on a weekly basis to verify that the household is residing in the room and following motel rules.
- Households should be reminded of the recertification process requirements in a timely manner and assisted by the case manager with the recertification process if necessary.

### **Financial Information**

- Motel payments are capped at \$85/night or \$595/week unless there is no such option available due to seasonal or special event rates. Higher motel costs may be paid at agency discretion when there is no other option. Exceptions to the \$85/night cap should be made only in rare situations.
- If a household is assisted with a motel room that exceeds the \$85/night cap, the family will need to relocate to a lower costing room/motel at the end of the week or when one becomes available.
- Motel payments should be made on a weekly basis. Shorter time periods of assistance should be provided if the family will be moving into a different housing situation in less than seven days.
- CERA financial assistance funds will be used to pay for motel assistance.
- Agencies should not complete the fiscal process for CERA motel assistance cases until the future rental assistance is determined.
  - Once the household moves to new unit, the agency should complete steps to approve the case in the portal.
  - If the household decides to move in with family or another situation where they will not be a lease holder/paying rent, the agency should close out the case in the portal reflecting only the motel assistance.

### **Additional Information**

- CERA motel assistance is not intended to be a high-volume part of the program and should be limited based on HARA discretion through the Coordinated Entry Process.
- CERA does not provide food assistance.
- Once permanent housing is secured, CERA funds should be used to pay future rental assistance rather than referring the household to a different program.
- Motel assistance must be provided with respect to the motel room capacity limits with an adult present in each assisted room or set of adjoining rooms.

- Assisted households are expected to use the hotel room every day/night.
- Motel reservations must be based on specific individual family needs. Agencies should not pay for blocks or rooms that may not be used.
- If the motel requires a household to leave the motel due to motel rule violations, the agency will use its discretion to determine if the household will be assisted at a different motel.

**ADDITIONAL RENTAL ASSISTANCE**

Tenants assisted with **one** CERA Initial Assistance payment may be eligible for up to three additional months of assistance (subject to the availability of funds) based on the chart below:

Total Number of Months Initial Assistance Provided (arrears + future rent = total)	Up to and including 50% AMI Additional Months Allowed	51-80% AMI Additional Months Allowed
1	3	3
2	3	3
3	3	3
4	3	3
5	3	3
6	3	3
7	3	3
8	3	3
9	3	3
10	3	3
11	3	2
12	3	1
13	2	0
14	1	0
15	0	0

**Eligibility Requirements:**

- Tenant has been assisted with only one CERA rental assistance payment.
- Initial CERA assistance did not reach the maximum allowable number of months of rental assistance.
- Gross household income is below 80% area median income (AMI), for the area.
- At risk of homelessness.
- Currently renting.
  - If the tenant has moved, future rent may be paid to the new landlord if the required documentation is submitted by the landlord.

- If the initial CERA payment was paid directly to the tenant, agencies should attempt to verify with the landlord that the tenant paid the initial payment to the landlord.
  - If the landlord does not respond or will not disclose this information, the tenant will still be eligible for additional assistance.
  - If the landlord states the tenant did not pay the landlord the amount of rent assistance issued in the initial assistance payment to the tenant, this issue must be resolved with the tenant before additional assistance may be provided, unless the additional assistance is issued directly to the landlord.

Required Documentation:

- CERA Tenant Application for Additional Assistance
- Proof of Income: earned and unearned income for household members that live at the property and that are over the age of 18
  - Household income/benefits (unemployment, SSI, etc.) for one month, OR
  - Food Assistance Program Notice of Case Action form (only applicable for households with 3 or less people) OR
  - No additional income verification is required for households that were determined eligible for CERA initial assistance based on 2020 tax documents or FAP verification for households of 3 people or less
- Owner/Landlord or Management Agent W-9: only required if tenant has moved and is renting from a new landlord
- The Settlement Statement is not required for additional assistance.

Additional Information:

- A tenant may apply for additional assistance up to 45 days prior to the next rent payment due date that is not covered by CERA. Applications received early may be held for processing within 45 days of the rent due date.
- Additional assistance payments may be requested anytime within the 3 months following the last month paid by the initial CERA payments. Additional rent assistance payments may be used to cover past due and future rent payments but cannot cover months paid for in the initial assistance payment.
- Service agency must notify the landlord on file that the tenant has applied for additional rental assistance and confirm their business address for payment before payment is issued.
- The tenant's current income band will dictate how many additional months of rental assistance, if any, they are eligible for.
- If the tenant income is over 80% AMI, the tenant is not eligible for additional assistance regardless of what income band they were in for the initial assistance.
- Additional assistance payments should be made in one payment to the landlord.
- Additional assistance payments may be made directly to the tenant if the landlord will not participate in the program. Please refer to CERA Guidance on how to proceed when a landlord will not participate in CERA.
- Additional assistance only covers rent. Additional assistance does not include utility or internet assistance.

- If a tenant declined utility assistance or internet assistance during the initial assistance period, the tenant is not eligible to receive utility assistance or internet assistance at a later date.
- If a tenant declined future rent assistance during the initial assistance request, the tenant will only be eligible for up to three months of assistance in the additional assistance process.
- Tenants that are not eligible for additional assistance and/or are in need of additional utility assistance should be referred to other resources for possible assistance.

## UTILITY ASSISTANCE PAYMENT INFORMATION

- If the tenant is eligible for utility assistance and declines rental assistance, verification that the unit is a rental unit and not owner occupied should be obtained whenever possible and saved with supporting documents. Verification of property ownership can often be obtained through municipality websites.
- If tenants do not request utility assistance when applying for CERA, the agency may at its own discretion choose to follow up with these tenants to confirm whether they want utility assistance. Utility assistance cannot be added to a case once it is processed in Fiscal. Tenants seeking utility assistance after the Fiscal process is complete should be referred to DHHS for assistance.
- Households under 50% AMI are eligible for up to an additional \$500 beyond the household size limit if this is necessary to fully pay all utility arrears.
- The tenant must be living in the unit at the time the Program assistance funds are disbursed. Persons temporarily away from the unit (e.g., hospitalization, family visit) are eligible for assistance.
- Agencies must make payments directly to a utility/home energy provider on behalf of the eligible household unless the utility/home energy provider does not agree to accept the payment, in which case the agency may make payments directly to a member of the eligible household. Agencies must make reasonable efforts to obtain the cooperation of utility providers to accept payments from the Program. The final outreach attempt or notice to the utility provider must be documented. The cost of contacting utility providers would be an eligible administrative cost. Outreach will be considered complete if:
  - a request for participation is sent in writing, by mail, to the utility provider, and the addressee does not respond to the request within 14 calendar days after mailing; or
  - the agency has made at least three attempts by phone, text, or e-mail over a 10 calendar-day period to request the utility provider's participation; or
  - a utility provider confirms in writing that the provider does not wish to participate.
- If a utility payment is made directly to the tenant, the CERA Tenant Payment Statement must be completed and mailed to the tenant with the utility assistance payment.
- If the lease states the tenant is responsible for utility payments and the utilities are in the landlord's name, the utility payment may be made to the landlord.
- Utilities and home energy costs that are covered by the landlord will be treated as rent.
- If the tenant is eligible for utility assistance but is not behind on the utility bills, and the utility company will accept payment, the payment must go to the utility company and the tenant will have a credit with the utility company.
- The tenant is not required to accept the future utility assistance; however, this decision must be made by the tenant, not the agency providing Program assistance. If the tenant declines future utility assistance it must be noted on the worksheet that the tenant has specifically expressed that they do not want future utility payments made on their behalf.
- Late fees charged by utility providers may be included in the utility assistance payment.
- A utility priority list should be developed on the local level to determine how to apply utility payments when tenants have arrearages with multiple utility providers for a total amount greater than the maximum program utility assistance allowed. For example, it may be determined that gas and electricity will be prioritized over other utility assistance because locally there is another program that assists with water and sewer bills.
- Tenants with arrearages in amounts greater than the maximum program utility assistance amount should be referred to SER and other resources for possible additional utility assistance payments.

- When calculating utility arrearages, the total arrearage includes the past due amount plus the current balance on the utility bill.
- Future utility assistance payments will result in a credit towards months that have not yet been billed.
- Deliverable fuel is limited to the future assistance cap amount unless there is a past due amount.
- If the lease states the tenant is responsible for utilities (regardless of whether the tenant pays a fixed monthly utility amount or a variable amount based on actual usage) and the tenant pays the landlord for the utilities:
  - All utilities paid for by the tenant will be entered into the Utility tab of the worksheet
  - Utility arrearages owed to the landlord will need to be separated out from other charges on the ledger, totaled and entered on the utility worksheet.
  - If the utility amount is noted in the lease as a fixed amount but is not separated out on the ledger, for partial payments the agency can select to apply the partial payment to the rent or utility arrearage, whichever is in the tenant’s favor for increased assistance.
  - If the landlord is listed on the utility worksheet tab as the utility provider, the future utility payment will be made to the landlord at the same time as the payment for rental arrears.

**Utility Assistance**

Household Size	Maximum Total One Time Utility Payment (Includes Future Payment)	Maximum Future Utility Payment as a Credit
1-2 persons	\$1,500	\$300
3-4 persons	\$2,000	\$500
5+ persons	\$2,500	\$500

**Tenants up to 50% AMI are eligible for up to an additional \$500 if needed to fully pay utility arrears.**

**Utility Assistance Examples**

- Example #1
  - 1 person household under 50% AMI
  - Utility arrears \$750
  - Utility assistance payment \$750 + \$300 future payment = \$1,050
- Example #2
  - 6-person household 51-80% AMI
  - Utility arrears \$2,200
  - Utility assistance payment \$2,200 + \$300 future payment = \$2,500
- Example #3
  - 3-person household under 50% AMI

- Utility arrears \$2,600
  - Utility assistance payment \$2,500
  - Refer household to SER and other resources for possible assistance with the \$100 arrearage not covered by the program
  - No future payment available
- Example #4
  - 3-person household 51-80% AMI
  - Utility arrears \$2,600
  - Utility assistance payment \$2,000
  - Refer household to SER and other resources for possible assistance with the \$600 arrearage not covered by the program
  - No future payment available
- Example #5
  - 3-person household, either income category
  - Household has utilities in their name but no utility arrears
  - Household has rental arrears
  - Household eligible for \$500 future utility payment
- Example #6
  - 3-person household, either income category
  - Household has no utility arrears
  - Household has no rental arrears
  - Household is not eligible for any CERA assistance

## **INTERNET ASSISTANCE PAYMENT INFORMATION**

### **Internet assistance will be structured as follows:**

- Internet assistance may be provided to a residence if it is a service that allows renters to engage in distance learning, telework, telemedicine and/or to obtain government services, or other significant life activity.
- Tenant must have a current internet bill showing service was in place or suspended due to non-payment at the time of program application.
- Eligible households will receive a one-time payment of \$50/month for internet services for six months (total \$300) paid directly to the applicant household member in one payment at the time eligibility is determined. The assistance is a fixed amount regardless of the actual cost of the internet service.
- The program will not pay for internet service acquired after the time of program application.
- Agencies may choose to pay the internet provider directly or pay the tenant for the internet assistance.
- If the internet provider will not accept an agency payment, the internet assistance must be paid directly to the tenant.
- If the internet assistance payment is made directly to the tenant, the CERA Tenant Payment Statement must be completed and mailed to the tenant with the internet assistance payment.
- If tenants do not request internet assistance when applying for CERA, the agency may at its own discretion choose to follow up with these tenants to confirm whether they want internet assistance. Internet assistance cannot be added to a case once it is processed in Fiscal.

## **THE ASSISTANCE PROCESS**

- Generally, the HARA will be the first point of contact for the tenant. The tenant's first contact may also be with legal aid or a court, which should refer the client to the HARA.
- Landlord and tenant applications will be completed.
- The HARA will collect the required documentation to determine eligibility.
- Every tenant with a court case should be evaluated for Legal Services. This should be relayed to the tenant as part of the Program process.
- Tenants without court cases may still be evaluated for Legal Services if the HARA believes there are any significant repair issues with the housing, or disagreements between tenant and landlord about terms of the lease or amount owed. This should be relayed to the tenant as part of the assistance process.
- The HARA and Legal Services (if involved in the case) will work with the Court and the landlord on the proposed resolution.
- The resolution will be documented either in a Conditional Dismissal Order (through the court), Settlement Statement (pre-court cases) or Tenant CERA Payment Statement (landlord opts out of participation in CERA and payment is made directly to the tenant).
- CERA applicants with court cases that require imminent resolution will be given priority over applicants without court cases throughout the duration of CERA. Tenants against whom judgments (or Conditional Orders of Dismissal) have been entered, where the tenants continue to live in the rental unit and are within their judgment payment period, are eligible for CERA and should be the highest priority applicants. Ideally these tenants will get an amended judgment/Conditional Order of Dismissal, but only when it is not at the expense of rapid handling of the application. The online application system will assist in prioritizing court cases. If agencies have staff capacity to process court cases as well as non-court cases, they should do so, but sufficient staff time should be dedicated to court cases that have the most imminent possible eviction. This does not mean that all eviction cases must be processed before all non-court cases. Only court cases that require imminent resolution will be giving priority for processing, agencies should be in frequent contact with their legal service counterparts to communicate on which cases are the most urgent.

## **Additional Information**

- The HARA staff are not required to participate in hearings unless ordered to do so by the Court. This is something that should be discussed with the local court on how to best interact with the court system. It may be beneficial in certain areas or situations to have the HARA participate in the hearings or be available to speak with Legal Services and/or tenants during hearings.
- Amounts not covered in a rental arrearage payment are considered the tenant's responsibility and must be provided for in a Conditional Dismissal Order, Settlement Statement or CERA Tenant Payment Statement before a Program Assistance Payment is made.

- Tenants may attempt to secure additional financial assistance from other eviction prevention programs to pay for any arrearages not covered by the Program. These should also be reflected in the Conditional Dismissal Order, Settlement Statement or CERA Tenant Payment Statement if available at the time those documents are executed.
- The Conditional Dismissal Order (with the exception stated in the next bullet), Settlement Statement or CERA Tenant Payment Statement will document the payment terms/dates by all parties. The Program worksheet may be attached to these documents to provide additional details.
- If the Conditional Dismissal Order is written to include late fees and court costs over the program limit on these expenses, and the landlord has signed the CERA application, the landlord must waive the late fees beyond \$400 and the court costs above \$150 regardless of what the Conditional Dismissal Order says. If the LL did not sign the application, then the payment needs to go to the tenant and the LL might be permitted to collect the additional late fees and court costs.
- Ineligible applicants should be referred to other eviction prevention resources that may be able to assist, including Legal Services.
- Households may be assisted by the Program one time only, except in the case of additional future rent payments for which the household may be eligible.

#### **Pending Cases**

- A pending case
  - is an application lacking necessary information or documentation for a determination to be made and
  - lacks response from the tenant (or landlord if the landlord is applying on behalf of the tenant) for up to 30 days.
- Care should be taken to follow up with tenants and landlords frequently and by any means possible (telephone, email, mail, fax, text, etc.) to obtain required documentation.
- Applicants with cases in a pending status should be sent written notice using the agency's standard request for information form. The notice should specifically list the missing documents and state that the case is in a pending status until the required documentation is submitted.

#### **Denials**

- Tenants may be denied Program assistance for five primary reasons:
  - Tenant is over income
  - Tenant does not have past due rent or past due utilities
  - Tenant has not experienced a COVID related economic hardship since March 13, 2020
  - Tenant has not responded to requests for information for 30 days
  - Tenant is facing eviction for reasons other than non-payment of rent, unless payment of CERA assistance will resolve the eviction threat

- Agencies should evaluate the situation to determine if assistance should be considered if the tenant is not otherwise at fault for the eviction, for example the landlord has decided to not renew the lease. Providing assistance may prevent a judgment against the tenant.
- Agencies should send details of the case to [mshda-cera@michigan.gov](mailto:mshda-cera@michigan.gov) for exceptions to this type of denial.
- Tenants denied Program assistance should be sent written notice using the agency's standard denial form. The denial form should provide details about the agency's appeal process.
- Tenants should be referred to other eviction prevention resources, including Legal Services.

## **GENERAL INFORMATION REGARDING THE ROLE OF LEGAL SERVICES**

COVID Emergency Rental Assistance and the role of the Legal Services provider (“LSP”) will vary in each Continuum of Care (“CoC”)/Local Planning Body (“LPB”) based on previous eviction diversion program activity, any agreed upon arrangement between Housing Assessment and Resource Agency (“HARA”) and the LSP, and other variables. Regardless, the intent of CERA is that most participants with a court case (and occasionally tenants without court cases) will benefit from the LSP being involved in their case.

In general, the role of the LSP is to advocate for tenants in the CERA process, and to ensure that tenant interests are served and their rights protected and secured. Among the ways the LSP will perform this role are:

- Notify the HARA if there’s a need to change the total rent arrearage amount stated in the calculation worksheet for any reason;
- Consultation with tenants (and the HARA, as necessary) about any legal defenses and claims (such as repair issues) and any other issues relevant to their cases;
- Represent the tenant, as necessary, in negotiation or mediation of the dispute with the landlord, and possibly formally appear for the tenant in an eviction court case;
- Negotiate terms of Conditional Dismissal Order or Settlement Statement between the tenant and the landlord/landlord’s attorney.

In some areas and situations LSP staff will be present in the courthouse meeting (in-person or via Zoom) directly with tenants as they move through the CERA process. In other areas, the arrangement will not allow for the LSP to make immediate contact with a tenant, requiring that the HARA refer the tenant to Legal Services. This referral should be made as soon as practicable (including in cases where a court complaint has not been filed); while not necessary, a written referral is preferred. Upon referral, the LSP should follow up with the tenant to provide information about CERA related services it can provide. The tenant may decline LSP assistance, and the LSP may also decline assistance if there is a conflict of interest or other valid reason the LSP cannot assist the tenant. The LSP will determine what level of service the tenant will get, ranging from advice only to full representation.

The HARA should recommend that the tenant meets with the LSP so that they understand the legal issues related to the eviction, including potential defenses. If the tenant declines the offer of legal assistance, the HARA, to the extent possible, shall perform the roles outlined above.

If established in a Memorandum of Understanding (MOU), in some parts of the state, mediation services may be provided by an additional agency. Agencies providing mediation services may do so as a subgrantee of the HARA. Mediation should only be used if the tenant is represented by a lawyer or has expressly agreed to proceed with mediation without a lawyer. For mediation services, the HARA may choose to use up to 1/6 of its case management/admin funding to support these services. Mediation services are not a substitute for legal services.

## **Eviction Prevention for Immigrants – Michigan Poverty Law Program**

The Michigan Poverty Law Program (MPLP) has limited capacity to assist immigrants facing eviction who are not eligible for help from other legal aid programs. Many, but not all, immigrants are eligible for help

from their local LSP; this program is for those immigrants who cannot be helped by their local LSP. Eligible persons will receive legal advice (and possibly representation) to help avoid an eviction, regardless of immigration status. Services are available statewide. HARAs should consider making referrals of these tenants who need legal assistance and cannot be helped by their local LSP.

To make a referral, contact: [edp-mplp@lsscm.org](mailto:edp-mplp@lsscm.org) or 734-714-3237.

## ELIGIBLE COSTS

- Admin costs can be incurred starting January 1, 2021.
- Case management costs can be incurred starting March 8, 2021.
- Financial Assistance funds may be used for rental, utility and internet assistance.
- Financial Assistance funds **can** be used for relocation to a new rental unit if the current unit is in an uninhabitable condition (examples: no heat, extreme plumbing issues like sewage backups, significant roof leaks, etc.) or is extremely unsafe (for example history or threat of domestic violence).
- Case Management funds may be used for:
  - any staffing costs for staff providing housing stability service to clients
    - Activities related to assisting tenants to apply for CERA and community outreach to increase program awareness and reach underserved populations
    - Landlord engagement/negotiation and assisting them to complete applications
    - Case management and housing navigation services for households with hotel stays and those needing new rental units
    - Case management and referrals to additional agency services that will promote housing stability
    - Financial counseling
    - Legal services (through contracts with Michigan State Bar Foundation) and staff time connecting households with legal services
  - interpretation services – an invoice for services is sufficient for financial reporting
- Administrative costs may be used for activities directly in support of Financial Assistance or Case Management activities:
  - costs related to technology purchases, both hardware and software, printing/supply costs, office supplies, telephones, travel or other typical administrative costs.
  - staffing costs that are not directly related to housing stability services
    - staff time for application eligibility review and work in the portal to approve applications
    - staff time for HR, accounting, other CERA supporting activities
  - line of credit interest and fees
  - marketing and promotional items
- Indirect administrative costs may be billed to this program.

## **FORMS**

- Tenant Initial Assistance Application
- Landlord application
- Calculation worksheet
- Settlement Statement
- CERA Tenant Payment Statement
- Additional Assistance Application
- Monitoring Checklist

## **Signature Requirements**

- Electronic, typed and verbal signatures are acceptable on all Program documents and should be noted with the tenant's name, type of signature, case manager's initials and date:
  - Electronic: John Smith – electronic CM 3-31-21
  - Typed: John Smith – typed CM 3-31-21
  - Verbal: John Smith – verbal CM 3-31-21

**Instructions on How to Complete the Settlement Statement**

**SETTLEMENT STATEMENT –  
RELEASE AND WAIVER OF RENT ARREARAGE  
STATE OF MICHIGAN COVID EMERGENCY RENTAL ASSISTANCE PROGRAM  
“CERA”**

This Settlement Statement and Release and Waiver of Rent Arrearage is prepared on Date Settlement Statement Completed, 2021, by and between:

Landlord: Name and address as listed in Lease

Tenant: Name(s) and address as listed in Lease

**RECITALS**

- A. The purpose of this Statement is to document terms between a Landlord and Tenant where the Tenant has unpaid rent accruing during the COVID-19 covered period of March 13, 2020 through December 31, 2021.
- B. Tenant and Landlord entered in to a lease dated Date of Lease, for the property located at Address, Michigan, Zip Code (the “Lease”).
- C. On or about Date of Notification, 2021, Landlord delivered to Tenant a Demand for Possession claiming breach of the Lease for non-payment of rent by the Tenant, or notice of accrued past-due rent.

**TERMS**

1. Tenant and Landlord agree that the Tenant owes Landlord unpaid rent, as of the date hereof, per the terms of the Lease is in the amount of \$Grand total amount owed to LL including amount from prior to March 13, 2020.
2. Landlord and Tenant agree the CERA program applicable total rent arrearage is \$Total amount of CERA rental arrearage, utility arrears and future payment if due to the landlord, late fee and court cost

assistance payment plus tenant portion (the "CERA Settlement"). Any and all remaining balance of past-due rent and all late fees and penalties accrued as of the date of this Agreement are herewith forgiven and released by Landlord according to the terms hereof.

3. The amount due to the Landlord shall be paid as follows:

- a. The CERA program shall pay Landlord \$ Total assistance minus future rental assistance from calculation worksheet no later than Date payment will be issued by agency, 2021 (the "Program Portion"). Agency fulfilling Program Portion payment: Name of agency issuing rental assistance payment.
- b. In addition, The CERA program shall pay the Landlord \$ Future monthly payment amount per month for Number of months of future rent payments, cannot exceed 3 months beginning on Date of first future monthly rent payment, 2021.
- c. Tenant shall pay regular monthly rent, as required by the Lease, for all future rent when due after their CERA assistance has ended.
- d. In addition, Tenant shall pay Landlord \$ tenant portion from calculation worksheet no later than Date the tenant portion will be paid in full to the LL, 2021 (the "Tenant Portion").

4. By making application to CERA the Landlord has agreed to:

- a) The settlement amount will be the Tenant's total obligation for rent, late fees, court costs, and other charges (recognizing that, if the CERA payment includes prospective rent, that payment might surpass the Tenant's present financial obligation). The settlement amount shall not include and the Landlord/Owner waives any late fees assessed after March 13, 2020 in excess of \$400 and any court costs in excess of \$150.
- b) When the CERA payment will not fully satisfy Tenant's financial obligation to Owner/Landlord and the settlement includes an installment repayment plan, if Tenant is performing that plan's repayment terms, which performance Owner/Landlord will cooperate with, Owner/Landlord will not take steps to evict Tenant for non-payment of the rent (or any other charges) that plan covers.
- c) It will waive any other present and known grounds for eviction against Tenant other than its nonpayment of rent claim or a claim based on a serious and continuing violation of the lease or law.
- d) Except for grounds permitted by Paragraph 3 above, or in MCL 600.5714(1)(b), (c)(i), (d), (e), or (f), or MCL 600.5775, Owner/Landlord will not take steps to terminate a tenancy anytime before 1 month after a CERA payment, or, if a CERA payment covers a period of prospective rent, until at least 1 month after that period.
- e) It has not received any other eviction diversion or rental assistance payments for this same arrearage for this Tenant.

5. By making application to CERA the Tenant has agreed that if funded, this application only resolves the issue of rent arrears and fees owed through the date of payment of rental assistance, and that all other obligations of the Lease remain enforceable.

## **CERA SOFTWARE**

### **IT Support**

- As questions arise regarding the CERA software, agency staff should attempt to resolve questions by watching the training videos provided by Kinetech, working with peers within their own agency and working with their management and/or IT staff who are familiar with the software.
- If agencies are not able to resolve their own questions, CERA software questions may be submitted by the agency management staff to [MSHDA-CERA-IT-Support@michigan.gov](mailto:MSHDA-CERA-IT-Support@michigan.gov). This email address is only for agency staff use and not for landlords and tenants in need of assistance with the application portal.
- If landlords or tenants have problems completing the online application process, agency staff should assist the tenants and landlords. If the agency staff are unable to resolve the tenant and landlord concerns, the same steps noted above should be followed and if necessary, management staff may email [MSHDA-CERA-IT-Support@michigan.gov](mailto:MSHDA-CERA-IT-Support@michigan.gov) for assistance in resolving the tenant or landlord issue.

### **New CERA Software Users**

New user requests must be submitted through the portal. Please click on “Partner Org Access Request” below the blue “Apply Now” button to submit your request. An agency Assigner must approve the user request (by using the “Access Request” area in their “Eviction Overview” dashboard) and then the system will send it to MSHDA for approval. When MSHDA approves the request, an email will go out to the user with their login credentials.

### **Helpful Process Information**

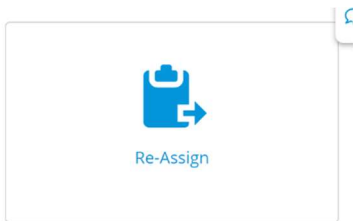
- **Required Documentation**
  - All CERA required documentation, including the W-9 must be uploaded to the portal for each case.
- **Entering Paper Applications**
  - When the paper application entry is complete it requests a signature. Agency staff should sign their name/put their initials and print their name in the box.
  - The signed tenant and landlord applications, calculation worksheet and Settlement Statement must be uploaded in supporting documents.
- **Paper Tenant Application/Landlord Portal Application**
  - The paper application cannot be uploaded in the portal and connected with the landlord’s existing application in the portal.
  - There are two options to resolve this situation:
    - Agency enters the tenant’s paper application in the portal and sends the link for that application to the landlord to redo the landlord application in the portal, so it is connected to the tenant application or
    - Agency resends the application link to the tenant from the landlord application in the Call Center role and the tenant submits an electronic application so it is connected to the landlord application.

- **For processing networks with an agency processing utilities only:**
  - Assigner assigns case to a rental assistance Reviewer
  - Rent Reviewer:
    - determines overall program eligibility and rental assistance amounts
    - completes the calculation worksheet for rental assistance
    - uploads the calculation worksheet
    - completes the Rental Assistance boxes in the Basic Information Tab
    - adds a note to the case that rental assistance review is complete
    - “un-claims” the application which will send it back to submitted status
    - sends an email to the Assigner letting the Assigner know the CERA # and that it is ready to be assigned to a utility Reviewer
  - Assigner assigns the case to the utility Reviewer.
  - Utility Reviewer:
    - examines the utility documents and confirms payment amounts for each utility provider
      - completes the calculation worksheet for utilities
      - uploads the calculation worksheet
      - completes the Utility boxes in the Basic Information tab
      - “signs” the application to move the case to Processing status
    - Assigner assigns case to Processor
    - Processor:
      - reviews case to determine if it can be approved
      - when case is ready to approve, hits the “approve” button which sends the approval email to the tenant
    - The Fiscal roles for each agency work together on exporting the data from the system and making payments to the landlord and utility providers.
  
- **Fiscal Process**

The fiscal process should be done as the agency is paying out on each case, or at a minimum once a week. Ideally, the fiscal process is done before the finance staff are actually paying the case as the excel spreadsheet export is designed to have the necessary information to enable the finance staff to make the payment.

### Re-Assign Cases to Another Agency in Your Processing Network

To begin an Assigner must login to the online portal. They will start by clicking on the Re-Assign area in their dashboard.



They will then see then see the agencies in your processing network. Click on the “Start” area for the agency you wish to transfer cases to (not your organization).

List of Selectable Organization within Processing Network: 25

Organization Name: Advent House Ministries ➔ Start

Address:  
Phone #1:  
Phone #2:  
Extension:  
Email:

Organization Name: Capital Area Housing Partnership ➔ Start

Address:  
Phone #1:  
Phone #2:  
Extension:  
Email:

You will then see the cases and click on the cases you wish to transfer. They will turn red and then you will click “Re-Assign”. The selected cases will disappear, and they are now transferred to the selected agency.

From Organization  
 UCHC- United Community Housing Coalition

To Organization  
 Wayne Metropolitan Community Action Agency

Search Re-Assign

1 to 13 of 13

CERA #	Tenē ema	Tei DC	Tei Ce	Evict	Utili Shut	Landlor Contact	Suk ▲ dat	Status	Review	Approv	Ho #	Street name	City	Count	Zip
100196	ge...	3...	3...	🚩			4/7/...	Under R...	Kelly R...		1...	1234 STR...	DETROIT	WAY...	48...
100267	ela...	9...	3...		No		4/9/...	Under R...	Jeff Sa...		2...	2ND AVE	DETROIT	WAY...	48...
100290	jbr...	1...	3...	🚩	No		4/9/...	Submitt...			2...	2ND AVE	DETROIT	WAY...	48...
100331	wh...	9...	5...		No	Anaki...	4/12...	Under R...	Kelly R...		5...	HIGH ME...	CANTON	WAY...	48...

## CERA Reviewer/Approver Task Guide

Agencies have flexibility to determine which steps will be performed by the Reviewer or the Approver except for the last “Approve” step. The final “Approve” step must be completed by the Approver, when the case is formally approved and assistance amounts are emailed to tenant and landlord notifying them that the case has been approved and will be scheduled for payment.

- ✓ All uploads are clear; account numbers are visible on utility statements
- ✓ Rental assistance was not covered by the Eviction Diversion Program
- ✓ If request if for additional 3 months assistance, review previous CERA assistance details to determine how many additional months or rental assistance tenant may be eligible for
- ✓ Address on lease matches address on application and ID/utility bills
- ✓ Use Google maps or Zillow to confirm that unit address is a residential property
- ✓ For utility assistance only cases, for single family homes, confirm through local municipality records that the tenant applicant does not own the home
- ✓ There are no significant differences between tenant and landlord applications for utilities (who is responsible), rent arrearage, monthly rent, # bedrooms in unit
- ✓ COVID Hardship documents (unemployment) or explanation (other hardships) meet eligibility requirements
- ✓ Past due rent notice or past due utility statement is present
- ✓ If internet stipend is requested, internet statement is present
  - In Household member’s name and address matches unit
- ✓ Income documents included:
  - One month of income documents have been provided for each income source
  - Income documents are no more than one month old (most recent pay sub end date can be no more than 30 days from application review date)
  - Recurring monthly benefits like SSI only need one statement dated within the past 12 months
  - If the first two pages of the IRS 1040 is uploaded, that will suffice for income documents
  - If FAP/SNAP Award Letter is submitted, verify the family has 3 or less persons
  - Self-attestation documents present if applicable

- ✓ Landlord W-9 and 220 form, if applicable, match what they put in application fields
- ✓ Terms of lease are consistent with application from landlord and tenant
  - Current rent may be increased from lease amount if past initial lease period
- ✓ Review landlord payment ledger to determine actual rental arrearage after March 13, 2020
  - Ledger is reviewed for consistency with tenant/landlord application and lease
    - Amount of arrearage
    - Amount of monthly rent
- ✓ Review income documents
  - If income varies between pay stubs, income will be averaged
- ✓ Complete calculation worksheet to determine tenant income and rental assistance, late fees and court fee amounts and uploads the excel doc into the case file
  - If utility documents are uploaded use calculation worksheet to calculate utility benefit
- ✓ Complete necessary fields in the Basic Information tab for months of assistance, AMI % , Funding Source, Rental and Utility Assistance amounts
- ✓ Complete Settlement Statement and/or CERA Tenant Payment Statement (if applicable) and upload into case file
- ✓ Landlord has uploaded Conditional Dismissal Order if applicable
- ✓ “Approve” case and enter required fields for rental, utility and internet assistance.
  - Attach Settlement Statement, CERA Tenant Payment Statement and/or Conditional Dismissal Order to Approval email

### CERA Basic Information Tab Data Fields

CERA# 110334	Organization Macomb Community Action	County MACOMB	AMI % 30.0	County Code 099	Total Rental Arrears 3,772.43
Funding Source 2021 - CERA Fund #1	# of Months Pledged 8	Other Housing Assistance 300.00	Future Rent Assistance 2,955.00	Total Assistance 9,830.37	
Months Pledged Description Dec, Jan, Feb, March, April, May, Jun, Jul	Rent Amount Pledged 6,083.60	Electric Company Name DTE	Electric Company Account # 920019879864	Electric Amount (\$) 491.77	
		Heating Company Name	Heating Company Account #	Heating Amount (\$) 0.00	
		Water Company Name	Water Company Account #	Water Amount (\$) 0.00	
		Sewer Company Name	Sewer Company Account #	Sewer Amount (\$) 0.00	
<small>Initial Total Utility Amount will be the total amount of all Utility document(s). Please update each of the utility fields to break down the actual payment amount.</small>				Total Utility Amount 491.77	
				Total CERA Relief Amount (\$) 9,830.37	

1. AMI—For tenants that are under 30% AMI enter 30. For those that are between 30-50% enter 50. For those that are between 50-80% AMI enter 80.
2. Funding Source—select 2021 CERA Fund #1
3. # of Months Pledged is the total months of rental assistance for both arrears and forward.
4. Months Pledged Description—enter the months paid for.
5. Rent Amount Pledged—this is the total rental arrears plus late fees and court costs. If utilities are paid to the landlord they are included in this area as well.
6. Other Housing Assistance--\$300 internet stipend goes here.
7. Future Rent Assistance—the total future rent assistance approved.
8. Electric Company Name—enter the utility company name for any utilities paid to a provider.
9. Electric Company Account #--enter the account number.
10. Electric Amount—enter the total payment to the electric provider.

Continue to enter utility information for other utilities that are applicable. The Total Assistance, Total Utility Amount and Total CERA Relief Amount will auto calculate. All of the rental assistance and utility assistance fields are used to populate the Fiscal payment spreadsheets, so if they are not entered those spreadsheets will be incomplete.

## **FUNDS AND AGENCY REPORTING REQUIREMENTS**

- Engage in meetings and webinars with MSHDA staff
- Respond to requests for periodic check-in information
- 70% of the rental assistance will be reserved for households at 50% AMI and below. The fiduciary will be responsible for monitoring and tracking to ensure that at least 70% of the assistance is provided to households at or below 50% AMI.
- Agencies must complete 1099 forms for any landlord receiving rental assistance through the program.
- All applications must be entered into the online application system once it becomes available.
- Paper applications received after the online application system becomes available must be entered into the online application system within 5 business days of receipt.

## **CERA: Financial Status Reports Guidance**

- Fiduciaries will submit FSRs on a monthly basis on the 15<sup>th</sup> of each month, beginning in April.
- FSRs will include documentation of how funds from advances were expended and/or provide documentation for expenses to be reimbursed. Each document should be named in MATT as it is uploaded. Required FSR documents are as follows:
  - FSR spreadsheet
  - General ledger that clearly denotes grant name (i.e. CERA) and budget category for all expenses
  - Any other documents an agency may use to track tenant-level financial assistance
- The grant allows for both advances and reimbursements. Grantees will start with a 25% advance and additional 25% advances with each monthly FSR.
- Any questions related to FSR submission should be sent to [MSHDA-CERA@michigan.gov](mailto:MSHDA-CERA@michigan.gov)

## **COMMUNICATIONS AND OVERSIGHT**

### **Program Communications**

- COVID Emergency Rental Assistance local workgroup meetings
- Periodic Check-In Meetings with MSHDA and/or written response to check-in questions
- FAQs
- [mshda-cera@michigan.gov](mailto:mshda-cera@michigan.gov)
- MSHDA's Website

### **Additional Information**

- Send problems, concerns, success stories and helpful tips to share with other CoC/LPB groups to [mshda-cera@michigan.gov](mailto:mshda-cera@michigan.gov)

### **Partner Agency Websites**

Agency websites must be updated to include:

- Link to MSHDA's online application portal
- Maintaining CERA tenant and landlord applications (or a link to [michigan.gov/cera](http://michigan.gov/cera)) for applicants who cannot or do not wish to use the applicant portal
- Information about how to submit paper applications to your agency which must at a minimum include email and US mail options

### **CERA: Monitoring Guidance**

MSHDA will select number of tenant files each month to review for accuracy and compliance. Fiduciaries are responsible for resolving issues with any audit findings.

## Monitoring Checklist

### COVID Emergency Rental Assistance – Initial Assistance

Tenant Name: \_\_\_\_\_

Landlord Name: \_\_\_\_\_

Assisted Unit Address: \_\_\_\_\_

#### Requirement Checklist:

- Rental assistance sought now was not covered by the Eviction Diversion Program
- Tenant has not received CERA assistance
- Tenant Initial Assistance Application
- Landlord Application
- Copy of tenant state ID (or alternate form of ID) for the primary adult household member only
- Verification of tenant address if the ID address does not match the unit address or verification of homelessness
- Copy of lease agreement (or substantiating documents if there is no written lease)
- Copy of COVID Hardship documentation/statement:
  - Qualification for unemployment benefits OR
  - Reduction in household income OR
  - Incurred significant costs or other financial hardship
- Copy of verification of risk of homelessness or housing instability (not applicable if homeless):
  - Past due rent notice, notice to quit/demand for possession, court ordered summons, complaint, judgment or conditional dismissal OR
  - Past due utility notice
- Copy of income verification:
  - 2020 calendar year income (first two pages of IRS form 1040) OR
  - FAP/SNAP award letter OR
  - Paystubs for the past month for all income sources OR
  - Tenant self-attestation when allowable under program guidance
- Case notes regarding use of self-attestation, if applicable
- Copy of current utility bill(s) for CERA to provide utility assistance, if applicable

- Copy of current internet bill for CERA to provide internet assistance, if applicable
- Copy of court documentation verifying court costs, if applicable
- Assistance has been provided based on the rent and utility assistance chart
- Subsidy does not exceed 150% of the FMR based on unit size (one bedroom for single person households)
- Assistance Calculation Worksheet
- Settlement Statement (for pre-court cases)
- Conditional Dismissal Order (for court cases)
- CERA Tenant Payment Statement (if rent, utility and/or internet payment made to tenant)
- Landlord W-9 Form (if rent payment is being made directly to the landlord)

Important Reminders:

- CERA funds cannot cover rent arrearages incurred prior to March 13, 2020.
- Tenant should be referred to Legal Services if the landlord has filed for eviction or if tenant reports significant repair issues or disagreement with landlord over lease terms or amount owed.

# EXHIBIT D

**Help is available for landlords**

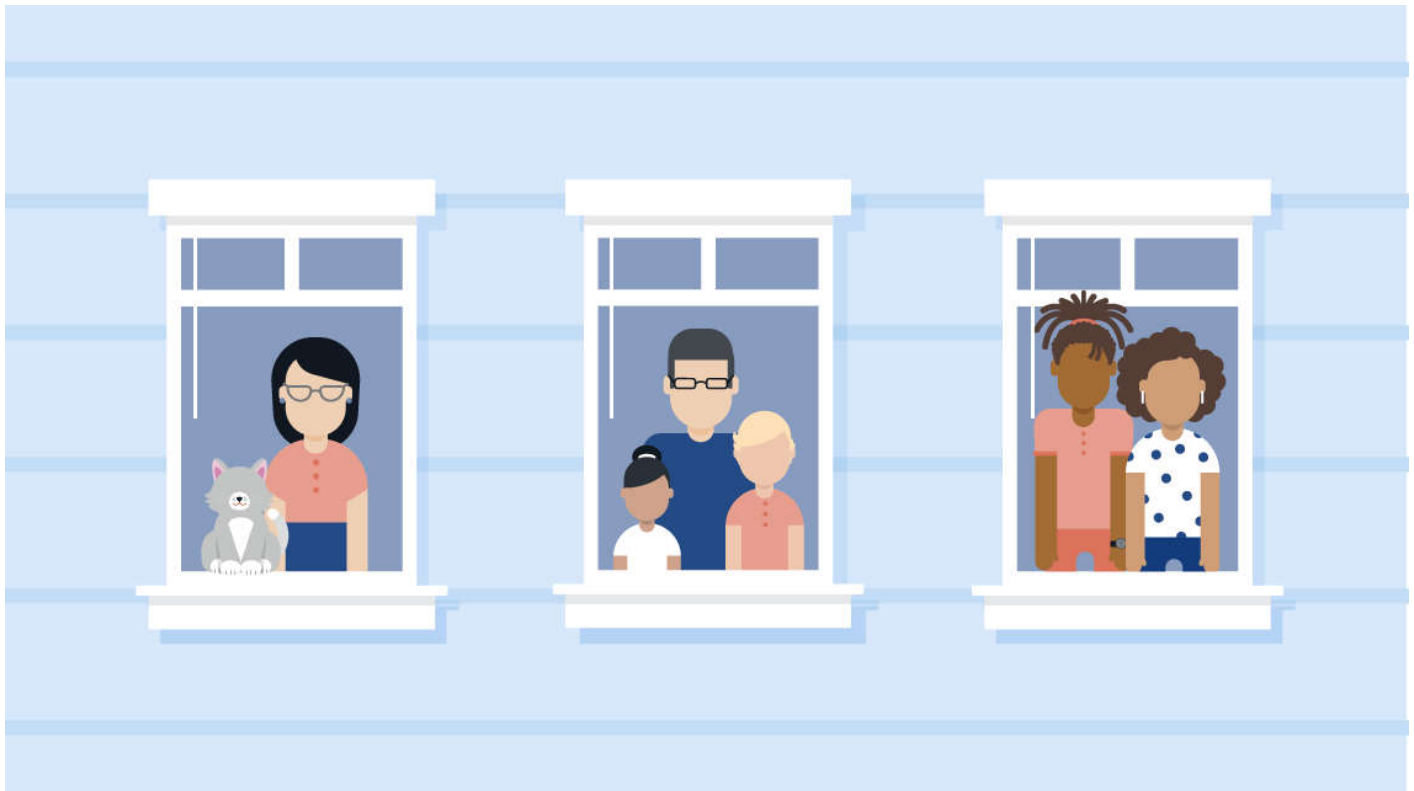
Landlords can get help too. You can apply for money to cover rent and utilities.

[Start with a program in your area](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/) (cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/)

## Help for landlords

English [Español](https://cfpb.gov/es/coronavirus/asistencia-hipotecas-y-viviendas/asistencia-para-arrendad) (cfpb.gov/es/coronavirus/asistencia-hipotecas-y-viviendas/asistencia-para-arrendad)

The COVID-19 pandemic has caused money struggles for both renters and landlords. You're an important part of the rental economy. If your rental income has fallen, you can take advantage of options to keep you in control of your property and your financial situation.



### Know your options

- Recover back rent - apply for rental assistance
- Stay in control by working through all your options
- Explore forbearance to pause your mortgage payments
- Understand renting to veterans, servicemembers and military families

## Recover back rent - apply for rental assistance

Rental assistance can help you recover rent that your tenants owe and get your finances back on track. Here's what you need to know to get started.

### 1. You may need to apply for your tenants.

As a landlord, you may think that rental assistance is for tenants. But right now, 3 in 4 programs funded by the U.S. Treasury Department's Emergency Rental Assistance (ERA) Program take applications from landlords.

Where tenants can apply, they usually need information from you to complete the process. Why? Rent payments are usually delivered straight to the housing provider.

### 2. Eligibility is based on your tenant's needs.

Eligibility for federal rental assistance is based on your tenant's household income, financial hardships they're facing, and their housing situation.

### 3. Is rental assistance worth the trouble? You do the math.

Consider all your options. Money from federal rental assistance **could cover up to 18 months of rent** - including unpaid rent incurred during the COVID-19 pandemic and future rent in certain cases - when the money is available. Evicting tenants can be time-consuming and expensive. When it's over, you may never recover unpaid rent.

[Find a rental assistance program for your state, tribe, or local area](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/) ([cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/))

[Learn about eligibility and what the money covers](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/emergency-rental-assistance-for-renters/) ([cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/emergency-rental-assistance-for-renters/](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/emergency-rental-assistance-for-renters/))

## Tell your friends and family about rental assistance

Like other folks, you probably rely on friends and family, work colleagues, and other trusted professionals to stay on top of rapid developments during the pandemic. If you've found this information helpful, please [share our handouts](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#handouts) ([cfpb.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#handouts](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#handouts)) with your networks as well as your tenants

## Stay in control by working through all your options

You have options and applying for federal emergency rental assistance is a good first step. At the same time, don't underestimate the power of an open conversation with your tenant about realistic ways you can continue your rental relationship.

[Check out our tips for having a fruitful conversation](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/conversation-about-payment-agreements/) ([cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/conversation-about-payment-agreements/](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/conversation-about-payment-agreements/))

## Explore forbearance to pause your mortgage payments

Many homeowners are having trouble making their monthly mortgage payments. This includes property owners who depend on rental income to make ends meet. If it has become harder to pay your mortgage during the coronavirus pandemic, you may be eligible for forbearance. This is a temporary pause or reduction in your monthly mortgage payments. Some owners may be concerned about their credit. However, during the pandemic emergency, [getting forbearance may not affect your credit](https://cfpb.gov/about-us/blog/protecting-your-credit-during-coronavirus-pandemic/). ([cfpb.gov/about-us/blog/protecting-your-credit-during-coronavirus-pandemic/](https://cfpb.gov/about-us/blog/protecting-your-credit-during-coronavirus-pandemic/))

[Learn about forbearance](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/learn-about-forbearance/) ([cfpb.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/learn-about-forbearance/](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/learn-about-forbearance/))

## Understanding renting to veterans experiencing homelessness

You can serve as a landlord to a veteran of the armed forces and make a positive difference to a person who has served our country.

[See tips and information on renting to veterans](https://www.va.gov/HOMELESS/Strategies_for_Leasing_to_Veterans_During_COVID_19.asp) (https://www.va.gov/HOMELESS/Strategies\_for\_Leasing\_to\_Veterans\_During\_COVID\_19.asp)

## Understand protections for servicemembers and military families

The Servicemembers Civil Relief Act (SCRA) provides legal and financial protections to those who have answered the nation's call to serve. If your tenant is on active duty in the military or uniformed service, a reservist on active duty, a member of the National Guard on active duty, or a dependent of one of these active-duty servicemembers, you are required to comply with the Servicemembers Civil Relief Act. SCRA protections start on the date when active duty orders are received. Under the SCRA:

- **Servicemembers and their dependents have eviction protection rights** - If rent costs less than \$4,214.28 a month (as of 2022), you can't evict a servicemember or their dependents from a residential home during their military service, or seize their property as payment of rent, unless you have a court order.
- **Servicemembers can pause a court eviction** - If you are pursuing an eviction in court, servicemembers and their dependents can pause the eviction for up to 90 days upon request. The court can also order a pause on its own, without a request.
- **You must reimburse rent paid in advance** - If a servicemember receives orders to deploy or for a permanent change of station, you must reimburse any advance payments they made toward their rent within 30 days of the lease termination.
- **Servicemembers may terminate their leases** - Servicemembers must be allowed to terminate residential leases without penalty if they receive orders to deploy or for a permanent change of station (PCS), even if the lease began before their military service.

[See more about the SCRA and its rights and protections](https://files.consumerfinance.gov/f/documents/cfpb_servicemembers-civil-relief-act_factsheet.pdf) (https://files.consumerfinance.gov/f/documents/cfpb\_servicemembers-civil-relief-act\_factsheet.pdf)

### 🔍 Get expert help

#### Talk to a housing counselor

Be proactive. Talk with a local expert who can help you locate rental assistance programs in your area, understand your options as a property owner, and make an action plan. Contact a HUD-approved housing counseling agency in your area.

[Talk to a housing counselor](https://www.consumerfinance.gov/ask-cfpb/how-to-find-a-housing-counselor/) (cfpb.gov/find-a-housing-counselor/)

#### FEDERAL CORONAVIRUS RESOURCES

##### White House Coronavirus Task Force

Information about COVID-19 from the White House Coronavirus Task Force in conjunction with CDC, HHS, and other agency stakeholders.

[Visit coronavirus.gov](https://www.coronavirus.gov/) (https://www.coronavirus.gov/)


##### USAGov

Information on what the U.S. Government is doing in response to COVID-19.

[Visit usa.gov \(English\)](https://www.usa.gov/coronavirus) (https://www.usa.gov/coronavirus)

[Visit usa.gov \(Spanish\)](https://www.usa.gov/espanol/coronavirus) (https://www.usa.gov/espanol/coronavirus)

Page last modified: April 18, 2022

 An official website of the United States government

### **i** Help is available for renters

The CDC moratorium ended on August 26, 2021, but help is available. Apply for money to cover rent and utilities today.

[Start with a program in your area \(cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/\)](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/)

## How federal rental assistance works

English [Español \(cfpb.gov/es/coronavirus/asistencia-hipotecas-y-viviendas/protecciones-arrendatari\)](https://cfpb.gov/es/coronavirus/asistencia-hipotecas-y-viviendas/protecciones-arrendatari)

State and local programs are distributing billions of dollars in rental assistance to help renters stay housed during the pandemic. Rental assistance helps renters and landlords make ends meet.



If you're a renter having trouble paying your rent, utilities, or other housing costs – or if you're a landlord trying to stay afloat with tenants in this situation – help may be available. State and local programs are taking applications from renters and landlords to distribute money from the U.S. Department of Treasury's Emergency Rental Assistance (ERA) program in their own communities.

If you're a landlord, you may think of rental assistance as help for renters. But right now, most federal emergency rental assistance programs accept applications from landlords. Where renters can apply, they often need your help to complete the process and make payments to you.

### Questions and answers about federal rental assistance

- How do I apply for emergency rental assistance?
- What does emergency rental assistance cover?
- Am I eligible for emergency rental assistance?
- How can I show that I am eligible?
- How are rental assistance payments made?
- Special living situations

## How do I apply for emergency rental assistance?

You apply through your local emergency rental assistance (ERA) program. Each local program has some flexibility in how they set up policies and procedures to suit the needs of

their local community. For example, in some areas, you can apply for rental assistance yourself. In other areas, landlords need to submit an application first.

[Find a rental assistance program for your state, tribe, or local area](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/) (cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/)

Use the search bar to find programs in your area. If you cannot find any program in your area, call 2-1-1 or your local housing authority for assistance.

## What does emergency rental assistance cover?

**The federal ERA Program allows local programs to cover rent, utilities, and home energy costs.** This includes electricity, gas, fuel oil, water and sewer, and trash removal. If your landlord normally pays for utilities or home energy costs, these are counted as part of your rent.

Rental assistance may also cover:

- Reasonable late fees (if not included in your rental or utility debt)
- Internet service to your home
- Moving expenses and other rental-related fees (such as security deposits, application fees, or screening fees) for families who have to move

Some programs may also provide housing counseling, case management, legal representation, and other housing stability services.

[Talk to your local program to find out how they can help](https://cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/) (cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/)

Can I get help with the cost of moving to a new home?

How much financial help can I get?

If I don't need help with rent, can I still get help with utilities, heating and cooling bills, the cost of moving, or other costs?

Can I get help with rent and utility bills from last year?

Do I have to be behind on rent to get help?

Can rental assistance cover the cost of a hotel or motel room?

## Am I eligible for emergency rental assistance?

To be eligible for help covering your rent, you must have an agreement to pay rent for your home or mobile home lot. You don't necessarily need to have a signed lease, and your home could be an apartment, house, mobile home, or other place.

These three statements also need to be true:

1. At least one member of your household has:
  - Qualified for unemployment or should qualify
  - Lost income
  - Owed large expenses, OR
  - Had other financial hardships
2. Your household income is below a certain amount, based on where you live
3. At least one member of your household is experiencing housing instability, which means they are at risk of becoming homeless or would have trouble finding a stable place to live

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Where can I find out if my household qualifies for rental help?

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I own my home. Can I get help to cover my mortgage, utility, or energy costs?

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## How can I show that I am eligible?

Eligibility is based on a renter household’s financial situation and housing needs.

When you apply for emergency rental help, you will be asked to show that your income is eligible and that you’re experiencing housing instability. If you’re a landlord, eligibility is based on your tenant’s household needs, and you’ll be asked to show that your tenant’s household is eligible for assistance.

You must sign a written statement that the information in your application is correct and complete, and that you will use the emergency rental assistance for the costs it is meant to cover.

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What kind of proof can I use to show my income?

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What can I use to show housing instability?

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How can I show where I live and how much rent I agreed to pay?

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How can I show that I owe money for utility or home energy costs?

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## Will my local program send the rental assistance to me or to my landlord or utility provider?

It depends on how your local program works.

In some cases, the program may contact your landlord or utility provider and ask them to accept emergency rental assistance to pay off what you owe. If they do not agree, or if they do not respond within seven days (or within five days, if the program contacts your landlord by phone, text, or e-mail), your local program may be able to give the money to you. Then you must use the money to pay the landlord or utility yourself.

In other cases, your local program might give you the money right away, without first contacting your landlord. Either way, you must then use the money to pay what you owe.

[Check with your local program for details \(cfpb.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/\)](https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/)

**Starting May 7, 2021, landlords who accept direct payments of future rent are not allowed to evict you for not paying rent** during the period covered by the rental assistance. When programs make direct payments to landlords to cover back rent, guidance strongly encourages them to prohibit eviction for 30 to 90 days after the period covered by rental assistance.

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## Special living situations

Find out if emergency rental assistance applies to your special situation.

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I was living somewhere else, earlier in the pandemic.

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I receive a federal rent subsidy.

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I live in a manufactured or mobile home.

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I am a Tribal member living on non-Tribal lands, or a nontribal member living on Tribal lands.

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I have a "rent-to-own" agreement with my landlord.

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I live in a houseboat.

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The questions and answers above are based on the Department of the Treasury's revised Frequently Asked Questions on [emergency rental assistance \(ERA\)](https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program) [↗](https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program) (https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program). Program requirements may differ at the local level. It's always a good idea to talk with your local program.

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 An official website of the United States government

# EXHIBIT E

Michigan.gov

# MSHDA

## COVID Emergency Rental Assistance (CERA)

As of 9:00 p.m. on June 30, 2022, the COVID Emergency Rental Assistance (CERA) portal is closed to new applications. If you have already applied, you can check your application status by clicking the button below.

As of October 14, 2022, the COVID Emergency Rental Assistance (CERA) portal is closed to new applications. If you have already applied, you can check your application status by clicking the button below.

Check Application Status

Applications submitted before the portal closure will continue to be reviewed and processed until all program funds are used. It is likely that more applications have been received than will be able to be funded, so a submitted application does not guarantee that there will be funds available to process the application.

**Attention Wayne County residents: If you have not already applied for CERA and need rental assistance, the Wayne County Emergency Rental Assistance Program is open for applications at [Wayne County Emergency Rental Assistance Program \(ERAP\) | Economic Development](#). Please be aware that you cannot receive assistance from both CERA and Wayne County’s program for the same time period.**

If you did not submit a CERA application and need information and referral, please contact your local CERA Partner Agency. Please see the CERA Contact Agency List for the service agency in your county (on the right side of this page under CERA Resources.)

[View our dashboard](#) to see CERA application and approval information statewide and by county. We also have demographic and household income information on our approved applications. Check it out to see how CERA is serving renters and landlords in your area. [See the CERA dashboard... \]](#)

### CERA RESOURCES

[CERA FAQ's](#)

[CERA Income Limits](#)

[CERA Contact List](#) **Most offices are not taking walk-in clients.**

## WHO IS ELIGIBLE?

CERA serves renter households that have incomes less than 80% of Area Median Income (AMI) who meet the following conditions:

- Individual(s) in the household has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or has experienced other financial hardship due directly or indirectly to the coronavirus outbreak; and
- Individual(s) in the household can demonstrate a risk of experiencing homelessness or housing instability by being past due on rent.

## HOW DO I APPLY?

- Use the secure online application portal ("Apply Now" button above) to submit your application for assistance.
- This is the best way to apply for those that have a smart phone, tablet, or computer. Tenants and landlords can also apply through their local service agency.
- If you cannot apply online, please see the CERA Contact List for the service agency in your county (at the top of this page under CERA Resources).

## WHAT TENANT DOCUMENTS ARE REQUIRED TO DETERMINE ELIGIBILITY?

- Completed CERA Tenant application.
- Copy of state ID or passport for the tenant applicant (with proof of residency if address does not match the unit.) (Alternate IDs may be acceptable some circumstances)
- Most current copy of lease agreement in tenant's name (if a written lease was completed.)
- Provide all available proof of earned and unearned income for household members that live at the property and that are over the age of 18.
  - Pay stubs or benefit statements for household income or benefits (unemployment, Social Security, etc.) for two weeks, OR

- Copy of submitted 2020 or 2021 IRS form 1040 (first two pages)
- Copy of ALL utility statements the tenant is responsible for, if applicable.
- Copy of Internet bill/statement, if applicable.

## **WHAT DOCUMENTS WILL THE LANDLORD NEED TO PROVIDE?**

Landlords will need to provide:

- Completed CERA Landlord Application
- Copy of the lease (if a written lease was completed)
- Ledger showing tenant's payment history in 2020 and 2021
- W-9
- Verification of court costs, if applicable
- Landlords may be asked to provide ownership documents if ownership can't be verified through publicly available online property tax records

## **WHO IS NOT ELIGIBLE?**

- Households that have incomes above 80% of Area Median Income.
- Households that cannot show a "COVID-19 economic hardship" (outlined above) or risk of homelessness or housing instability.
- Households that are homeowners, land contract holders or those that live in commercial properties.
- Renter households that were not behind rent before March 30, 2022.

## **MY LANDLORD HAS FILED FOR EVICTION. CAN I GET LEGAL ASSISTANCE FOR MY COURT CASE?**

Yes, free legal assistance is available with the CERA program. Please go to [www.michiganlegalhelp.org](http://www.michiganlegalhelp.org) to get connected to a legal services agency in your area.

## **CAN I GET HELP WITH MY UTILITIES?**

Yes, eligible households for CERA can receive utility assistance for tenant supplied electricity, home heating (any type of fuel), water, sewer and trash (if billed along with another utility).

As of January 1, 2022, MSHDA will not be approving households that are solely behind on their utilities. These households should apply for utility assistance through MDHHS at [MI Bridges](#).

**Utility Assistance**

<b>Household Size</b>	<b>Maximum Total One Time Utility Payment (Includes Future Payment)</b>	<b>Maximum Future Utility Payment as a Credit</b>
1-2 persons	\$1,500	\$300
3-4 persons	\$2,000	\$500
5+ persons	\$2,500	\$500

**Tenants up to 50% AMI are eligible for an additional \$500 if needed to fully pay utility arrears.**

**HOW MUCH RENTAL ASSISTANCE CAN I RECEIVE?**

- Up to 50% AMI-up to 18 months of rental assistance
- 50-80% AMI-up to 16 months of rental assistance
- Tenants may apply for an additional 3 months of rental assistance if necessary, for housing stability so long as this does not exceed the 16 or 18-month maximums
- CERA program can only pay rent through September 30, 2022. Rent due after this time frame is not eligible for CERA payment and must be paid by the tenant.

**IS THERE ANY LIMIT ON HOW MUCH PER MONTH I CAN RECEIVE?**

Yes, the program limit is 150% of the HUD Fair Market Rent based on your home size and county.

## **I NEED HELP PAYING FOR HOME INTERNET, IS THAT COVERED IN THE PROGRAM?**

Yes, a flat \$300 internet stipend is available for households that have home internet and include a recent internet bill/statement in their application package. The \$300 payment will be made to either the Internet service provider or the tenant.

## **LOCAL PROGRAM ADMINISTRATION**

Based on consultation with MSHDA, local programs may administer the CERA program with additional rules to coincide with existing local codes/ordinances so long as these additional rules do not conflict with US Treasury regulations or slow the pace of serving eligible tenants and landlords.

## **PRIORITIZATION OF HOUSEHOLDS**

The federal Emergency Rental Assistance Program requires a prioritization of assistance for households with incomes less than 50% of area median income or households with one or more individuals that have not been employed for the 90-day period preceding the date of application. MSHDA has implemented this prioritization by reserving 70% of CERA program funds for these households as well as allowing the full 18-months of assistance. Households that are not within this priority group are only eligible for 16-months of assistance.

## **MY LANDLORD HAS FILED FOR EVICTION. CAN I GET LEGAL ASSISTANCE FOR MY COURT CASE?**

Please go to [www.michiganlegalhelp.org](http://www.michiganlegalhelp.org) to get connected to a legal services agency in your area.

### **COVID Emergency Rental Assistance (CERA)**

Copyright State of Michigan

# EXHIBIT F

## COVID19 Emergency Rental Assistance (CERA) Rental Compliance Guidance

MSHDA's guidance on the local administration of CERA program allows for additional rules or restrictions in compliance with local codes/ordinances. The Detroit City Code requires all residential rental properties to be registered with the City, subject to periodic inspections for code compliance, and that all such properties obtain a Certificate of Compliance in order to lease the property and collect rent.

Landlords who are in compliance with this ordinance, or have an accepted Certificate of Compliance CERA Exception, will be eligible for 100% of the CERA funds. However, landlords who lack a Certificate of Compliance or an accepted Certificate of Compliance CERA Exception will initially only be eligible to receive 80% of the CERA allocation of funds. The remaining 20% of the funds will be placed into escrow until the landlord obtains a Certificate of Compliance, shows an accepted Certificate of Compliance CERA Exception, or proves that they have made repairs/improvements to the property with a total cost equal to or greater than the amount escrowed.

The following guidance provides an overview of how CERA will be implemented in Detroit relative to code compliance and health and safety concerns of rental properties.

- 1. 100% OF CERA FUNDS WILL BE RELEASED** if all CERA eligibility requirements are met and the property has one of the following:
  - a. Certificate of Compliance (CoC), or**
  - b. Rental Registration and an accepted CoC CERA Exception, examples include:**
    - i. Housing Quality Standards (HQS) for Housing Choice Voucher accepting properties, or an active passing REAC score for publicly assisted housing; or
    - ii. Written acknowledgement by BSEED that the property is effectively in compliance, and the lack of CoC is due to factors unrelated to the conditions of the home; or
    - iii. Mutual agreement of the landlord and tenant that the condition of the home is of a high standard and that all parties wish to proceed without further intervention.

Please note, examples ii. and iii. under the accepted CoC CERA Exceptions require that the property must have a current “passed” BSEED rental inspection.

**2. 80% OF THE FUNDS WILL BE DISBURSED TO THE LANDLORD, AND 20% WILL BE PAID INTO AN ESCROW ACCOUNT** if there is no CoC, or Accepted CoC CERA Exception, but the property is habitable (per MSHDA guidance relating to units with imminent threats to health and safety). The following outlines the process:

- a. A conditional dismissal or settlement agreement will be established to outline the plan for repairs to the home and/or CoC compliance within an agreed upon timeline. The timeline for these repairs will be decided between the parties, the default timeline is 3 months.
- b. The landlord becomes eligible to receive the 20% held in escrow if they complete rental registration and do either of the following:
  - o Obtain a CoC or accepted CoC CERA Exception and provide proof of same; or
  - o Complete the repairs/improvements to the rental property for compliance-related repairs as outlined in the conditional dismissal or settlement agreement in an amount equal to or greater to the 20% escrowed amount. Landlord will provide documentation of repairs to tenant counsel or processor, including proof of payment/ receipts and a signed Affirmation of Repairs and Costs. Inspection costs may be included in repair costs.

Please note, the release of CERA funds *does not exempt* the landlord from meeting CoC requirements under local ordinance.

3. **HEALTH AND SAFETY** If there is no CoC, or an accepted CoC CERA Exception, and the property is considered uninhabitable according to MSHDA rules, then the landlord is not eligible to receive over 50% of the CERA funds. The other 50% of funds will be placed in escrow until the habitability issue is corrected.
  - If, upon resolving the habitability issue, the property does not have a CoC or an accepted CoC CERA Exception, 30% of the full payout will be released to the landlord, the remaining 20% will be held in escrow, and the 80/20 process will be initiated.

# EXHIBIT G



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

GARLIN GILCHRIST II  
LT. GOVERNOR

SECRETARY OF SENATE  
2020 JUN 26 PM3:36

## EXECUTIVE ORDER

No. 2020-134

### Eviction diversion program for COVID-19-related debtors

#### Rescission of Executive Order 2020-118

The novel coronavirus (COVID-19) is a respiratory disease that can result in serious illness or death. It is caused by a new strain of coronavirus not previously identified in humans and easily spread from person to person. There is currently no approved vaccine or antiviral treatment for this disease.

On March 10, 2020, the Department of Health and Human Services identified the first two presumptive-positive cases of COVID-19 in Michigan. On that same day, I issued Executive Order 2020-4. This order declared a state of emergency across the state of Michigan under section 1 of article 5 of the Michigan Constitution of 1963, the Emergency Management Act, 1976 PA 390, as amended (EMA), MCL 30.401 et seq., and the Emergency Powers of the Governor Act of 1945, 1945 PA 302, as amended (EPGA), MCL 10.31 et seq.

Since then, the virus spread across Michigan, bringing deaths in the thousands, confirmed cases in the tens of thousands, and deep disruption to this state's economy, homes, and educational, civic, social, and religious institutions. On April 1, 2020, in response to the widespread and severe health, economic, and social harms posed by the COVID-19 pandemic, I issued Executive Order 2020-33. This order expanded on Executive Order 2020-4 and declared both a state of emergency and a state of disaster across the State of Michigan under section 1 of article 5 of the Michigan Constitution of 1963, the Emergency Management Act, and the Emergency Powers of the Governor Act of 1945. And on April 30, 2020, finding that COVID-19 had created emergency and disaster conditions across the State of Michigan, I issued Executive Order 2020-67 to continue the emergency declaration under the EPA, as well as Executive Order 2020-68 to issue new emergency and disaster declarations under the EMA.

Those executive orders have been challenged in *Michigan House of Representatives and Michigan Senate v. Whitmer*. On May 21, 2020, the Court of Claims ruled that Executive Order 2020-67 is a valid exercise of authority under the Emergency Powers of the Governor Act but that Executive Order 2020-68 is not a valid exercise of authority under the Emergency Management Act. Both of those rulings are being challenged on appeal.

On June 18, 2020, I issued Executive Order 2020-127, again finding that the COVID-19 pandemic constitutes a disaster and emergency throughout the State of Michigan. That order constituted a state of emergency declaration under the Emergency Powers of the Governor Act of 1945. And, to the extent the governor may declare a state of emergency and a state of disaster under the Emergency Management Act when emergency and disaster conditions exist yet the legislature had declined to grant an extension request, that order also constituted a state of emergency and state of disaster declaration under that act.

The Emergency Powers of the Governor Act provides a sufficient legal basis for issuing this executive order. In relevant part, it provides that, after declaring a state of emergency, “the governor may promulgate reasonable orders, rules, and regulations as he or she considers necessary to protect life and property or to bring the emergency situation within the affected area under control.” MCL 10.31(1).

Nevertheless, subject to the ongoing litigation and the possibility that current rulings may be overturned or otherwise altered on appeal, I also invoke the Emergency Management Act as a basis for executive action to combat the spread of COVID-19 and mitigate the effects of this emergency on the people of Michigan, with the intent to preserve the rights and protections provided by the EMA. The EMA vests the governor with broad powers and duties to “cop[e] with dangers to this state or the people of this state presented by a disaster or emergency,” which the governor may implement through “executive orders, proclamations, and directives having the force and effect of law.” MCL 30.403(1)–(2). This executive order falls within the scope of those powers and duties, and to the extent the governor may declare a state of emergency and a state of disaster under the Emergency Management Act when emergency and disaster conditions exist yet the legislature has not granted an extension request, they too provide a sufficient legal basis for this order.

Executive Order 2020-118 and its predecessors, which temporarily prohibited removal or exclusion of a tenant or mobile home owner from their residential premises, were issued because removing or excluding people from their residences was likely to exacerbate the public health threat of COVID-19. Although COVID-19 remains a deadly pandemic, conditions in Michigan are improving. As a result, it is now reasonable and necessary to replace the eviction moratorium with a special judicial process for addressing COVID-19-related debts. This process will keep people in their homes, while facilitating prompt payment to landlords.

To facilitate this transition, this order temporarily extends, and then rescinds, the eviction moratorium. Beginning July 16, 2020, Michigan landlords and lenders are strongly encouraged to take advantage of COVID-19 housing debt remedies, rather than pursuing eviction or foreclosure.

Acting under the Michigan Constitution of 1963 and Michigan law, I order the following:

1. Executive Order 2020-118 is temporarily extended and will remain in effect through July 15, 2020. Effective July 16, 2020 at 12:01 am, Executive Order 2020-118 is rescinded.
2. “COVID-19 housing debt” means a money debt resulting at least in part from a breach of a residential lease, residential executory contract, or residential mortgage

due to failure to make a required payment during a state of emergency or state of disaster arising out of the COVID-19 pandemic.

3. A conditional dismissal, pursuant to Michigan Court Rule 2.602, of a claim based on COVID-19 housing debt may provide for the Eviction Diversion Program (EDP) or any similar relief fund established at the county or municipal level to satisfy up to 90% of the amount due to the plaintiff via a lump sum rental assistance payment, subject to availability of funds.
  - (a) Rental assistance under this section is available only for COVID-19 housing debt.
  - (b) Non-COVID-19 housing debt must be paid by the tenant either in a lump sum or as part of a conditional dismissal.
  - (c) A conditional dismissal that includes EDP rental assistance must require the defendant's share of the amount due to be paid in 12 equal monthly payments.
  - (d) In order to receive a lump sum rental assistance payment, plaintiff must waive any late fees or penalties, and must forgive one-ninth of one dollar of the remaining amount due for every dollar received as a lump sum payment. For example: (i) if a plaintiff receives \$900 from the Eviction Diversion Program on a \$1,000 arrearage, they must forgive the remaining \$100; (ii) if a plaintiff receives \$450 from the Eviction Diversion Program on a \$1,000 arrearage, they must forgive \$50, and the defendant tenant is responsible for paying the remaining \$500 in twelve equal monthly payments.
4. Eligibility for rental assistance payments under section 3 will be based on tenant income and household size.
  - (a) Households up to 100% of area median income (AMI), calculated based on income during the period for which assistance is sought, will be eligible for rental assistance, with a target of half of funds reserved for households earning less than 50% of AMI.
  - (b) Tenant responsibility will vary based on AMI and amount due.
  - (c) The Department of Labor and Economic Opportunity (LEO) must issue program guidance to implement this section.
5. LEO will issue grants to Housing Assessment and Resource Agencies (HARAs) to administer the Eviction Diversion Program. HARAs are responsible for making rental assistance payments under section 3 of this order, consistent with the eligibility criteria in section 4 and relevant LEO guidance.
6. Any statutory limits on the court of this state to adjourn any proceedings, toll any redemption periods or limitations periods, or extend any deadlines are suspended through July 31, 2020 at 11:59 pm.

7. For purposes of this order, "Eviction Diversion Program" refers to the rental assistance program funded by section 506 of Enrolled Senate Bill 690 of 2020.
8. A copy of this order will be transmitted to the State Court Administrative Office.

Given under my hand and the Great Seal of the State of Michigan.



Date: June 26, 2020

Time: 11:45 pm

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GRETCHEN WHITMER  
GOVERNOR

By the Governor:

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SECRETARY OF STATE

# EXHIBIT H

AUGUST 25, 2021

## FACT SHEET: Biden Administration Takes Additional Steps to Prevent Evictions as the Delivery of Emergency Rental Assistance Continues to Increase

Today, the Biden Administration is announcing new actions to help protect vulnerable tenants and landlords, including steps the Treasury Department is taking to strengthen existing guidance and implement new policies to ensure that state and local grantees can further accelerate Emergency Rental Assistance (ERA) to aid the struggling landlords and renters most at risk of eviction.

For months, the Administration has worked to speed up state and local grantees' delivery of ERA and help keep American families stably housed. As the President has made clear, no state or locality should delay distributing resources that have been provided by Congress to meet families' critical needs and prevent the tragedy of unnecessary eviction.

Most notably, today Treasury is providing even more explicit permission for grantees to utilize self-attestation without further documentation in order to speed the delivery of assistance to households in need during the public health emergency. In addition to the enhancements of the Emergency Rental Assistance program, the Administration continues to take an all of government approach to protect families at-risk of eviction. Today, the U.S. Departments of Agriculture (USDA), Health and Human Services (HHS), Housing and Urban Development (HUD), and Veterans Affairs (VA) are taking additional action to protect and support vulnerable renter households.

Additionally, the Treasury Department is releasing new data on ERA spending in July. Last month, 341,000 households received rental and utilities assistance, up from 293,000 in June and 157,000 in May. State and local agencies have provided approximately one million assistance payments

to benefit households at-risk of eviction, and have spent more than \$5.1 billion in ERA funding. Treasury data also show that ERA is reaching the lowest income tenants – over 60 percent of the households served earn no more than 30 percent of area median income.

### **Treasury Announces New Guidance to Encourage States and Localities to Expedite Relief, Including Through Efficient Self-Attestation**

The Biden Administration continues to work with and listen to rental assistance administrators, tenant advocates, landlords, and other stakeholders to prevent evictions and provide the clearest possible guidance to state and local programs to improve the speed and effectiveness with which they deliver assistance to tenants, landlords, and utility providers.

Today, Treasury is further clarifying existing policies and taking the following new steps to ensure that state and local grantees can further accelerate emergency rental assistance to families at-risk of eviction.

- **Self-attestation can be used in documenting each aspect of a household’s eligibility for ERA, including with respect to: a) financial hardship, b) the risk of homelessness or housing instability, and c) income.** The use of self-attestation for documenting household eligibility clearly speeds up the processing of applications for rental assistance. Treasury is providing even greater clarity and specificity with regard to the use of self-attestation and is encouraging grantees to simplify application processes to use self-attestation when other forms of documentation are not immediately available.
- **During the public health emergency, state and local ERA programs may rely on self-attestation alone to document household income eligibility when documentation is not available.** During the period of the public health emergency, in order to rapidly provide assistance, Treasury is clarifying that grantees may rely solely on a self-attestation of income when applicants are unable to provide other documentation of their income.
- **State and local grantees may provide an advance on expected assistance to landlords and utility providers.** To speed assistance, Treasury is establishing guidelines for providing a portion of estimated

bulk payments to landlords and utility providers in anticipation of the full satisfaction of application and documentation requirements. These changes balance the need to assist households served by larger landlords and utilities while also protecting taxpayers.

- **State and local grantees may enter into partnership with nonprofits to deliver advance assistance to households at risk of eviction while their applications are still being processed.** Where an expedited payment could reasonably be viewed as necessary to prevent an eviction that may occur under a grantee’s standard application process, Treasury is establishing guidelines for state and local programs to engage with non-profit organizations able and willing to take on the financial risk of advancing assistance prior to an application being fully processed to speed aid to at-risk households.
- **Grantees may make additional payments to landlords who take on tenants who face major barriers to securing a lease, including those who have been evicted or experienced homelessness in the past year.** State and local ERA programs may make an additional rental payment required as a condition for entering into a lease with a “hard-to-house” household that would not otherwise qualify under a pre-existing and lawful screening or occupancy policy.
- **Past arrears at previous addresses may be covered.** To remove barriers a household may face in accessing new housing if they have outstanding debt in collections, Treasury guidance makes clear that state and local grantees may—at an eligible tenant’s request—provide assistance to cover remaining rental or utility arrears at a previous address.
- **A tenant’s costs associated with obtaining a hearing or appealing an order of eviction may be covered with ERA funds as an eligible “other expense.”** Many states and localities require tenant payments of rent to a court on behalf of the landlord (often referred to as “rent bonds”) as a condition for a tenant to have the opportunity to defend herself in court before being evicted. New guidance makes clear that rent bonds are an eligible ERA expense.

These policies are meant to accelerate assistance to the thousands of applicants who are in the pipeline in many state and local programs, on top of those who have already received aid through the end of July. Treasury and

the Department of Justice are also working to encourage states and localities to put in place additional protections against evictions, including for tenants whose applications are awaiting review.

This new guidance builds on the work Treasury has already done to make clear through past guidance on [May 7](#) and [June 24](#) and via presentations by Treasury and White House officials that grantees have significant flexibility to award ERA funds quickly by using simplified forms and allowing for self-attestation. This previous guidance has helped to unlock faster, more streamlined assistance, including, for example, cutting wait times before assistance must be offered to tenants with non-responsive landlords and allowing aid to flow directly to tenants at the point of application; outlining approaches for helping families who are currently unhoused or transitioning to new living situations; establishing options for bulk payments to landlords or utility providers servicing large numbers of eligible tenants; and offering the use of self-attestation and fact-based proxies to reduce burdens in supporting determinations of eligibility. Building on promising practices like those previously [highlighted](#) by Treasury, many grantees have made significant strides in successfully getting assistance to families most in need.

### **Continuing an All-of-Government Approach to Prevent Evictions**

The Biden Administration continues to take actions to accelerate aid to renters and landlords, and ensure available support quickly reaches families in need. In addition to today's announced enhancements of the Emergency Rental Assistance program, Departments across the Administration are taking further action to protect families at-risk of eviction, including:

- **Preventing evictions for non-payment in USDA multifamily properties.** The US Department of Agriculture (USDA) will collaborate with the owners of 400,000 rental units in USDA-backed multifamily properties to mitigate all pending evictions. Additionally, USDA is:
  - Offering additional support to property owners waiting to access available ERA resources by allowing them access to reserves for operating shortfalls;
  - Providing financial incentives to property management agents that tap ERA to clear arrearages;

- Continuing to leverage field staff to perform outreach to local leaders and public housing authorities.
- **Ensuring tenants in public housing and properties with project-based rental assistance facing eviction for non-payment of rent have a fair chance to receive emergency rent relief.** HUD will act to require public housing authorities and owners participating in HUD’s project-based rental assistance program to provide tenants facing eviction for non-payment of rent with additional time and other protections to allow them the opportunity to secure ERA help that may stave off eviction entirely. For the duration of the presidentially-declared national emergency related to the COVID-19 pandemic, HUD will extend the time its programmatic regulations require before a tenant is required to vacate a unit once a notice of eviction for non-payment has been issued from 14 days to 30 days, consistent with CARES Act protections. Additionally, in order to initiate eviction, HUD may require additional steps of covered landlords.
- **Increasing rental support to at-risk veterans and their families.** The Department of Veteran Affairs (VA) will expand its Supportive Services to Veteran Families (SSVF) program, which provides supplemental rental assistance to very low-income Veteran households, from 7 states and the District of Columbia, to all 50 states, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia.
- **Continuing to spread awareness of available assistance through federal programs.** Following up from the July 28<sup>th</sup> call to action on ERA that reached tens of millions of households, government agencies continue to leverage their networks to spread the word about rental assistance. For example, HHS has distributed letters to health centers, grantees, and networks through its Bureau of Primary Health Care, Administration of Children and Families, and Administration for Community Living. In the coming weeks, HHS will send an additional letter to child welfare leaders to facilitate participation in ERA and will remind Medicare Advantage plans that rental support is a permissible benefit for certain enrollees.

Today’s announcements build on the all-of-government approach taken by the Biden Administration to help keep families in their homes. In

addition to previous policy announcements on May 7 and June 24<sup>th</sup>, this work includes White House-led summits in June and July focused on encouraging local action and collaboration to prevent evictions and a July 28 call to action that resulted in commitments from companies, non-profits, and government agencies to help alert families to the availability of emergency rental assistance. On August 11, Attorney General Merrick Garland met with over 35 chief justices of state supreme courts to emphasize eviction diversion strategies and highlight the Associate Attorney General's June letter outlining steps that state courts could take to raise awareness of emergency rental assistance and to implement eviction diversion strategies in their jurisdictions. On August 17, Administration officials from the White House, and Departments of Labor, Treasury, Justice, and Health and Human Services, plus the Centers for Disease Prevention and Control, met with the U.S. Conference of Mayors to discuss eviction diversion strategies and best practices for the swift delivery of emergency rental assistance funds.

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# EXHIBIT I

# COVID-19 Emergency Rental Assistance (CERA)

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## CERA is designed to help landlords and tenants

- Direct financial assistance in the form of rental arrears & utility assistance

## Payouts are made directly to landlords

- UNLESS unresponsive after 14 days; payments can go directly to tenant

## CERA does **not** require eviction proceedings

- A past-due notice from landlord meets program requirements



# EXHIBIT J

**U.S. Department of the Treasury  
Emergency Rental Assistance  
Frequently Asked Questions**

**Revised July 27, 2022**

The Department of the Treasury (Treasury) is providing these frequently asked questions (FAQs) as guidance regarding the requirements of the Emergency Rental Assistance program (ERA1) established by section 501 of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020) and the Emergency Rental Assistance program (ERA2) established by section 3201 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021).

These FAQs apply to both ERA1 and ERA2, except where differences are specifically noted. References in these FAQs to “the ERA” apply to both ERA1 and ERA2. These FAQs will be supplemented by additional guidance.<sup>1</sup> Grantees must establish policies and procedures to govern the implementation of their ERA programs consistent with the statutes and these FAQs. To the extent that these FAQs do not provide specific guidance on a particular issue, a grantee should establish its own policy or procedure that is consistent with the statutes and follow it consistently. Additions and changes to FAQs are tracked in a change log.

**1. Who is eligible to receive assistance under the Act and how should a grantee document the eligibility of a household?**

A grantee may only use the funds provided in the ERA to provide financial 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 grantee must determine that:

- i. for ERA1:
  - a. 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

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<sup>1</sup> On January 19, 2021, initial FAQs were released for ERA1. On February 22, 2021, the initial FAQs were revised to, among other things, clarify program requirements and provide additional flexibility with respect to documenting the eligibility of households. On March 16, 2021, FAQ 7 was revised to add rental security deposits as a permissible relocation expense and clarify that application or screening fees are permissible rental fees and FAQs 26–28 were added. On March 25, 2021, FAQ 29 was added. On May 7, 2021, these FAQs were revised to provide initial guidance for ERA2, to clarify differences between ERA1 and ERA2, and to clarify how ERA should be used to promote housing stability for eligible households. On June 24, 2021, these FAQs were revised to further clarify how to promote housing stability for eligible households; specifically, FAQs 14, 23, 31, 33, and 35 were revised and FAQs 36–39 were added, in addition to other non-substantive changes. On August 25, 2021, these FAQs were revised to provide further clarification on the use of self-attestation and to describe methods of speeding payments to eligible households. Specifically, substantive revisions were made to FAQs 3, 4, 7, 11, and 38; FAQs 40-42 were added; and additional edits were made for clarity. On July 6 2022, these FAQs were revised to provide further information regarding: the documentation and eligibility requirements for housing stability services; program accessibility for protected classes; documentation requirements related to bulk payments; the applicability of source-of-income discrimination laws; the permissibility of job and employment requirements; and the remediation of payments made by multiple grantees intended to cover the same expenses. Specifically, substantive revisions were made to FAQs 1, 15, 23, 37, and 38; FAQs 43-45 were added; and additional edits were made for clarity

COVID-19 outbreak;

- b. one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and
- c. the household has a household income at or below 80 percent of area median income.

ii. for ERA2:

- a. 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 during or due, directly or indirectly, to the coronavirus pandemic;
- b. one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and
- c. the household is a low-income family (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))).<sup>2</sup>

While there are some differences in eligibility between ERA1 and ERA2, the eligibility requirements are very similar, and Treasury is seeking to implement ERA2 consistently with ERA1, to the extent possible, to reduce administrative burdens for grantees.

The FAQs below describe the documentation requirements for each of these conditions of eligibility. These requirements provide for various means of documentation so that grantees may extend this emergency assistance to vulnerable populations without imposing undue documentation burdens. As described below, given the challenges presented by the COVID-19 pandemic, grantees may be flexible as to the particular form of 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. Treasury strongly encourages grantees to avoid establishing documentation requirements that are likely to be barriers to participation for eligible households, including those with irregular incomes such as those operating small businesses or gig workers whose income is reported on Internal Revenue Service Form 1099. However, grantees must require all applications for assistance to include an attestation from the applicant that all information included is correct and complete.

When documenting eligibility for households to receive housing stability services without any

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<sup>2</sup> As of the date of these FAQs, the definition of "low-income families" in 42 U.S.C. 1437a(b) is "those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary [of Housing and Urban Development] with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes."

financial assistance, special considerations apply. The ERA1 statute specifies these services may be provided only to “eligible households,” meaning the household must meet all ERA1 eligibility requirements. When housing stability services represent the only ERA1 assistance a household will receive (i.e., no payments using ERA1 funds will be made either to the household, to the landlord, or to a utility provider), grantees are encouraged to rely on a household’s self-attestations for purposes of confirming eligibility. If all eligibility requirements are expressly addressed by the household’s self-attestation, the grantee is not required to collect additional income documentation, past due notices, or other eligibility-verification documents as described above or below. Further, the ERA2 statute does not restrict the provision of housing stability services to “eligible households.” As a result, grantees are not required to document a household’s eligibility if the grantee provides the household with no assistance other than housing stability services paid with ERA2 funds. However, for both ERA1 and ERA2, a grantee must collect any demographic or other information from the household needed to fulfill the grantee’s reporting obligations.

In all cases, grantees must document their policies and procedures for determining a household’s eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations. Grantees must also have controls in place to ensure compliance with their policies and procedures and prevent fraud. Grantees must specify in their policies and procedures under what circumstances they will accept written attestations from the applicant without further documentation to determine any aspect of eligibility or the amount of assistance, and in such cases, grantees must have in place reasonable validation or fraud-prevention procedures to prevent abuse.

## **2. How should applicants document that a member of the household has qualified for unemployment benefits, experienced a reduction in income, incurred significant costs, or experienced other financial hardship during or due to the COVID-19 outbreak?**

A grantee must document that one or more members of the applicant’s household either (i) qualified for unemployment benefits; or (ii) (a) for ERA1, experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak or (b) for ERA2, experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic.<sup>3</sup> If the grantee is relying on clause (i) for this determination, or if the grantee is relying on clause (ii) in ERA2, the grantee is permitted to rely on either a written attestation signed by the applicant or other relevant documentation regarding the household member’s qualification for unemployment benefits. If the grantee is relying on clause (ii) for this determination in ERA1, the statute requires the grantee to obtain a written attestation signed by the applicant that one or more members of the household meets this condition. While grantees relying on clause (ii) in ERA1 must show financial hardship “due, directly or indirectly, to” COVID-19, grantees in ERA2 are also permitted to rely on financial hardship “during” the pandemic.

It may be difficult for some grantees to establish whether a financial hardship experienced during the pandemic is due to the COVID-19 outbreak. Therefore, Treasury strongly encourages grantees to rely on the self-certification of applicants with regard to whether their financial hardship meets

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<sup>3</sup> Treasury is interpreting the two different statutory terms (“the COVID-19 outbreak” and “the coronavirus pandemic”) as having the same meaning.

these statutory eligibility requirements. Further, because the standard in ERA2 is broader than the standard in ERA1, any applicant that self-certifies that it meets the standard in ERA1 should be considered to meet the standard for purposes of ERA2.

**3. How should a grantee determine that an individual within a household is at risk of experiencing homelessness or housing instability?**

The statutes establishing ERA1 and ERA2 both require that one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability. Such a demonstration may include (i) a past due utility or rent notice or eviction notice, (ii) unsafe or unhealthy living conditions (which may include overcrowding), or (iii) any other evidence of risk, as determined by the grantee. Grantees may establish alternative criteria for determining whether a household satisfies this requirement, and should adopt policies and procedures addressing how they will determine the presence of unsafe or unhealthy living conditions and what evidence of risk to accept in order to support their determination that a household satisfies this requirement. A grantee may rely on an applicant's self-certification identifying the applicable risk factor or factors, without further documentation, if other documentation is not immediately available.

**4. The statutes establishing ERA1 and ERA2 limit eligibility to households based on certain income criteria. How is household income defined for purposes of the ERA? How will income be documented and verified?**

*Definition of Income:* With respect to each household applying for assistance, grantees may choose between using the Department of Housing and Urban Development's (HUD) definition of "annual income" in 24 CFR 5.609<sup>4</sup> and using adjusted gross income as defined for purposes of reporting under Internal Revenue Service Form 1040 series for individual federal annual income tax purposes.

*Definition of Area Median Income:* For purposes of ERA1, the area median income for a household is the same as the income limits for families published by the Department of Housing and Urban Development (HUD) in accordance with 42 U.S.C. 1437a(b)(2), available under the heading for "Access Individual Income Limits Areas" at <https://www.huduser.gov/portal/datasets/il.html>.<sup>5</sup> When determining area median income with respect to Tribal members, Tribal governments and TDHEs may rely on the methodology authorized by HUD for the Indian Housing Block Grant Program as it pertains to households residing in an Indian area comprising multiple counties (*see* HUD Office of Native American Programs, Program Guidance No. 2021-01, June 22, 2021).

*Methods for Income Determination:* The statute establishing ERA1 provides that grantees may determine income 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, as determined by the Secretary of the Treasury (Secretary).

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<sup>4</sup> See [https://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:1.1.1.1.5#se24.1.5\\_1609](https://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:1.1.1.1.5#se24.1.5_1609).

<sup>5</sup> Specifically, 80 percent of area median income is the same as the "low income limit" as published by HUD. For purposes of prioritizing rental assistance as described in FAQ 22 below, 50 percent of area median income for the household is the same as the "very low-income limit" for the relevant area.

If a grantee in ERA1 uses a household's monthly income to determine eligibility, the grantee should review the monthly income information provided at the time of application and extrapolate over a 12-month period to determine whether household income exceeds 80 percent of area median income. For example, if the applicant provides income information for two months, the grantee should multiply it by six to determine the annual amount. If a household qualifies based on monthly income, the grantee must redetermine the household income eligibility every three months for the duration of assistance.

For ERA2, if a grantee uses the same income determination methodology that it used in ERA1, it is presumed to be in compliance with relevant program requirements; if a grantee chooses to use a different methodology for ERA2 than it used for ERA1, the methodology should be reasonable and consistent with all applicable ERA2 requirements. In addition, if a household is a single family that the grantee determined met the income requirement for eligibility under ERA1, the grantee may consider the household to be eligible under ERA2, unless the grantee becomes aware of any reason the household does not meet the requirements for ERA2. Finally, if multiple families from the same household receive funding under an ERA2 program, the grantee should ensure that there is no duplication of the assistance provided.

*Documentation of Income Determination:* Grantees in ERA1 and ERA2 must have a reasonable basis under the circumstances for determining income. A grantee may support its determination with both a written attestation from the applicant as to household income and also documentation available to the applicant, such as paystubs, W-2s or other wage statements, tax filings, bank statements demonstrating regular income, or an attestation from an employer. In appropriate cases, grantees may rely on an attestation from a caseworker or other professional with knowledge of a household's circumstances to certify that an applicant's household income qualifies for assistance.

Alternatively, a grantee may rely on a written attestation without further documentation of household income from the applicant under three approaches:

- *Self-attestation Alone* – In order to provide assistance rapidly, during the public health emergency related to COVID-19 the grantee may rely on a self-attestation of household income without further verification if the applicant confirms in their application or other document that they are unable to provide documentation of their income. If a written attestation without further verification is relied on to document the majority of the applicant's income, the grantee must reassess the household's income every three months, by obtaining appropriate documentation or a new self-attestation. Income attestations should specify the monthly or annual income claimed by the household to ensure that the household meets the applicable ERA requirements and to enable appropriate reporting. Under this approach, grantees are encouraged to incorporate self-attestation to demonstrate income eligibility into their application form. Similarly, grantees may rely on self-attestations to demonstrate applicants' financial hardship and risk of homelessness or housing instability as described above in FAQs 2 and 3 above. Thus, grantees are encouraged to simplify applications to allow for self-attestation for income eligibility during the public health emergency, as well as to allow self-attestation to demonstrate applicants' financial hardship and risk of homelessness or housing instability as described above in FAQs 2 and 3.

- *Categorical Eligibility* – If an applicant’s household income has been verified to be at or below 80 percent of the area median income (for ERA1) or if an applicant’s household has been verified as a low-income family as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) (for ERA2) in connection with another local, state, or federal government assistance program, grantees are permitted to rely on a determination letter from the government agency that verified the applicant’s household income or status as a low-income family, provided that the determination for such program was made on or after January 1, 2020.
- *Fact-specific proxy* – A grantee may rely on a written attestation from the applicant as to household income if the grantee also uses any reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household’s geographic area.

Grantees also have discretion to provide waivers or exceptions to this documentation requirement to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant’s household income and documenting that determination. Treasury encourages grantees to partner with state unemployment departments or entities that administer federal benefits with income requirements to assist with the verification process, consistent with applicable law.

**5. ERA funds may be used for rent and rental arrears. How should a grantee document where an applicant resides and the amount of rent or rental arrears owed?**

Grantees must obtain, if available, a current lease, signed by the applicant and the landlord or sublessor, that identifies the unit where the applicant resides and establishes the rental payment amount. If a household does not have a signed lease, documentation of residence may include evidence of paying utilities for the residential unit, an attestation by a landlord who can be identified as the verified owner or management agent of the unit, or other reasonable documentation as determined by the grantee. In the absence of a signed lease, evidence of the amount of a rental payment may include bank statements, check stubs, or other documentation that reasonably establishes a pattern of paying rent, a written attestation by a landlord who can be verified as the legitimate owner or management agent of the unit, or other reasonable documentation as defined by the grantee in its policies and procedures.

*Written Attestation:* If an applicant is able to provide satisfactory evidence of residence but is unable to present adequate documentation of the amount of the rental obligation, grantees may accept a written attestation from the applicant to support the payment of assistance up to a monthly maximum of 100 percent of the greater of the Fair Market Rent or the Small Area Fair Market Rent for the area in which the applicant resides, as most recently determined by HUD and made available at <https://www.huduser.gov/portal/datasets/fmr.html>. In this case, the applicant must also attest that the household has not received, and does not anticipate receiving, another source of public or private subsidy or assistance for the rental costs that are the subject of the attestation. This limited payment is intended to provide the most vulnerable households the opportunity to gather additional documentation of the amount of the rental obligation or to negotiate with landlords in order to avoid eviction. The assistance described in this paragraph may only be

provided for three months at a time, and a grantee must obtain evidence of rent owed consistent with the above after three months in order to provide further assistance to such a household; Treasury expects that in most cases the household would be able to provide documentation of the amount of the rental obligation in any applications for further assistance.

**6. ERA funds may be used for “utilities and home energy costs” and “utilities and home energy costs arrears.” How are those terms defined and how should those costs be documented?**

Utilities and home energy costs are separately stated charges related to the occupancy of rental property. Accordingly, utilities and home energy costs include separately stated electricity, gas, water and sewer, trash removal, and energy costs, such as fuel oil. Payments to public utilities are permitted.

All payments for utilities and home energy costs should be supported by a bill, invoice, or evidence of payment to the provider of the utility or home energy service.

Utilities and home energy costs that are covered by the landlord will be treated as rent.

**7. The statutes establishing ERA1 and ERA2 allow the funds to be used for certain “other expenses,” as defined by the Secretary. What are some examples of these “other expenses”?**

Under the statute establishing ERA1, funds used for “other expenses” must be related to housing and “incurred due, directly or indirectly, to the novel coronavirus disease (COVID-19) outbreak.” In contrast, the statute establishing ERA2 requires that “other expenses” be “related to housing” but does not require that they be incurred due to the COVID-19 outbreak.

For both ERA1 and ERA2, other expenses related to housing include relocation expenses (including prospective relocation expenses), such as rental security deposits, and rental fees, which may include application or screening fees. It can also include reasonable accrued late fees (if not included in rental or utility arrears), and Internet service provided to the rental unit. Internet service provided to a residence is related to housing and is in many cases a vital service that allows renters to engage in distance learning, telework, and telemedicine and obtain government services. However, given that coverage of Internet would reduce the amount of funds available for rental assistance, grantees should adopt policies that govern in what circumstances that they will determine that covering this cost would be appropriate. In addition, rent or rental bonds, where a tenant posts a bond with a court as a condition to obtaining a hearing, reopening an eviction action, appealing an order of eviction, reinstating a lease, or otherwise avoiding an eviction order, may also be considered an eligible expense.

All payments for housing-related expenses must be supported by documentary evidence such as a bill, invoice, or evidence of payment to the provider of the service. If a housing-related expense is included in a bundle or an invoice that is not itemized (for example, internet services bundled together with telephone and cable television services) and obtaining an itemized invoice would be unduly burdensome, grantees may establish and apply reasonable procedures for determining the portion of the expense that is appropriate to be covered by ERA. As discussed in FAQ 26, under certain circumstances, the cost of a hotel stay may also be covered as an “other expense.”

**8. Must a beneficiary of the rental assistance program have rental arrears?**

No. The statutes establishing ERA1 and ERA2 permit the enrollment of households for only prospective benefits. For ERA1, if an applicant has rental arrears, the grantee may not make commitments for prospective rent payments unless it has also provided assistance to reduce the rental arrears; this requirement does not apply to ERA2.

**9. May a grantee provide assistance for arrears that have accrued before the date of enactment of the statute?**

Yes, but not for arrears accrued before March 13, 2020, the date of the emergency declaration pursuant to section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5191(b).

**10. Is there a limit on how many months of financial assistance a tenant can receive?**

Yes. In ERA1, 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). The aggregate amount of financial assistance an eligible household may receive under ERA2, when combined with financial assistance under ERA1, must not exceed 18 months.

In ERA1, financial assistance for prospective rent payments is limited to three months based on any application by or on behalf of the household, except that the household may receive assistance for prospective rent payments for additional months (i) subject to the availability of remaining funds currently allocated to the grantee, and (ii) based on a subsequent application for additional assistance. In no case may an eligible household receive more than 18 months of assistance under ERA1 and ERA2, combined.

**11. Must a grantee pay for all of a household's rental or utility arrears?**

No. The full payment of arrears is allowed up to the limits established by the statutes, as described in FAQ 10 above. A grantee may structure a program to provide less than full coverage of arrears. Grantees are encouraged to consider whether payments of less than the full amount of arrears may result in a significant disincentive for landlord participation in the ERA program. Moreover, consistent with FAQ 32, grantees should consider methods for avoiding evictions for nonpayment or utility cutoffs in cases where arrearages are paid only in part.

**12. What outreach should be made by a grantee to a landlord or utility provider before determining that the landlord or utility provider will not accept direct payment from the grantee?**

Treasury expects that in general, rental and utility assistance can be provided most effectively and efficiently when the landlord or utility provider participates in the program. However, in cases where a landlord or utility provider does not participate in the program, the only way to achieve the statutory purpose is to provide assistance directly to the eligible household.

In ERA1, grantees must make reasonable efforts to obtain the cooperation of landlords and utility providers to accept payments from the ERA program. Outreach will be considered complete if (i) a request for participation is sent in writing, by mail, to the landlord or utility provider, and the addressee does not respond to the request within seven calendar days after mailing; (ii) the grantee has made at least three attempts by phone, text, or e-mail over a five calendar-day period to request the landlord or utility provider's participation; or (iii) a landlord confirms in writing that the landlord does not wish to participate. The final outreach attempt or notice to the landlord must be documented. The cost of contacting landlords would be an eligible administrative cost.

ERA2 does not require grantees to seek the cooperation of the landlord or utility provider before providing assistance directly to the tenant. However, if an ERA2 grantee chooses to seek the cooperation of landlords or utility providers before providing assistance directly to tenants, Treasury strongly encourages the grantee to apply the same ERA1 requirements as described above.

**13. Is there a requirement that the eligible household have been in its current rental home when the public health emergency with respect to COVID-19 was declared?**

No. There is no requirement regarding the length of tenure in the current unit.

**14. What data should a grantee collect regarding households to which it provides rental assistance in order to comply with Treasury's reporting and recordkeeping requirements?**

Treasury provided interim guidance to ERA1 grantees regarding reporting requirements covering the period January through May 2021. The interim guidance required grantees to report limited data elements for the first quarter of 2021, as well as monthly for April to August. A grantee's failure to submit required reports to Treasury on a timely basis may constitute a violation of the ERA award terms.

Treasury has provided grantees with additional guidance regarding quarterly reporting requirements. Grantees are required to submit reports in accordance with the additional guidance beginning with the first quarter of 2021 for ERA1 and the second quarter of 2021 for ERA2, with the first reports under the additional guidance being due in October 2021.

ERA1 grantees will be required to submit monthly reports from September to December 2021, which will be consistent with monthly reports that were previously required for April to August.

Treasury's Office of Inspector General may require the collection of additional information in order to fulfill its oversight and monitoring requirements.<sup>6</sup> Grantees under ERA1 must comply with the requirement in section 501(g)(4) of Division N of the Consolidated Appropriations Act, 2021, to establish data privacy and security requirements for information they collect; grantees

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<sup>6</sup> Note that this FAQ is not intended to address all reporting requirements that will apply to the ERA but rather to note for grantees information that they should anticipate needing to collect from households with respect to the provision of rental assistance.

under ERA2 are also encouraged to comply with those requirements.<sup>7</sup>

The assistance listing number assigned to the ERA is 21.023.

**15. The statute establishing ERA1 requires that payments not be duplicative of any other federally funded rental assistance provided to an eligible household. Are tenants of federally subsidized housing, e.g., Low Income Housing Credit, Public Housing, or Indian Housing Block Grant-assisted properties, eligible for the ERA?**

An eligible household that occupies a federally subsidized residential or mixed-use property or receives federal rental assistance may receive assistance in the ERA, provided that ERA1 funds are not applied to costs that have been or will be reimbursed under any other federal assistance. Grantees are required to comply with Title VI of the Civil Rights Act (which prohibits discrimination on the ground of race, color, or national origin in programs or activities receiving federal financial assistance) and Section 504 of the Rehabilitation Act of 1973 (which prohibits discrimination because of disability in programs or activities receiving federal financial assistance), and should evaluate whether their policies and practices regarding assistance to households that occupy federally subsidized residential or mixed-use properties or receive federal rental assistance comply with Title VI and Section 504. In addition, grantees are required to comply with the Fair Housing Act, which prohibits discrimination in housing because of race, color, national origin, sex (including gender identity and sexual orientation), religion, disability, and having, expecting, adopting, or fostering a child under the age of 18. With respect to ERA2, grantees must not refuse to provide assistance to households on the basis that they occupy such properties or receive such assistance, due to the disproportionate effect such a refusal could have on populations intended to receive assistance under the ERA and the potential for such a practice to violate applicable law, including Title VI, Section 504, and the Fair Housing Act.

If an eligible household participates in a HUD-assisted rental program or lives in certain federally assisted properties (e.g., using a Housing Choice Voucher, Public Housing, or Project-Based Rental Assistance) and the tenant rent is adjusted according to changes in income, the renter household may receive ERA1 assistance for the tenant-owed portion of rent or utilities that is not subsidized. Grantees are encouraged to confirm that the participant has already reported any income loss or financial hardship to the Public Housing Authority or property manager and completed an interim re-examination before assistance is provided.

Treasury encourages grantees to enter into partnerships with owners of federally subsidized housing to implement methods of meeting the statutory requirement to prioritize assistance to households with income that does not exceed 50 percent of the area median income for the household, or where one or more individuals within the household are unemployed as of the date of the application for assistance and have not been employed for the 90-day period preceding such date.

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<sup>7</sup> Specifically, the statute establishing ERA1 requires grantees to establish data privacy and security requirements for certain information regarding applicants that (i) include appropriate measures to ensure that the privacy of the individuals and households is protected; (ii) provide that the information, including any personally identifiable information, is collected and used only for the purpose of submitting reports to Treasury; and (iii) provide confidentiality protections for data collected about any individuals who are survivors of intimate partner violence, sexual assault, or stalking.

Pursuant to section 501(k)(3)(B) of Division N of the Consolidated Appropriations Act, 2021, and 2 CFR 200.403, when providing ERA1 assistance, the grantee must review the household's income and sources of assistance to confirm that the ERA1 assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs.

Grantees may rely on an attestation from the applicant regarding non-duplication with other government assistance in providing assistance to a household. Grantees with overlapping or contiguous jurisdictions are particularly encouraged to coordinate and participate in joint administrative solutions to meet this requirement. The requirement described in this paragraph does not apply to ERA2; however, to maximize program efficacy, Treasury encourages grantees to minimize the provision of duplicative assistance.

**16. In ERA1, may a Tribe or Tribally Designated Housing Entity (TDHE) provide assistance to Tribal members living outside Tribal lands?**

Yes. Tribal members living outside Tribal lands may receive ERA1 funds from their Tribe or TDHE, provided they are not already receiving ERA assistance from another Tribe or TDHE, state, or local government.

**17. In ERA1, may a Tribe or TDHE provide assistance to non-Tribal members living on Tribal lands?**

Yes. A Tribe or TDHE may provide ERA1 funds to non-Tribal members living on Tribal lands, provided these individuals are not already receiving ERA assistance from another Tribe or TDHE, state, or local government.

**18. May a grantee provide assistance to households for which the grantee is the landlord?**

Yes. A grantee may provide assistance to households for which the grantee is the landlord, provided that the grantee complies with the all provisions of the statute establishing ERA1 or ERA2, as applicable, the award terms, and applicable ERA guidance issued by Treasury, and that no preferences (beyond the prioritization described in FAQ 22) are given to households that reside in the grantee's own properties.

**19. May a grantee provide assistance to a renter household with respect to utility or energy costs without also covering rent?**

Yes. A grantee is not required to provide assistance with respect to rent in order to provide assistance with respect to utility or energy costs. For ERA1, the limitations in section 501(c)(2)(B) of Division N of the Consolidated Appropriations Act, 2021, limiting assistance for prospective rent payments do not apply to the provision of utilities or home energy costs.

**20. May a grantee provide ERA assistance to homeowners to cover their mortgage, utility, or energy costs?**

No. ERA assistance may be provided only to eligible households, which is defined by statute to include only households that are obligated to pay rent on a residential dwelling. However,

homeowners may be eligible for assistance under programs using funds under the Homeowner Assistance Fund, which was established by Treasury under the American Rescue Plan Act of 2021.

**21. May grantees administer ERA programs by using contractors, subrecipients, or intergovernmental cooperation agreements?**

Yes. Grantees may use ERA payments to make subawards to other entities, including non-profit organizations and local governments, to administer ERA programs on behalf of the grantees.

The subrecipient monitoring and management requirements set forth in 2 CFR 200.331–333 will apply to such entities. Grantees may also enter into contracts using ERA payments for goods or services to implement ERA programs. Grantees must comply with the procurement standards set forth in 2 CFR 200.317–327 in entering into such contracts. Grantees are encouraged to achieve administrative efficiency and fiduciary responsibility by collaborating with other grantees in joint administrative solutions to deploying ERA resources.

**22. ERA requires a prioritization of assistance for households with incomes less than 50 percent of area median income or households with one or more individuals that have not been employed for the 90-day period preceding the date of application. How should grantees prioritize assistance?**

Grantees should establish a preference system for assistance that prioritizes assistance to households with incomes less than 50 percent area median income<sup>8</sup> and to households with one or more members that have been unemployed for at least 90 days. Grantees should document the preference system they plan to use and should inform all applicants about available preferences.

Treasury will require grantees to report to Treasury on the methods they have established to implement this prioritization of assistance and to publicly post a description of their prioritization methods, including on their program web page if one exists, by July 15, 2021.

**23. ERA1 and ERA2 both allow for up to 10 percent of the funds received by a grantee to be used for certain housing stability services. What are some examples of these services?**

ERA1 and ERA2 have different requirements for housing stability services.

Under ERA1, these funds may be used to provide eligible households with case management and other services related to the COVID-19 outbreak, as defined by the Secretary, intended to help keep households stably housed.

Under ERA2, these services do not have to be related to the COVID-19 outbreak and the ERA2 statute does not restrict the provision of housing stability services to “eligible households.”

For purposes of ERA1 and ERA2, housing stability services include those that enable households to maintain or obtain housing. Such services may include, among other things, eviction prevention and eviction diversion programs; mediation between landlords and tenants; housing counseling;

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<sup>8</sup> For the definition of area median income, see FAQ 4 above.

fair housing counseling; housing navigators or *promotoras* that help households access ERA programs or find housing; case management related to housing stability; housing-related services for survivors of domestic abuse or human trafficking; legal services or attorney's fees related to eviction proceedings and maintaining housing stability; and specialized services for individuals with disabilities or seniors that support their ability to access or maintain housing. Grantees using ERA funds for housing stability services must maintain records regarding such services and the amount of funds provided to them.

**24. Are grantees required to remit interest earned on ERA payments made by Treasury?**

No. ERA payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 to remit interest to Treasury. ERA payments made by Treasury to local governments, Tribes, and TDHEs are not subject to the requirement of 2 CFR 200.305(b)(8)–(9) to maintain balances in an interest-bearing account and remit payments to Treasury.

**25. When may Treasury recoup ERA funds from a grantee?**

Treasury may recoup ERA funds from a grantee if the grantee does not comply with the applicable limitations on the use of those funds.

**26. May rental assistance be provided to temporarily displaced households living in hotels or motels?**

Yes. The cost of a hotel or motel room occupied by an eligible household may be covered using ERA assistance within the category of certain "other expenses related to housing" (as described in FAQ 7) provided that:

- i. the household has been temporarily or permanently displaced from its primary residence or does not have a permanent residence elsewhere;
- ii. the total months of assistance provided to the household do not exceed the applicable time limit described in FAQ 10; and
- iii. documentation of the hotel or motel stay is provided and the other applicable requirements provided in the statute and these FAQs are met.

The cost of the hotel or motel stay would not include expenses incidental to the charge for the room.

Grantees covering the cost of such stays must develop policies and procedures detailing under what circumstances they would provide assistance to cover such stays. In doing so, grantees should consider the cost effectiveness of offering assistance for this purpose as compared to other uses. If a household is eligible for an existing program with narrower eligibility criteria that can provide similar assistance for hotel or motel stays, such as the HUD Emergency Solutions Grant program or FEMA Public Assistance, grantees should utilize such programs

prior to providing similar assistance under the ERA program.

**27. May a renter subject to a “rent-to-own” agreement with a landlord be eligible for ERA assistance?**

A grantee may provide financial assistance to households that are renting their residence under a “rent-to-own” agreement, under which the renter has the option (or obligation) to purchase the property at the end of the lease term, provided that a member of his or her household:

- i. is not a signor or co-signor to the mortgage on the property;
- ii. does not hold the deed or title to the property; and
- iii. has not exercised the option to purchase.

Homeowners may be eligible for assistance under programs using funds under the Homeowner Assistance Fund, which was established by Treasury under the American Rescue Plan Act of 2021.

**28. Under what circumstances may households living in manufactured housing (mobile homes) receive assistance?**

Rental payments for either the manufactured home or the parcel of land the manufactured home occupies are eligible for financial assistance under ERA programs. Households renting manufactured housing or the parcel of land the manufactured home occupies may also receive assistance for utilities and other expenses related to housing, as detailed in FAQ 7 above. This principle also applies to mooring fees for water-based dwellings (houseboats).

**29. What are the applicable limitations on administrative expenses?**

Under ERA1, not more than 10 percent of the amount paid to a grantee may be used for administrative costs attributable to providing financial assistance and housing stability services to eligible households. Under ERA2, not more than 15 percent of the amount paid to a grantee may be used for administrative costs attributable to providing financial assistance, housing stability services, and other affordable rental housing and eviction prevention activities.

The revised award term for ERA1 issued by Treasury permits recipients to use funds provided to cover both direct and indirect costs. A grantee may permit a subrecipient to incur more than 10 or 15 percent, as applicable, of the amount of the subaward issued to that subrecipient as long as the total of all administrative costs incurred by the grantee and all subrecipients, whether as direct or indirect costs, does not exceed 10 or 15 percent, as applicable, of the total amount of the award provided to the grantee from Treasury.

Further, the revised award term for ERA1 no longer requires grantees to deduct administrative costs charged to the award from the amount available for housing stability services. Rather, any direct and indirect administrative costs in ERA1 or ERA2 must be allocated by the grantee to either the provision of financial assistance or the provision of housing stability services. As

required by the applicable statutes, not more than 10 percent of funds received by a grantee may be used to provide eligible households with housing stability services (discussed in FAQ 23). To the extent administrative costs are not readily allocable to one or the other of these categories, the grantee may assume an allocation of the relevant costs of 90 percent to financial assistance and 10 percent to housing stability services.

Grantees may apply their negotiated indirect cost rate to the award, but only to the extent that the total of the amount charged pursuant to that rate and the amount of direct costs charged to the award does not exceed 10 percent of the amount of the award.

**30. Should grantees provide tenants the option to apply directly for ERA assistance, rather than only accepting applications for assistance from landlords and owners of dwellings?**

For ERA1, Treasury strongly encourages grantees to provide an option for tenants to apply directly for funding, rather than only accepting applications for assistance from landlords and owners of dwellings. For ERA2, grantees are required to allow tenants to apply directly for assistance, even if the landlord or owner chooses not to participate, consistent with the statutory requirement for the funds to be used to provide financial assistance to eligible households.

See FAQ 12 for additional information on grantees providing assistance to landlords and tenants.

**31. How should grantees ensure that recipients use ERA funds only for permissible purposes?**

Grantees should require recipients of funds under ERA programs, including tenants and landlords, to commit in writing to use ERA assistance only for the intended purpose before issuing a payment. Grantees are not required to obtain documentation evidencing the use of ERA program funds by tenants and landlords. Grantees are expected to apply reasonable fraud- prevention procedures and to investigate and address potential instances of fraud or the misuse of funds that they become aware of.

There may be instances when a landlord refuses to accept a payment from a tenant who has received assistance directly from a grantee for the purpose of paying the landlord. In these cases, the grantee may allow the tenant to use the assistance for other eligible costs in accordance with the terms of the grantee's ERA programs.

**32. Can grantees prohibit landlords from pursuing eviction for nonpayment of rent for some period after receiving ERA assistance?**

With respect to landlords that receive funds under an ERA program for prospective rent or for rental arrearages, the grantee must prohibit the landlord from evicting the tenant for nonpayment of rent with respect to the period covered by the assistance.

In addition, with respect to landlords that receive funds for rental arrears, to promote the purpose of the program the grantee is encouraged to prohibit the landlord from evicting the tenant for nonpayment of rent for some period of time, consistent with applicable law.

In all cases, Treasury strongly encourages grantees 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.

**33. How can grantees work with other grantees to make their ERA programs consistent?**

Treasury encourages grantees with overlapping or contiguous jurisdictions to collaborate to develop consistent or complementary terms of their ERA programs and to coordinate in their communications with the public, to minimize potential confusion among tenants and landlords regarding assistance. Treasury also encourages grantees to reduce burdens for entities seeking assistance from multiple grantees across different jurisdictions, including utility providers and landlords with properties in multiple jurisdictions.

**34. Should a grantee require that a landlord initiate an eviction proceeding in order to apply for assistance under an ERA program?**

No.

**35. How can ERA assistance be used to support an eligible household moving to a new home?**

ERA funds may be used to provide assistance to eligible households to cover prospective relocation assistance, rent, and utility or home energy costs, including after an eviction. Treasury encourages grantees to provide prospective support to help ensure housing stability. See FAQ 7 (regarding qualifying relocation expenses) and FAQ 10 (regarding time limits on assistance).

Before moving into a new residence, a tenant may not yet have a rental obligation, as required by the statutes establishing ERA1 and ERA2. In those cases, Treasury encourages grantees to provide otherwise eligible households with an official document specifying the amount of financial assistance under ERA programs that the grantee will pay a landlord on behalf of the household (such as for a security deposit or rent) if the landlord and the household enter into a qualifying lease of at least six months. Such documentation may expire after a certain period, such as 60 to 120 days after the issuance date. Treasury encourages grantees to work with providers of housing stability services to help these households identify housing that meets their needs. For purposes of reporting to Treasury, grantees may consider these commitments to be an obligation of funding until their expiration.

**36. What steps can ERA grantees take to prevent evictions for nonpayment of rent?**

Treasury strongly encourages grantees to develop partnerships with courts in their jurisdiction that adjudicate evictions for nonpayment of rent to help prevent evictions and develop eviction diversion programs. For example, grantees should consider: (1) providing information to judges, magistrates, court clerks, and other relevant court officials about the availability of assistance under ERA programs and housing stability services; (2) working with eviction courts to provide information about assistance under ERA programs to tenants and landlords as early in the adjudication process as possible; and (3) engaging providers of legal services and other housing stability services to assist households against which an eviction action for nonpayment of rent has

been filed.

**37. How can grantees promote access to assistance for all eligible households?**

Grantees should address barriers that potentially eligible households may experience in accessing ERA programs, including by providing program documents in multiple languages, by enabling persons with disabilities to access the programs, and by conducting targeted outreach to populations with disproportionately high levels of unemployment or housing instability or that are low income.

Grantees should also provide, either directly or through partner organizations, culturally and linguistically relevant outreach and housing stability services to ensure access to assistance for all eligible households.

In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) ERA grantees must ensure they provide meaningful access to their limited-English-proficiency (LEP) applicants and beneficiaries of their federally assisted programs, services, and activities. Denial of an LEP person's access to federally assisted programs, services, and activities is a form of national-origin discrimination prohibited under Title VI and Treasury's Title VI implementing regulations at 31 CFR Part 22. Meaningful access for an LEP person may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication regarding the ERA grantee's programs, services, and activities. For more information regarding reasonable steps to provide meaningful access for LEP persons, please go to <https://www.lep.gov> and the ERA programs' Promising Practices webpage at [<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices/outreach>]. See also Treasury's published LEP guidance at 70 FR 6067 (Feb. 4, 2005).

**38. May grantees obtain information in bulk from utility providers and landlords with multiple units regarding the eligibility of multiple tenants, or bundle assistance payments for the benefit of multiple tenants in a single payment to a utility provider or landlord?**

Data-sharing agreements between grantees and utility providers or landlords with multiple units may reduce administrative burdens and enhance program integrity by providing information to validate tenant-provided information. Therefore, grantees may establish prudent information-sharing arrangements with utility providers and landlords for determining household eligibility. Grantees may also establish reasonable procedures for combining the assistance provided for multiple households into a single "bulk" payment made to a utility or landlord. Grantees should ensure that any such arrangements (1) comply with applicable privacy requirements; (2) include appropriate safeguards to ensure payments are made only for eligible households; and (3) are documented in records satisfying the grantee's reporting requirements, including, for example, the amount of assistance paid for each household."

In addition, to speed the delivery of assistance, grantees may adopt policies and procedures enabling landlords and utility providers to receive assistance based on reasonable estimates of arrears owed by multiple households, before their application and documentation requirements are satisfied. Specifically, a grantee may provide for payments based on such estimates if (1) the

landlord or utility provider certifies that its estimate is reasonable based on information available to it at the time, (2) the grantee requires the landlord or utility provider to collect all required documentation from the recipient household within six months, and (3) the landlord or utility provider agrees in writing to return to the grantee any assistance the landlord or utility provider receives that the household was ineligible for or for which the required documentation is not received within six months. Grantees are encouraged to limit such payments to a portion of the landlord's or utility provider's estimate (for example, 50 or 75 percent of the estimated amount) to limit the risk of providing funds that are used for an ineligible purpose and subsequently must be returned. If an estimated payment is subsequently found to have been used for an ineligible household or an ineligible expense, or if the required documentation is not timely submitted, the payment will be considered an ineligible use of ERA funds by the grantee.

In the case of a bulk utility payment made in accordance with this FAQ, a grantee may provide a utility provider up to nine months from the time the bulk payment was made to satisfy all documentation requirements if a moratorium preventing the shut-off of utilities was in effect in the grantee's jurisdiction for at least one of the six months following the payment.

**39. If ERA program funds are used for a security deposit for a lease, to whom should the landlord return the security deposit at the end of the lease?**

Grantees should establish a policy with regard to the payment and disposition of security deposits, which should include a reasonable limit on the amount of a security deposit to be paid using ERA program funds. The amount of a security deposit should not exceed one month's rent, except in cases where a higher amount is reasonable and customary in the local housing market. The treatment of security deposits is generally subject to applicable law and the rental agreement. In order to mitigate risks associated with the use of ERA program funds for security deposits, grantees should establish a minimum rental period, not less than four months, before a tenant is entitled to receive a returned security deposit that was paid for with ERA funds. To the extent that the security deposit is not returned to the tenant, it should be returned to the grantee.

**40. May ERA assistance be used for rental or utility arrears after the tenant no longer resides in the unit?**

In order to remove barriers a household may face in accessing new housing, a grantee may, at the tenant's request, provide assistance for rental or utility arrears after an otherwise eligible tenant has vacated a unit. In addition to not engaging in further collection efforts regarding the arrears that are paid or related fees or expenses, as a condition to receiving payment, Treasury strongly encourages grantees to require the landlord or utility provider to agree not to pursue any further collection efforts against the household and ensure that any reports to credit agencies will confirm the matter's resolution. In addition, grantees may consider requiring the landlord or utility provider to notify the tenant that payment has been received and that there will be no further collection efforts.

**41. May a grantee provide additional payments to landlords that enter into leases with eligible households experiencing circumstances that make it more difficult to secure rental housing?**

Grantees may use ERA funds to pay for an additional rental payment required by a landlord as a

condition to entering into a lease with a “hard-to-house” household that would not qualify under the landlord’s previously established, non-discriminatory, and lawful screening or occupancy policies. “Hard-to-house” applicants are those who, during the preceding 12 months, suffered an eviction; aged out of foster care or similar arrangements; were convicted of a criminal offense or released from incarceration; or experienced homelessness. The additional payment must be documented in the written lease agreement as additional rent and may not, in the aggregate, exceed one month’s rent (excluding the additional payment). Grantees should establish reasonable safeguards to ensure these additional rental payments do not incentivize landlords to adopt more stringent leasing policies and are otherwise compliant with any rent or security deposit restrictions imposed by state or local law.

**42. May a grantee provide ERA funds to another entity for the purpose of making payments more rapidly?**

To speed the delivery of assistance, grantees may enter into a written agreement with a nonprofit organization to establish a payment fund for the sole purpose of delivering assistance using ERA funds while a household’s application remains in process. A grantee may use such a process if:

- The process is reserved for situations in which an expedited payment could reasonably be viewed as necessary to prevent an eviction or loss of utility services that precludes employing the grantee’s standard application and payment procedures on a timely basis.
- The nonprofit organization has the requisite financial capacity to manage the ERA funds, such as being a certified community development financial institution.
- The nonprofit organization deposits and maintains the ERA funds in a separate account that is not commingled with other funds.
- The grantee receives all required application and eligibility documentation within six months.
- The nonprofit organization agrees in writing to return to the grantee any assistance that the household was ineligible for or for which the required documentation is not received within six months.
- Any funds not used by the nonprofit organization are ultimately returned to the grantee.

If a payment made by the nonprofit organization is subsequently found to have been used for an ineligible household or an ineligible expense, or if the required application and eligibility documentation are not timely submitted, the payment will be considered an ineligible use of ERA funds by the grantee. Any administrative expenses attributable to a payment fund should be considered in accordance with FAQ 29.

**43. Are landlords offered ERA payments subject to source-of-income protection laws?**

A landlord’s failure to accept payments made using ERA funding might violate state or local source-of-income protection laws, depending on the jurisdiction’s laws.

**44. May ERA grantees impose additional eligibility criteria, including employment or job-training requirements, as a condition of providing ERA assistance to households?**

The statutes that authorize the ERA1 and ERA2 programs provide specific criteria for establishing a household's eligibility. These eligibility requirements include financial hardship, risk of homelessness or housing instability, qualifying income, and an obligation to pay rent. While the statutes authorizing the ERA programs and Treasury's policy guidance afford grantees discretion in structuring their programs, grantees do not have the authority to augment the ERA eligibility requirements by conditioning assistance on a tenant's employment status, compliance with work requirements, or acceptance of employment counseling, job-training, or other employment services. To the extent that grantees would impose other eligibility criteria or would require tenants to be employed, accept employment services, or comply with work requirements, such additional requirements are not permissible.

**45. If two grantees learn that they both provided rental or utility assistance to a household intended to cover the same months' expenses, is one grantee required to recover its assistance payments from the household, landlord, or utility provider?**

Grantees with overlapping or contiguous jurisdictions are encouraged coordinate to avoid duplicating assistance. However, there may be cases in which a grantee discovers that a household has received ERA assistance from multiple grantees intended to cover the same period of rent, utilities, rental arrears, or utility arrears. In such cases, the grantee may decline to recover its payment and instead recharacterize it as assistance covering a different period of eligible rental or utility expenses, if:

- the grantee documents, in accordance with ERA records requirements, which expenses its funds ultimately covered; and
- the grantee confirms that the household was eligible for all assistance it received, including ensuring that the total number of months of financial assistance received by the household does not exceed statutory limits, as described in [FAQ 10](#).

For example, if a state grantee and a local grantee both provided assistance to the same household intended to cover rental arrears arising from January and February, either the state grantee or the local grantee could recharacterize its assistance as covering rental arrears arising from March and April, if such grantee documents the rental arrears ultimately covered by its payment and confirms that the household was eligible for assistance with respect to all four months of arrears.

**46. What are eligible “other affordable rental housing and eviction prevention purposes” under the statute establishing ERA2?**

The statute establishing ERA2 provides that a grantee may use any of its ERA2 funds that are unobligated on October 1, 2022, for “affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))).”<sup>9</sup> However, in accordance with

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<sup>9</sup> As of the date of this FAQ, the definition of “very low-income families” in 42 U.S.C. 1437a(b) is “low-income families whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary [of Housing and Urban Development] with adjustments for smaller and larger families, except that the

the ERA2 statute, prior to obligating any funds for such purposes, the grantee must have obligated at least 75 percent of the total ERA2 funds allocated to it for financial assistance to eligible households, eligible costs for housing stability services, and eligible administrative costs. These requirements are described below.<sup>10</sup>

### Eligible Uses of ERA2 Funds

*Eligible Affordable Rental Housing Purposes.* Eligible “affordable rental housing purposes” are expenses<sup>11</sup> for:

- the construction, rehabilitation, or preservation of affordable rental housing projects serving very low-income families; and
- the operation of affordable rental housing projects serving very low-income families that were constructed, rehabilitated, or preserved using ERA2 funds.<sup>12</sup>

For purposes of the definition above, affordable rental housing projects serve very low-income families only if:

- the household income of occupants of units funded by ERA2 funds is limited to the maximum income applicable to very low-income families, as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)); and
- such income limitation is imposed through a covenant, land use restriction agreement (LURA), or other enforceable legal requirement for a period of at least 20 years.

In addition, to be considered an affordable rental housing purpose serving very low-income families, an affordable rental housing project funded, in whole or in part, with ERA2 funds must conform to and meet the program regulations and other requirements of one or more of the types of assistance listed below. In other words, uses of ERA2 funds for an affordable rental housing purpose must be aligned with at least one of the following programs and must meet the

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Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.” All references to “very low-income families” in this FAQ incorporate this definition. The Department of Housing and Urban Development annually updates its calculations relevant to the definition of “very low-income families” at <https://www.huduser.gov/portal/datasets/il.html>.

<sup>10</sup> Treasury’s reporting guidance will address the specific reporting and certification requirements associated with the uses of ERA2 funds described in this FAQ.

<sup>11</sup> ERA2 award funds used for affordable rental housing and eviction prevention purposes will be subject to the applicable requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 2 CFR Part 200. Specifically, ERA2 grantees are required to comply with the applicable procurement standards set forth in 2 CFR §§ 200.317 through 200.327 when procuring goods and services for these eligible purposes, and the allowability of expenses related to affordable rental housing and eviction prevention purposes will be subject to the Cost Principles set forth in 2 CFR Part 200, Subpart E.

<sup>12</sup> Expenses for transitional housing (i.e., any dwelling that is intended to provide temporary housing to formerly homeless persons for a period up to 24 months) or emergency shelters are not considered “affordable rental housing projects” and therefore are not eligible “affordable rental housing purposes.”

requirements of that program along with the other conditions specifically set forth in this FAQ:<sup>13</sup>

- Low-Income Housing Tax Credit (Treasury);
- HOME Investment Partnerships Program (U.S. Department of Housing and Urban Development (HUD));
- HOME-ARP Program (HUD);
- Housing Trust Fund Program (HUD);
- Public Housing Capital Fund (HUD);
- Indian Housing Block Grant Program (HUD);
- Section 202 Supportive Housing for the Elderly (HUD);
- Section 811 Supportive Housing for Persons with Disabilities (HUD);
- Farm Labor Housing Direct Loans and Grants (U.S. Department of Agriculture (USDA));
- Multifamily Preservation and Revitalization Program (USDA).

*Eligible Eviction Prevention Purposes.* Eligible “eviction prevention purposes” are defined in the same manner as housing stability services under FAQ 23; however, services provided with funds made available for eviction prevention purposes must serve very low-income families.

*Cost Allocation.* Grantees may use ERA2 funds as part of the financing for a mixed-income housing project if the total financing made up of ERA2 award funds does not exceed the total development costs attributable to affordable rental housing units serving very low-income families.<sup>14</sup> For example, if 25 percent of a project’s units will be reserved for very low-income families and 20 percent of the total costs of all housing units in the project are attributable to such reserved units, then ERA2 funds may be used to pay for up to 20 percent of the total development costs.

*Form of Provision of Funds and Time of Obligation.* Grantees that use ERA2 funds for an eligible affordable rental housing purpose may provide such funds in the form of loans (including no-interest loans and deferred-payment loans), interest subsidies, grants, or other financial arrangements. ERA2 funds may not be used to establish, provide financial support to, or invest in revolving loan funds or other structured funds.

Under the ERA2 statute, grantees may obligate funds only until September 30, 2025, and all obligations must be liquidated by the closeout date of the award in accordance with the Uniform Guidance, i.e., no later than 120 calendar days after September 30, 2025.<sup>15</sup> ERA2 funds are

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<sup>13</sup> For purposes of determining whether any expenses constitute affordable rental housing purposes under ERA2, in the event of a direct conflict between ERA2 requirements and requirements of a listed program to which a grantee will conform its affordable rental housing project, ERA2 requirements will prevail with respect to any portion of the project funded by ERA2 funds. A direct conflict between program requirements occurs only when it is impossible to comply with the requirements of ERA2 and of the other program. In contrast, if two sets of income or affordability-period requirements apply to the same units, there is no direct conflict; grantees must satisfy both by applying the more stringent requirements.

<sup>14</sup> The specific units within a mixed-income housing project subject to the applicable income limitation may vary over time depending on operational needs, provided the units subject to the income limitation at any point do not materially differ from units funded by ERA2 funds.

<sup>15</sup> See 2 CFR § 200.344.

considered to be obligated upon the grantee's approval<sup>16</sup> of the loan, interest subsidy, grant, or other financial arrangement, and such obligations are considered to be liquidated for the purpose of award closeout upon the grantee's disbursement of the ERA2 funds. Any proceeds or income a grantee receives after September 30, 2025, from loans, interest subsidies, or other similar financial arrangements made with ERA2 funds must be used for affordable rental housing purposes or eviction prevention purposes in accordance with this FAQ.

#### Obligation of 75 Percent of Allocated Funds

Treasury will calculate the 75 percent obligation threshold as (i) the total amount of ERA2 funds the grantee has obligated<sup>17</sup> for financial assistance to eligible households, eligible costs for housing stability services, and eligible administrative costs, divided by (ii) the grantee's total ERA2 allocation, including any amounts reallocated to and excluding any amounts recaptured from the grantee. For example, if a grantee voluntarily reallocated 50 percent of its total initial ERA2 allocation, and did not experience any other reallocation, it must obligate 75 percent of its post-reallocation amount (or 37.5 percent of its initial ERA2 allocation) to use its remaining ERA2 funds for eligible affordable rental housing and eviction prevention purposes. If a grantee reaches the 75 percent threshold after October 1, 2022, it may begin using ERA2 funds for eligible affordable rental housing and eviction prevention purposes once it reaches the threshold.

#### Administrative Costs Attributable to Affordable Rental Housing and Eviction Prevention Purposes

The statute establishing ERA2 permits each grantee to use up to 15 percent of the total amount of ERA2 funds paid to it for eligible administrative costs. Consistent with FAQ 29, any direct and indirect administrative costs must be allocated by the grantee to the provision of financial assistance, housing stability services, or other affordable rental housing and eviction prevention purposes. Thus, a grantee's administrative costs with respect to affordable rental housing and eviction prevention purposes may be paid with ERA2 funds only in an amount up to 15 percent of the grantee's expenditures for these purposes.

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<sup>16</sup> Such approval occurs at the time of the execution of a written agreement or other legal instrument providing for the disbursement of ERA2 funds.

<sup>17</sup> To determine whether a grantee has obligated ERA2 funds, Treasury will rely on the criteria set forth in section II.A of the ERA1 Reallocation Guidance originally published on October 4, 2021 and updated on March 30, 2022, available at <https://home.treasury.gov/system/files/136/Updated-ERA1-Reallocation-Guidance%203-30-%202022.pdf>.

# EXHIBIT K

# CONGRESS.GOV

## S.Amdt.1578 to [H.R.748](#)

116th Congress (2019-2020)

**Amends Bill:** [H.R.748](#) — CARES Act

**Sponsor:** [Sen. McConnell, Mitch \[R-KY\]](#) (Submitted 03/25/2020, Proposed 03/25/2020)

**Amendments to** [S.Amdt.1577](#)

**This Amendment:**

**Latest Action:** 03/25/2020 Amendment [SA 1578](#) agreed to in Senate by Unanimous Consent.

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**Purpose** [Text \(2\)](#) [Actions \(2\)](#) [Amendments to This Amendment \(1\)](#) [Cosponsors \(0\)](#)

### **Purpose:**

Providing emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic.

# EXHIBIT L

## U.S. DEPARTMENT OF THE TREASURY

### About the CARES Act and the Consolidated Appropriations Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) and the Coronavirus Response and Consolidated Appropriations Act (2021) **provided fast and direct economic assistance for American workers, families, small businesses, and industries.**

The CARES Act implemented a variety of programs to address issues related to the onset of the COVID-19 pandemic.

The Consolidated Appropriations Act continued many of these programs by adding new phases, new allocations, and new guidance to address issues related to the continuation of the COVID-19 pandemic.

The CARES Act was passed by Congress on March 25, 2020 and signed into law on March 27, 2020.

The Consolidated Appropriations Act (2021) was passed by Congress on December 21, 2020 and signed into law on December 27, 2020.