

Emergency Rental Assistance Program Comparison

Last Updated: 9/2/2021



	Emergency Rental Assistance 1 Authorized Under the Consolidated Appropriations Act of 2021 Enacted December 27, 2020	Emergency Rental Assistance 2 Included in the American Rescue Plan Act Enacted March 11, 2021
Federal Administration	Treasury	Treasury
Total Funding	\$25 billion	\$21.55 billion
State/Local Grantees	\$23.785 billion	\$18.712 billion
Additional Funding for High-Needs Grantees	N/AP	\$2.5 billion
Territories	\$400 million	\$305 million
Tribes	\$800 million	N/AP
Treasury Admin	\$15 million	\$30 million
Treasury IG	N/AP	\$3 million
Distribution Formula	Funding distributed to states based on the state's proportional rate of the total U.S. population according to 2019 Census data. 45 percent of a state's allocation was accessible by local governments with populations of 200,000 or above. The allocation to any individual local government equals the proportion of its population to the full state population multiplied by 0.45. The Secretary reduced the amount that would have gone to the state-level grantee by the amount of funding provided to qualifying local governments in that state.	Congress applied the same formula used for ERA 1 to ERA 2. However, \$2.5 billion of the total is set aside for "high-needs grantees" as determined by Treasury, with high needs evidenced by the number of very low-income households in the grantee's jurisdiction paying more than 50 percent of their income on rent or living in substandard or overcrowded conditions, rental market costs, and employment trends.
Small-State Minimum	\$200 million	\$152 million
Disbursement of Funds	The statute required Treasury to disburse payments to grantees within 30 days of its enactment. Treasury disbursed funds to grantees in late January 2021.	The statute required Treasury to disburse 40 percent of each grantee's grant within 60 days of enactment, and disburse the remaining grant funds to each grantee in tranches, as determined by the Secretary, only when the grantee has obligated at least 75 percent of the funds previously provided to it by Treasury. ERA 2 grant amounts were published May 7, 2021, with grantees encouraged to apply by May 10, 2021.
Redistribution	The Treasury Secretary may recapture funds not obligated by grantees as of September 30, 2021, and reallocate/repay those amounts to grantees who, as of that time, have obligated at least 65 percent of their original grants. The amount of the reallocation will be based on demonstrated need as determined by the Treasury Secretary.	Any grant amount Treasury has not yet obligated a grantee by March 31, 2022, may be allocated to other eligible grantees under a procedure to be established by the Secretary. To be eligible for reallocated funds at this point, grantees must have obligated at least 50 percent of the total grant amount paid to them as of that time.

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Eligible Recipients	<p>Renter households with:</p> <p>(1) incomes no more than 80 percent of area median income (AMI);</p> <p>(2) one or more individuals in the household has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due directly or indirectly to the coronavirus outbreak; and</p> <p>(3) one or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability which may include (a) a past-due utility or rent notice or an eviction notice, (b) unsafe or unhealthy living conditions, or (c) any other evidence of such risk as determined by the grantee.</p>	<p>Renter households with:</p> <p>(1) incomes consistent with the definition of low-income family as defined in Section 3(b) of the United States Housing Act of 1937;</p> <p>(2) one or more individuals in the household has qualified for unemployment benefits or has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship <u>during or</u> due directly or indirectly to the coronavirus outbreak; and</p> <p>(3) one or more individuals in the household can demonstrate a risk of experiencing homelessness or housing instability. The statute does not specify examples of how to demonstrate housing instability.</p> <p>(Note that the language 'during or' in regards to financial hardship in ERA 2 does not appear in ERA 1.)</p>
Income Determination	<p>For eligibility purposes, grantees must only consider household income for 2020 or confirmation of the monthly income the household is receiving at the time of application extrapolated over 12 months. If a grantee uses monthly income to determine eligibility, household income must be recertified every three months to receive ongoing prospective rental assistance. Eligibility for funds after each three-month period is subject to the availability of remaining funds.</p>	<p>Not specified in the statute. Per Treasury guidance, grantees may use the same income determination methodology used for ERA 1. If a grantee chooses to use a different methodology for ERA 2 than it uses for ERA 1, the methodology should be reasonable and consistent with all applicable ERA 2 requirements. Any household found to be eligible for ERA 1 may be considered eligible for ERA 2 unless the grantee becomes aware of any reason the household does not meet the requirements of ERA 2.</p>

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Documentation of Eligibility Related to Income	<p>Grantees must have a reasonable basis for determining income, supporting its determination with both a written attestation from the applicant and documentation, such as paystubs, W-2s, or other wage statements; tax filings; bank statements; or an attestation from an employer.</p> <p>Alternatively, grantees may rely on written attestation alone without further documentation of household income in three circumstances: 1) During the public health emergency related to COVID-19 if the applicant confirms they are unable to document their income; 2) If a household qualifies under categorical eligibility (income has been verified in connection with another local, state, or federal assistance program); or 3) household qualifies under fact-specific proxy.</p> <p>Grantees also have discretion to provide waivers or exceptions to the income documentation requirement to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access. If an applicant's income is not verifiable due to the impact of COVID-19 or because the applicant is paid in cash or has no qualifying income, grantees may accept a written attestation from the applicant without further documentation; however, the grantee must reassess household income every three months.</p>	<p>The same rules apply to ERA 1 and ERA 2 in respect to documentation of income eligibility.</p>
Documentation of Eligibility Related to Qualification for Financial Hardship	<p>The tenant must have experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due directly or indirectly to the COVID-19 outbreak. The grantee must obtain a written attestation signed by the applicant that one or more members of the household meets this condition. A self-attestation without any further documentation is allowed.</p>	<p>The tenant must have experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due directly or indirectly to the coronavirus pandemic. Note that hardship need only occur during the pandemic (as opposed to caused by the pandemic). The grantee may rely on either a written attestation signed by the applicant or other relevant documentation regarding the household member's qualification for unemployment benefits. Treasury encourages grantees to rely on self-certification of applicants with regard to whether their financial hardship meets the eligibility requirements.</p>
Documentation of Eligibility Related to Risk of Experiencing Homelessness or Housing Instability	<p>Grantees may establish 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 self-attestation without any further documentation is allowed.</p>	<p>The same rules apply to ERA 1 and ERA 2 in respect to documentation of eligibility related to risk of experiencing homelessness/housing instability.</p>

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Prioritization	<p>Grantees must prioritize assistance to households with incomes of no more than 50 percent of AMI and to households in which one or more household members is unemployed and has been unemployed for 90 days. (Neither the statute nor Treasury guidance specifies how these preferences may be made.)</p> <p>Grantees must document their policies and procedures for determining the prioritization of households and maintain records of their determinations. They must post a description of their prioritization methods on their program web page, if one exists, no later than July 15, 2021.</p>	<p>The same rules apply to ERA 1 and ERA 2 in respect to prioritization.</p>
Use of Funds	<p>At least 90 percent of each grantee's grant amount must be used for the following financial assistance activities:</p> <ul style="list-style-type: none"> • rent • rental arrears • utilities and home energy costs • utilities and home energy arrears • other expenses related to housing incurred due directly or indirectly to the pandemic <p>No more than 10 percent of each grantee's grant amount may be used for housing stability services.</p> <p>No more than 10 percent of each grantee's total grant amount may be used for administrative costs, both direct and indirect. Administrative costs must be attributed to either costs associated with financial assistance or costs associated with housing stability services, not to exceed 10 percent of either category.</p>	<p>Funds may be used for the following activities:</p> <ul style="list-style-type: none"> • rent • rental arrears • utilities and home energy costs • utilities and home energy arrears • other expenses related to housing • no more than 10 percent for housing stability services • no more than 15 percent for administrative costs <p>Grantees that have obligated at least 75 percent of their total funds may, after October 1, 2022, use remaining funds for any other affordable housing purpose defined by the Secretary to assist very low-income families, in addition to the eligible activities above.</p>
Other Expenses Related to Housing	<p>For purposes of providing assistance under the category "other expenses," the expenses must be related to housing and incurred due, directly or indirectly, to the coronavirus outbreak</p>	<p>For purposes of providing assistance under the category "other expenses," the expenses must be related to housing but do not need to be due to the coronavirus outbreak.</p>
Housing Stability Services	<p>Grantees may use up to 10 percent of their ERA 1 grant to provide Housing Stability Services to eligible households for services related to the pandemic.</p>	<p>Grantees may use up to 10 percent of their ERA 2 grant to provide Housing Stability Services to eligible households for services, but the services do not need to be related to the pandemic. Furthermore, while the FAQ requires households receiving services to be eligible households, the statute uses only the term 'households' and does not specify that those households must meet ERA eligibility requirements. NCSHA is following up with Treasury to determine whether greater flexibility may be possible.</p>

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Time Limitation for Assisting Households	Payments, including arrears and prospective payments, for any individual household generally may not exceed 12 months, however, a grantee may provide assistance for an additional three months (for a total of 15 months) only if it is necessary to ensure the household remains stably housed and if funding is available.	Payments, including arrearages and future payments, for any individual household generally may not exceed 18 months (inclusive of any assistance provided using ERA 1).
Who May Apply for Assistance	Either tenants or landlords may initiate the application for assistance. If the landlord initiates the application, the tenant must still meet the eligibility requirements. Further, for landlord-initiated applications, the tenant must cosign the application, the landlord must provide documentation to the tenant, and the payments must be used to satisfy the tenant's rental obligation to the owner. Treasury encourages grantees to allow tenants to apply rather than only accepting applications from landlords and owners.	Not specified in the statute. Treasury requires grantees to allow tenants to apply for assistance. Guidance does not specify whether landlords may or may not initiate the application for assistance.
Recipient of Payments	Grantee must first seek to make a direct payment to a landlord/utility provider. If the landlord/utility provider is non-cooperative, the grantee has the discretion to make the payment directly to the tenant. The grantee must make reasonable efforts to obtain the cooperation of the landlord/utility provider. Outreach is considered reasonable if (1) the request is sent in writing by mail and the landlord/utility provider does not respond within 7 days; (2) the grantee makes at least three attempts by phone, text, or email over a five-calendar-day period to request landlord/utility provider participation; or (3) the landlord confirms in writing that he/she will not participate. The final outreach attempt must be documented.	Grantee has discretion to make direct payment to the landlord/utility provider or pay the tenant applicant directly without making outreach to the landlord/utility provider. Grantee must make payment directly to the tenant applicant if the landlord/utility provider is not cooperative.
Duplication of Benefits	Grantees must, to the extent feasible, ensure that households receiving rental assistance provided under this program do not also receive funding under any other federally funded rental assistance program.	Not specified in statute.
Federally Assisted Households	ERA 1 funds may not be applied to costs that have been or will be reimbursed by any other federal assistance. However, grantees may cover the cost of tenant-paid rent for federally assisted households. Treasury strongly encourages grantees to cover such costs.	Grantees are prohibited from refusing assistance to federally assisted tenants needing help paying the tenant-paid portion of rent.
Arrears Requirement	Grantees may only provide prospective rent payments to the extent that they have also provided funding to bring current all rental arrears for the household in question. Per Treasury guidance	Not specified in the statute. Per Treasury guidance, grantees may use ERA 2 to provide prospective rent payments without covering arrears.

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Deadline to Spend Funds	ERA 1 is available for grantees to spend until September 30, 2022. (Original deadline was December 31, 2021, but extended by American Rescue Plan Act.)	ERA 2 is available for grantees to spend until September 30, 2025. Treasury has until September 30, 2027, to finalize its work on the program.
Reporting	The Secretary of the Treasury in consultation with the Secretary of Housing and Urban Development must provide quarterly public reports on the use of funds, including the following information on each grantee's program: (1) the number of eligible households that receive assistance, (2) the acceptance rate of applicants for assistance, (3) the type(s) of assistance provided to each household, (4) the average amount of funding provided per household, (5) incomes of eligible households by income tier (less than or equal to 30 percent of AMI, between 30 and 50 percent of AMI, between 50 and 80 percent of AMI), and (6) the average number of monthly rental or utility payments that each household received.	Grantees must submit to the Secretary information required by the Secretary to monitor and evaluate activities carried out by the grantee. Treasury encourages grantees to comply with the same statutory requirements of ERA 1 for ERA 2 funds.
Treatment of Assistance	Payments made on behalf of households are not treated as income of the household and are not considered a resource for purposes of determining eligibility for or extent of other benefits or assistance under other federal, state, or local programs.	Not specified