



March 2021

# COVID-19 HOUSING PROTECTIONS

## Moratoriums Have Helped Limit Evictions, but Further Outreach Is Needed

# GAO@100 Highlights

Highlights of [GAO-21-370](#), a report to congressional committees

## Why GAO Did This Study

Millions of renters and property owners continue to experience housing instability and financial challenges during the COVID-19 pandemic. To address these concerns, Congress and CDC created eviction moratoriums, and Congress appropriated \$25 billion to Treasury to disburse to state and local grantees to administer emergency rental assistance programs to help those behind on their rent.

The CARES Act includes a provision for GAO to monitor federal efforts related to COVID-19. This report examines, among other objectives, (1) how eviction moratoriums have contributed to housing stability during the pandemic and (2) Treasury's implementation of the Emergency Rental Assistance program.

GAO analyzed data on eviction filings and local policies in a sample of 63 jurisdictions (selected based on data availability) from January to December 2020. GAO also analyzed Census Bureau survey data on rental payments and data from federal housing entities on mortgage forbearance. GAO interviewed officials from CDC, Treasury, and organizations representing renters, property owners, and rental assistance grantees.

## What GAO Recommends

GAO recommends that CDC, in coordination with relevant federal entities, implement a communication and outreach plan designed to ensure renters and property owners are aware of the agency's eviction moratorium. Department of Health and Human Services disagreed with the recommendation. GAO continues to believe the recommendation is valid, as discussed in this report.

View [GAO-21-370](#). For more information, contact John Pendleton at (202) 512-8678 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov).

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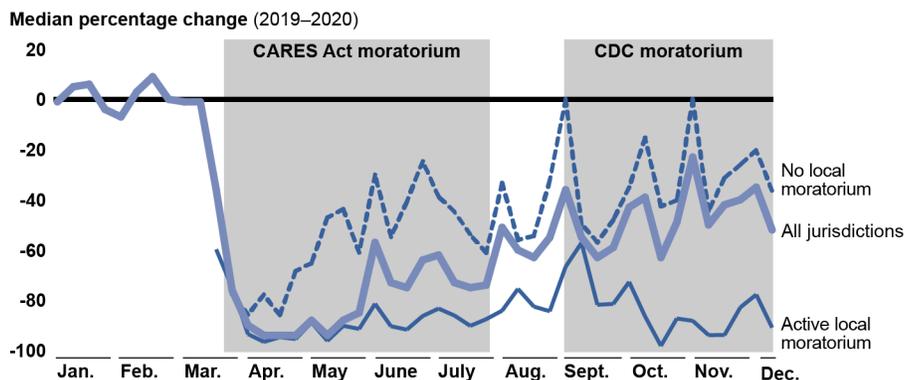
## COVID-19 HOUSING PROTECTIONS

### Moratoriums Have Helped Limit Evictions, but Further Outreach Is Needed

## What GAO Found

Eviction moratoriums at the federal, state, and local levels reduced eviction filings during the COVID-19 pandemic; however, some eligible renters may not have benefitted from a recent federal moratorium. GAO's analysis of 63 jurisdictions found that the median rate of eviction filings was about 74 percent lower in the last week of July 2020—when a moratorium included in the CARES Act expired—than in the same week in 2019. Eviction filings remained lower throughout 2020 (relative to 2019) but gradually increased during a separate moratorium ordered by the Centers for Disease Control and Prevention (CDC) in September 2020 (see fig.). During this moratorium, jurisdictions without separate state or local moratoriums experienced larger increases in eviction filings, which suggests that some renters may not fully understand how to use the CDC moratorium (completing required documentation). CDC extended its moratorium through March 31, 2021, but has taken few steps to promote awareness and understanding of the moratorium and its requirements. Clear, accurate, and timely information is essential to keep the public informed during the pandemic. Without a communication and outreach plan, including federal coordination, CDC will be missing an opportunity to ensure that eligible renters avoid eviction.

Year-over-Year Percentage Change in Eviction Filings in 63 Jurisdictions



Source: GAO analysis of data from the Federal Reserve Bank of Cleveland. | GAO-21-370

Note: Centers for Disease Control and Prevention's (CDC) moratorium is active through March 31, 2021. Local moratoriums include separate state or local eviction moratoriums. Unlike the CARES Act, CDC's moratorium does not prohibit eviction filings, which could explain some increases.

By late January 2021, Treasury had disbursed 99 percent of the \$25 billion in Emergency Rental Assistance funds to state and other eligible grantees responsible for making rent and utility payments to recipients. Treasury's initial program guidance issued that month did not fully define some program requirements and included requirements that could have delayed the delivery of funds or deter participation. In late February 2021, Treasury updated its guidance to address several of these concerns, such as by providing grantees with flexibility for prioritizing lower income applicants and allowing written attestation of income. Although the guidance did not clarify certain data collection and spending requirements, officials said they will continue to update guidance to address stakeholder concerns and strike a balance between accountability and administrative efficiency. GAO will continue to actively monitor these efforts.

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## Abbreviations

CDC	Centers for Disease Control and Prevention
COVID-19	Coronavirus Disease 2019
FHA	Federal Housing Administration
enterprises	government-sponsored enterprises
HUD	Department of Housing and Urban Development
RHS	Rural Housing Service
Treasury	Department of the Treasury
VA	Department of Veterans Affairs

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March 15, 2021

### Congressional Committees

The Coronavirus Disease 2019 (COVID-19) pandemic has resulted in significant turmoil in the U.S. economy, and has left many citizens without stable employment income. As a result, millions of U.S. renters have experienced ongoing challenges meeting their financial obligations, including rental payments. In December 2020—9 months after the United States declared a national emergency regarding COVID-19—an estimated one-third of renters reported only slight or no confidence in their ability to make their next rent payment.<sup>1</sup>

In March 2020, Congress passed the CARES Act, which provided over \$2 trillion in emergency assistance and health care response for individuals, families, and businesses affected by COVID-19.<sup>2</sup> The CARES Act included several provisions intended to promote housing stability among renters, including an eviction moratorium that prohibited property owners from initiating actions to evict tenants for the nonpayment of rent.<sup>3</sup> This moratorium expired on July 24, 2020.

As the COVID-19 pandemic persisted, federal agencies and Congress took additional steps to assist renters. In September 2020, the Centers for Disease Control and Prevention (CDC) issued an order that prohibited evictions of renters who met certain requirements through December 31, 2020.<sup>4</sup> In late December 2020, Congress passed the Consolidated Appropriations Act, 2021, which extended the CDC eviction moratorium

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<sup>1</sup>Census Bureau, *Measuring Household Experiences during the Coronavirus Pandemic: Household Pulse Survey – Phase 3 (October 28, 2020 – March 1, 2021)*. This estimate had a margin of error of about plus or minus 2 percentage points at the 95 percent confidence level.

<sup>2</sup>Pub. L. No. 116-136, 134 Stat. 281 (2020).

<sup>3</sup>Pub. L. No. 116-136, div. A. §§ 4022–4024, 134 Stat. 281, 490-494 (2020). As discussed later in this report, the CARES Act created two additional but more limited eviction moratoriums for multifamily properties under a mortgage forbearance agreement and for single-family properties in foreclosure.

<sup>4</sup>Department of Health and Human Services, Centers for Disease Control and Prevention, *Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19*, 85 Fed. Reg. 55292 (Sept. 4, 2020).

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through January 31, 2021.<sup>5</sup> On January 29, 2021, CDC further extended the moratorium through March 31, 2021.<sup>6</sup>

The Consolidated Appropriations Act, 2021 also appropriated \$25 billion in emergency rental assistance to the Department of the Treasury (Treasury) to disburse to eligible state and local grantees by January 26, 2021.<sup>7</sup> Congress previously appropriated and Treasury disbursed \$150 billion through the Coronavirus Relief Fund, which some state and local grantees used to fund rental assistance programs.<sup>8</sup> Although the CARES Act required that grantees use the funds to cover costs incurred through December 31, 2020, the Consolidated Appropriations Act, 2021 extended this deadline to December 31, 2021.<sup>9</sup>

The CARES Act includes a provision for us to monitor and oversee the federal government's efforts to prepare for, respond to, and recover from COVID-19.<sup>10</sup> This report examines (1) how eviction moratoriums have contributed to housing stability during the pandemic, (2) the financial condition of renters and property owners, and (3) Treasury's implementation of the Emergency Rental Assistance program.

To describe how federal eviction moratoriums contributed to housing stability, we reviewed the CARES Act and CDC's eviction order and frequently asked questions. We analyzed data collected by the Federal Reserve Bank of Cleveland on eviction filings and local moratoriums for a nongeneralizable sample of 63 jurisdictions the bank selected (based on data availability) to determine how eviction filings changed during the pandemic.<sup>11</sup> Specifically, we calculated and analyzed the percentage change in eviction filings between 2019 and 2020 by week for each

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<sup>5</sup>Pub. L. No. 116-260, div. N, § 502, 134 Stat. 1182, 2078 (2020).

<sup>6</sup>86 Fed. Reg. 8020 (Feb.3, 2021).

<sup>7</sup>Pub. L. No. 116-260, div. N, § 501, 134 Stat. 1182, 2069 (2020).

<sup>8</sup>Pub. L. No. 116-136, div. A, § 5000(a), 134 Stat. 281, 501 (2020) (codified at 42 U.S.C. § 801).

<sup>9</sup>Pub. L. No. 116-260, div. N, § 1001, 134 Stat. 1182, 2145 (2020).

<sup>10</sup>Pub. L. No. 116-136, div. B, § 19010, 134 Stat.281, 579-81 (2020).

<sup>11</sup>We assessed the reliability of these data by interviewing knowledgeable officials, conducting data testing, and reviewing supporting documentation. We found these data to be sufficiently reliable for determining trends in eviction filings.

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jurisdiction. We used data summarized by the bank on local eviction policies to categorize and analyze the difference in eviction filings between jurisdictions with and without active local moratoriums. We also interviewed 14 researchers and stakeholder groups that represent renters, homeowners, property owners, and other housing market interests to obtain their views on the effectiveness of the CARES Act and CDC moratoriums.<sup>12</sup> We selected these groups based on agency and stakeholder recommendations to ensure appropriate coverage of affected parties. We interviewed CDC officials on the agency's efforts to implement and oversee the moratorium and compared their efforts against CDC's guidelines for communication and outreach during pandemics.

To describe the financial condition of renters and property owners during the pandemic, we analyzed data from the Census Bureau and federal housing entities. To describe the experiences of renters, we analyzed the Census Bureau's Household Pulse Survey conducted from August to December 2020. Specifically, we compared renters and homeowners with a mortgage across key characteristics, such as employment status, race, and income. We also compared the extent to which they reported challenges making housing payments, confidence in their ability to make housing payments, and fear of facing eviction or foreclosure.<sup>13</sup> To describe the assistance provided to property owners, we requested and

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<sup>12</sup>These researchers and stakeholder groups were the Brookings Institution, Emily Benfer (Wake Forest University), Eviction Lab at Princeton University, Falcon Capital Advisors, Housing Policy Council, Mortgage Bankers Association, National Consumer Law Center, National Council of State Housing Agencies, National Fair Housing Alliance, National Housing Law Project, National Housing Resource Center, National Low Income Housing Coalition, National Multifamily Housing Council, and Turner Center for Housing Innovation at the University of California Berkeley.

<sup>13</sup>The Household Pulse Survey, an experimental data product, is an interagency federal statistical rapid response survey to measure household experiences during the COVID-19 pandemic. The Census Bureau conducts this survey in partnership with five other agencies from the Federal Statistical System. Response rates over our period of analysis ranged from 5.3 to 10.3 percent. Census Bureau officials acknowledged there is some evidence of nonresponse bias, which is partly mitigated by weighting adjustments. All reported estimates have a relative margin of error of less than 20 percent of the estimate, and all comparisons are statistically significant at the 95 percent confidence level. All reported estimates have a relative margin of error of less than 20 percent of the estimate, and all comparisons are statistically significant at the 95 percent confidence level. We assessed the reliability of these data by interviewing knowledgeable officials, conducting data testing, and reviewing supporting documentation. We found these data to be sufficiently reliable for describing the financial condition and housing stability of renters and homeowners.

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analyzed data on forbearances from federal housing entities that guarantee or securitize multifamily mortgages—the government-sponsored enterprises Fannie Mae and Freddie Mac (enterprises), Federal Housing Administration (FHA), and the Rural Housing Service (RHS).<sup>14</sup> Specifically, we analyzed the percentage of multifamily forbearances from January to August 2020 in total and across ranges of rental units to determine how forbearance rates varied based on property size.

To assess Treasury’s implementation of the Emergency Rental Assistance program, we reviewed and compared the Consolidated Appropriations Act, 2021 and Treasury’s guidance on the program. We interviewed Treasury officials on their initial efforts to administer the program and reviewed our prior work related to Treasury’s administration of the Coronavirus Relief Fund.<sup>15</sup> We also interviewed and reviewed the publications of four stakeholder groups for their views on Treasury’s administration of both programs. We selected the stakeholder groups to interview from the 14 we interviewed regarding eviction moratoriums that were most representative of key parties affected by the Emergency Rental Assistance program (lower-income renters, property owners, and rental assistance grantees).<sup>16</sup>

We conducted this performance audit from May 2020 to March 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>14</sup>We assessed the reliability of these data by interviewing knowledgeable officials, conducting data testing, and reviewing supporting documentation. We found these data to be sufficiently reliable for describing mortgage forbearance rates among multifamily property owners.

<sup>15</sup>GAO, *COVID-19: Federal Efforts Could Be Strengthened by Timely and Concerted Actions*, [GAO-20-701](#) (Washington, D.C.: Sept. 21, 2020); and *COVID-19: Opportunities to Improve Federal Response and Recovery Efforts*, [GAO-20-625](#) (Washington, D.C.: June 25, 2020).

<sup>16</sup>The four groups were the National Council of State Housing Agencies, National Housing Law Project, National Low Income Housing Coalition, and National Multifamily Housing Council.

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## Background

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### Pandemic-Related Housing Protections

Congress and federal agencies have taken steps to protect the housing stability of renters and mortgage borrowers during the COVID-19 pandemic through various housing protections. The primary assistance for renters has been moratoriums that prohibit evictions.<sup>17</sup>

The CARES Act includes three eviction moratoriums that covered certain populations for various lengths of time. Specifically, it includes moratoriums on eviction for tenants living in

- **Federally backed or assisted properties.** Section 4024 of the CARES Act, which expired on July 24, 2020, prohibited evictions of any tenant living in a property with a federally backed mortgage or in rental units participating in specified federal programs for the nonpayment of rent.<sup>18</sup> This section of the CARES Act potentially covered the greatest number of renter households—an estimated 12.3–20 million (about 28–46 percent of all renter households).<sup>19</sup>
- **Multifamily properties under mortgage forbearance.** Section 4023 of the CARES Act allows mortgage forbearance on federally backed multifamily mortgages (5 or more units) for up to 90 days and prohibits evictions for the nonpayment of rent during the duration of the

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<sup>17</sup>In general, the eviction moratoriums were intended to alleviate the economic and public health challenges of displacement during the pandemic. For example, according to CDC, eviction moratoriums promote housing stability and can help prevent the spread of communicable disease by facilitating self-isolation of those who become ill or who are at risk for severe illness from COVID-19. Eviction moratoriums also limit homelessness, which increases the likelihood of individuals moving into congregate settings where they are at higher risk of contracting COVID-19.

<sup>18</sup>Pub. L. No. 116-136, div. A, § 4024, 134 Stat. at 492. Sections 4024 and 4023 also prohibit property owners from charging fees associated with nonpayment of rent.

<sup>19</sup>Federal Reserve Bank of Atlanta, *Housing Policy Impact: Federal Eviction Protection Coverage and the Need for Better Data*, accessed February 1, 2021, <https://www.frbatlanta.org/community-development/publications/partners-update/2020/covid-19-publications/200616-housing-policy-impact-federal-eviction-protection-coverage-and-the-need-for-better-data>. In general, analyses of affected renter households are based on the number of units covered under the CARES Act or other pandemic-related legislation or orders. One rental unit is equivalent to one renter household.

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forbearance.<sup>20</sup> Although this moratorium only applies to renters in properties under forbearance, it potentially covers 9.6 million renter households (about 49 percent of all renter households living in multifamily rental units).<sup>21</sup> The federal agencies with guaranteed or direct multifamily loans—RHS and FHA—and the enterprises have taken various steps to extend multifamily forbearance and related eviction moratorium provisions. The deadline for properties with FHA- and RHS-backed multifamily loans to enter an initial CARES Act forbearance was December 31, 2020 (when Section 4023 expired). Enterprise-backed loans have until June 30, 2021 to obtain comparable forbearance through the enterprises' COVID-19 forbearance programs.

- **Single-family properties in foreclosure.** Section 4022 of the CARES Act places a foreclosure and eviction moratorium on single-family properties (1–4 units) with federally backed mortgages for 60 days.<sup>22</sup> Under the moratorium, owners may not be foreclosed upon and persons occupying the properties, including renters, may not be evicted in connection with the foreclosure. It is unclear how many rental units (or renter households) this moratorium covers because federal agencies and enterprises generally do not track whether units are owner- or renter-occupied. However, the Urban Institute has estimated that about 2.8 million rental units are in single-family properties covered by the CARES Act (about 12 percent of all single-family rental units).<sup>23</sup> The enterprises, FHA, RHS, and the Department of Veterans Affairs (VA) extended the foreclosure-related eviction moratorium for their loans through June 30, 2021.

On September 1, 2020, CDC issued an order prohibiting evictions effective September 4, 2020, through December 31, 2020, for certain

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<sup>20</sup>Pub. L. No. 116-136, div. A, § 4023, 134 Stat. at 491. Mortgage forbearance allows mortgage borrowers to temporarily suspend or reduce their mortgage payments without penalty.

<sup>21</sup>This estimate includes properties with mortgages backed by Fannie Mae, Freddie Mac, and FHA. Urban Institute, *The CARES Act Eviction Moratorium Covers All Federally Financed Rentals—That's One in Four US Rental Units*, accessed February 1, 2021, <https://www.urban.org/urban-wire/cares-act-eviction-moratorium-covers-all-federally-financed-rentals-thats-one-four-us-rental-units>.

<sup>22</sup>Pub. L. No. 116-136, div. A, § 4022(c)(2), 134 Stat. at 491.

<sup>23</sup>Urban Institute, *The CARES Act Eviction Moratorium Covers All Federally Financed Rentals—That's One in Four US Rental Units*.

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renters for nonpayment of rent.<sup>24</sup> CDC published the order about 1 month after the CARES Act moratorium for federally backed properties (section 4024) had expired. The Consolidated Appropriations Act, 2021 extended the CDC moratorium through January 31, 2021, and CDC later extended it through March 31, 2021.<sup>25</sup> Renter households taking advantage of this moratorium are required to provide their property owner with a form that declared under penalty of perjury that they met the eligibility criteria in the order.<sup>26</sup> The moratorium potentially covers up to 44 million renter households.<sup>27</sup> Figure 1 illustrates the timeline of the federal eviction moratoriums.

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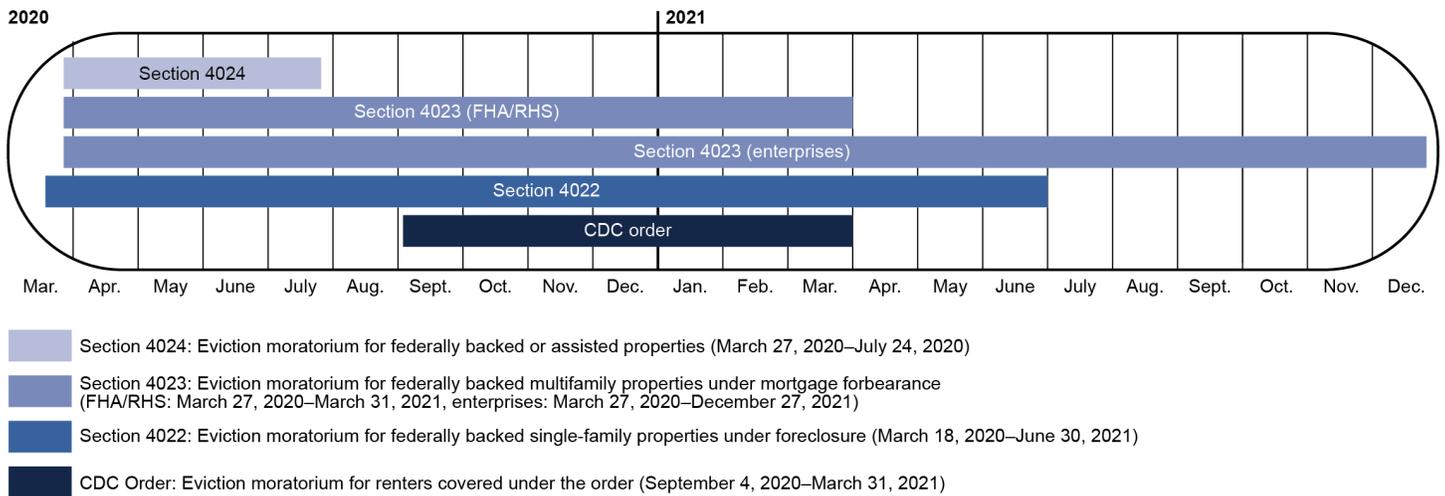
<sup>24</sup>85 Fed. Reg. 55292 (Sept. 4, 2020). CDC issued the eviction order under the authority of section 361 of the Public Health Service Act (42 U.S.C. §264) and federal regulations codified at 42 C.F.R. § 70.2. Under 42 U.S.C. § 264, the Secretary of Health and Human Services is authorized to take measures to prevent the entry and spread of communicable diseases from foreign countries into the United States and between its states and territories. The authority for carrying out these functions has been delegated to the CDC Director. Citing 42 C.F.R. § 70.2, the CDC stated that it “can take public health measures to prevent the interstate spread of communicable diseases in the event of inadequate local controls.” See Centers for Disease Control and Prevention, *HHS/CDC Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19: Frequently Asked Questions* (Oct. 9, 2020), at 6. Renters covered under the moratorium include individuals who expected to earn no more than \$99,000 and joint filers who expected to earn no more than \$198,000 in 2020 and who meet additional eligibility criteria regarding financial hardship and housing instability.

<sup>25</sup>Pub. L. No. 116-260, div. N, § 502, 134 Stat. at 2078-79 (2020); 86 Fed. Reg. 8020 (Feb. 3, 2021).

<sup>26</sup>CDC’s order on evictions refers to landlords, owners of a residential property, or other persons with a legal right to pursue eviction or possessory action, including individuals and corporations. We refer to these entities as property owners throughout this report.

<sup>27</sup>This estimate of the number of renter households in the United States is from the 2018 American Community Survey and may include renters who may not qualify for the moratorium, such as those who exceed the income limitation.

**Figure 1: Timeline of COVID-19 Pandemic-Related Federal Eviction Moratoriums, March 2020–September 2021**



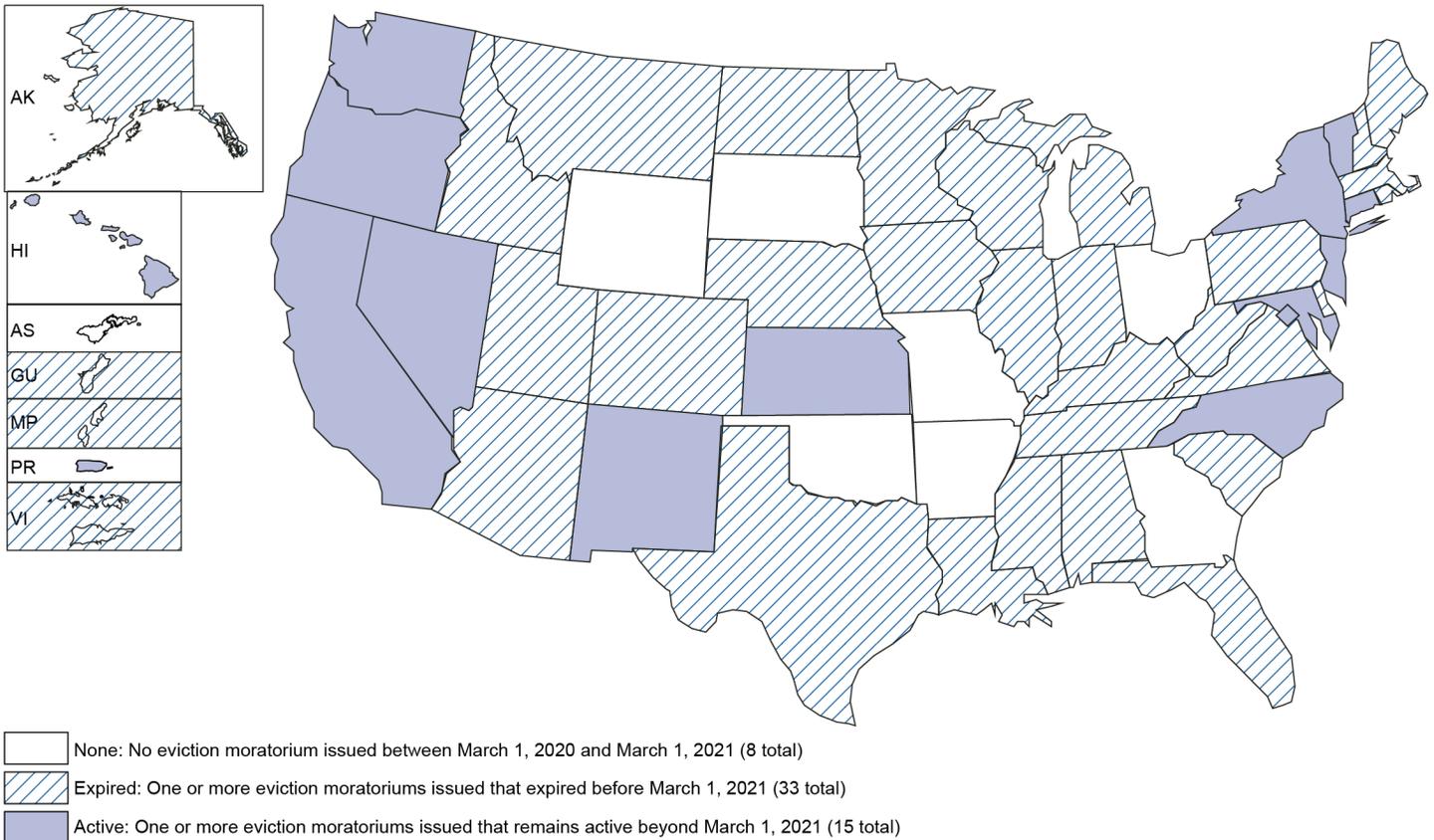
Source: GAO analysis of CARES Act, and documents published by Centers for Disease Control and Prevention (CDC), Consumer Financial Protection Bureau, Fannie Mae and Freddie Mac (enterprises), Federal Housing Finance Administration, Federal Housing Administration (FHA), Department of Veterans Affairs (VA), and Rural Housing Service (RHS). | GAO-21-370

Note: Sections 4022–4024 refer to sections of the CARES Act, and CDC order refers to CDC’s September 2020 order that prohibited evictions of eligible renters (*Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19*). The timelines for the section 4023 eviction moratorium include the agency and enterprise deadlines and the maximum amounts of forbearance available. For example, the enterprises allow multifamily borrowers to request forbearance through June 30, 2021 and receive up to 6 months of forbearance.

In addition to the federal eviction moratoriums, a number of states, territories, and local governments have implemented moratoriums to limit evictions during the pandemic. As of January 2021, 48 states and territories had implemented eviction moratoriums through various executive, legislative, and judicial measures since March 2020.<sup>28</sup> Fifteen of these moratoriums remain active beyond March 1, 2021. An additional eight states and territories did not implement moratoriums (see fig. 2).

<sup>28</sup>See Emily Benfer, et al., *COVID-19 Eviction Moratoria by State, Commonwealth, and Territory*, accessible at <https://docs.google.com/spreadsheets/u/1/d/e/2PACX-1vTH8dUIbfnt3X52TrY3dEHQCAm60e5nqo0Rn1rNcf15dPGeXxM9QN9UdxUfEjxwvFTKzbCbZxJMdR7X/pubhtml>.

**Figure 2: Status of Separate U.S. State and Territorial Eviction Moratoriums (as of March 1, 2021)**



Source: GAO analysis of data collected and summarized by the Eviction Lab at Princeton University and Emily Benfer (Wake Forest University). | GAO-21-370

Note: State and territorial eviction moratoriums include executive, judicial, and legislative orders that are separate from federal eviction moratoriums and limit the initiation of evictions, court processes, or enforcement of eviction rulings.

Assistance to mortgage borrowers during the pandemic generally has included expanded options for mortgage forbearance, foreclosure moratoriums, and expanded home retention options (including forbearance repayment). For single-family borrowers with federally backed mortgages, section 4022 of the CARES Act requires mortgage servicers to provide up to 360 days of payment forbearance and

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prohibited foreclosures.<sup>29</sup> For multifamily borrowers with federally backed mortgages, section 4023 of the CARES Act requires mortgage servicers to provide up to 90 days of payment forbearance.<sup>30</sup> Federal agencies, the enterprises, and the President have taken additional steps to extend the mortgage forbearance and foreclosure protections.<sup>31</sup> Additionally, the agencies and enterprises developed home retention and forbearance repayment options to make repayment of forborne amounts more affordable by allowing borrowers to repay over time (as opposed to requiring repayment in a lump sum).<sup>32</sup>

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<sup>29</sup>Pub. L. No. 116-136, div. A, § 4022, 134 Stat. at 490. Mortgage servicers, which in some cases are not the entity that originated the loan, are responsible for managing the loan, including collecting payments, communicating with borrowers, and maintaining escrow accounts and insurance. Mortgage servicers earn a fee for acting as the servicing agent on behalf of the owner of the loan. The foreclosure moratorium prohibited mortgage servicers of a federally backed mortgage from initiating any judicial or non-judicial foreclosure process, moving for a foreclosure judgment or order of sale, or execute a foreclosure-related eviction or foreclosure sale for not less than the 60-day period beginning on March 18, 2020. The agencies and enterprises extended this moratorium through June 30, 2021.

<sup>30</sup>Pub. L. No. 116-136, Div. A, § 4023, 134 Stat. at 491. Multifamily forbearance is available to borrowers who were current with loan payments as of February 1, 2020 and requested forbearance through December 31, 2020. Section 4023 requires multifamily borrowers to document their financial hardship, whereas section 4022 does not impose a similar requirement on single-family borrowers.

<sup>31</sup>For single-family borrowers, the agencies and enterprises clarified that borrowers may be eligible for an additional 6 months of forbearance (up to 18 months). FHA, RHS, and VA allow mortgage servicers to initiate new forbearances through June 30, 2021 and allow borrowers who requested an initial forbearance on or before June 30, 2020 to request up to two additional 3-month forbearance extensions. The enterprises have not provided a deadline for mortgage servicers to initiate new forbearances, but borrowers must have been in forbearance as of February 28, 2021 to be eligible for the additional extensions.

<sup>32</sup>For example, the enterprises, FHA, and VA allow single-family borrowers to resume their mortgage payments and repay forborne amounts when their loans mature, are refinanced, or when they sell their property (known as a COVID-19 payment deferral or partial claim). Alternatively, RHS allows some single-family borrowers to extend their loan term for the length of the forbearance. Multifamily borrowers generally have 12 months to repay missed payments but may qualify for extended forbearance and repayment. The enterprises, through their own COVID-19 forbearance programs, have given qualifying multifamily borrowers the option to extend forbearance by up to 3 months (6 months in total) and repayment by up to 12 months (24 months in total).

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## Federal Role in Housing Market and Pandemic-Related Housing Protections

Federal efforts to promote housing stability among renters and mortgage borrowers have primarily focused on properties with federally backed mortgages or that received federal assistance. The CARES Act generally defines federally backed mortgages as those insured, guaranteed, made directly, purchased, or securitized by federal entities.<sup>33</sup>

Federal entities perform these functions in the primary and secondary mortgage markets. In the primary market, where lenders originate mortgage loans to borrowers to purchase homes, the federal government—through FHA, RHS, and VA—operates mortgage insurance and guarantee programs to promote homeownership for certain types of borrowers. RHS and VA also directly originate a limited number of loans. In the secondary market, the federal government purchases and securitizes mortgages through the enterprises—that is, Fannie Mae and Freddie Mac—to promote the liquidity, stability, and affordability of mortgage credit.<sup>34</sup> The enterprises generally purchase mortgages from lenders that meet certain criteria and hold the loans in their own portfolios or pool them into mortgage-backed securities that are then sold to investors. The enterprises guarantee the timely payment of principal and interest to investors.

Most mortgages are backed by a federal agency or enterprise. For single-family properties, over 75 percent of all mortgages are backed by the enterprises, FHA, and VA, according to Black Knight (a mortgage servicing platform and data analytics firm). For multifamily properties, about 47 percent of outstanding mortgage debt is federally backed, according to an analysis of Federal Reserve data by the National Multifamily Housing Council.<sup>35</sup> In addition, many rental units are in federally backed properties. The Urban Institute estimates that, in total, about 28 percent of rental units in single- and multifamily properties are federally backed and therefore covered under the CARES Act.<sup>36</sup>

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<sup>33</sup>Pub. L. No. 116-136, div. A, §§ 4022(a)(2), 4023(f)(2), 4024(a)(4), (5).

<sup>34</sup>The enterprises are currently under the conservatorship of the Federal Housing Finance Agency.

<sup>35</sup>National Multifamily Housing Council, *Federal Government Backs Nearly Half of Multifamily Mortgage Debt* (Apr. 16, 2020).

<sup>36</sup>Urban Institute, *The CARES Act Eviction Moratorium Covers All Federally Financed Rentals—That's One in Four US Rental Units*.

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Eviction moratoriums in the CARES Act also covered properties and rental units that received funding from federal housing assistance programs. For example, the section 4024 moratorium covered rental units in properties that received funding from Public Housing, the Section 8 Housing Choice Voucher, Section 8 project-based housing, Section 202 housing for the elderly, and Section 811 housing for people with disabilities programs.<sup>37</sup> Among the nearly 44 million rental units in the United States, about 12 percent received federal housing assistance and were therefore covered under the CARES Act, according to the Federal Reserve Bank of Atlanta.<sup>38</sup>

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## Eviction Process and the Role of Local Governments

The federal role in administering and overseeing evictions is limited. Evictions are primarily governed by state and local laws and administered by local courts and law enforcement. Eviction moratoriums during the pandemic have targeted various stages of the eviction process. The CARES Act eviction moratorium prohibited property owners from filing to initiate an eviction (the earlier stages of eviction). By comparison, CDC clarified that its eviction moratorium does not prevent property owners from filing for eviction and only prohibits the execution of an eviction order (the latest stage of eviction).<sup>39</sup> State and local moratoriums during the pandemic similarly targeted various stages of the process.<sup>40</sup> Figure 3 describes the general process for evicting a tenant from a residential property, which varies based on state and local law.

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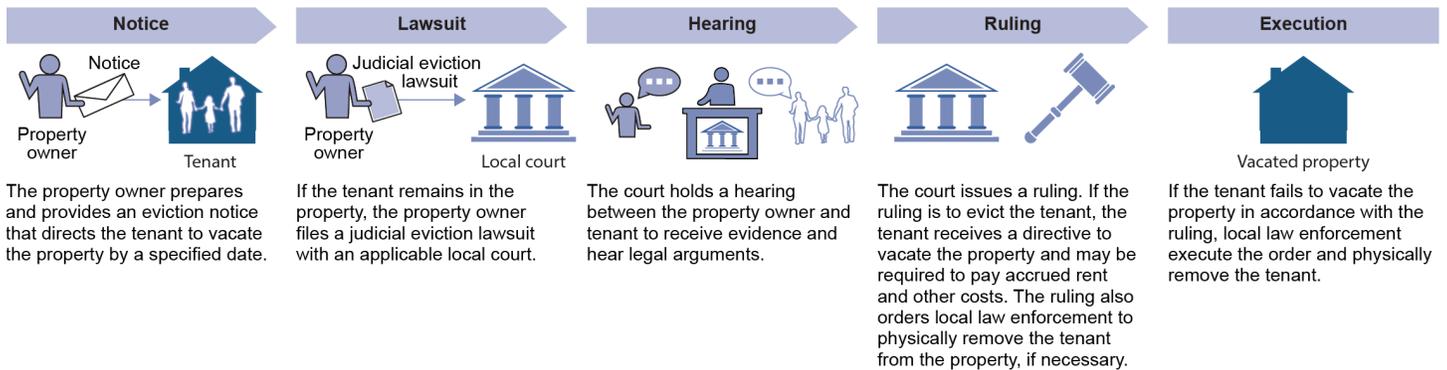
<sup>37</sup>Pub. L. No. 116-136, div. A, § 4024(a)(2).

<sup>38</sup>Federal Reserve Bank of Atlanta, *Housing Policy Impact: Federal Eviction Protection Coverage and the Need for Better Data*. This estimate likely undercounts the total number of federally subsidized units because it does not include units subsidized through Housing Choice Vouchers (about 2.6 million units) or several RHS grant and voucher programs.

<sup>39</sup>Centers for Disease Control and Prevention, *HHS/CDC Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19: Frequently Asked Questions*.

<sup>40</sup>Hal Martin, *Data Updates: Measuring Evictions during the COVID-19 Crisis*, Federal Reserve Bank of Cleveland, accessed February 3, 2021, <https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20200902-data-updates-measuring-evictions-during-the-covid-19-crisis.aspx>.

**Figure 3: Overview of Process for Evicting a Tenant from a Residential Property**



Source: GAO analysis of information from the National Housing Law Project. | GAO-21-370

## Federal Rental Assistance during COVID-19

Both the CARES Act and the Consolidated Appropriations Act, 2021 funded rental assistance programs to promote housing stability among renters and property owners during the pandemic. The CARES Act appropriated an additional \$5 billion to state and local grantees through the Department of Housing and Urban Development’s (HUD) Community Development Block Grant program and an additional \$4 billion through the Emergency Solutions Grant program.<sup>41</sup> In addition, the CARES Act created the Coronavirus Relief Fund, which directed Treasury to disburse \$150 billion to state and local grantees to offset costs incurred from COVID-19.<sup>42</sup> While Treasury’s fund and both of HUD’s grants allowed grantees to use funds to support rental assistance programs, grantees

<sup>41</sup>Pub. L. 116-136, div. B, tit. XII, 134 Stat. at 606-610. Community Development Block Grants are intended to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Emergency Solutions Grants are targeted towards helping individuals quickly regain stability in permanent housing after experiencing a housing crisis or homelessness.

<sup>42</sup>Pub. L. No. 116-136, div. A, § 5001, 134 Stat. at 501. Grantees were allowed to use funds to offset expenditures incurred from the COVID-19 pandemic that were not accounted for in the budget most recently approved for the state or eligible government prior to enactment of the CARES Act and were incurred from March 1, 2020 to December 30, 2020. The Consolidated Appropriations Act, 2021 allowed grantees to use funds to for costs incurred through December 31, 2021—one year beyond the deadline established in the CARES Act.

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used only a small proportion of funds for this purpose.<sup>43</sup> As of late December 2020, data collected by the National Low Income Housing Coalition suggest that the Community Development Block Grant, Emergency Solutions Grant, and Coronavirus Relief Fund had funded at least 192 state and local rental assistance programs totaling about \$2.6 billion.<sup>44</sup>

Congress appropriated additional rental assistance funds in late December 2020 in the Consolidated Appropriations Act, 2021 through the Emergency Rental Assistance program. Section 501 of the act directed Treasury to disburse \$25 billion in funds to eligible state and local grantees primarily based on population by January 26, 2021.<sup>45</sup> Grantees must use the funds for financial assistance to households—generally through direct payments to property owners and utility providers. Eligible costs include accrued and future rent, utilities, and other housing expenses. In addition, Emergency Rental Assistance program funds are reserved for households experiencing financial hardship that can demonstrate a risk of housing instability and have income no greater than 80 percent of the area median income. Grantees also must prioritize funds for households with income no greater than 50 percent of the area median income or that are experiencing extended unemployment.

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<sup>43</sup>The eligible uses of the Treasury and HUD funds are broad. For example, Coronavirus Relief Fund grantees can use the funds to construct temporary medical facilities to increase COVID-19 testing capacity, and Community Development Block Grant grantees can use the funds to assist local businesses to promote job retention.

<sup>44</sup>National Low Income Housing Coalition, *NLIHC COVID-19 Rental Assistance Database*, accessible at <https://docs.google.com/spreadsheets/d/1hLfybfo9NydIptQu5wghUpKXecimh3gaoqT7LU1JGc8>.

<sup>45</sup>Pub. L. No. 116-260, div. N, § 501, 134 Stat. at 2069.

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## Eviction Moratoriums Have Helped Limit Evictions, but Awareness of CDC's Moratorium May Be Limited

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### Eviction Moratoriums Promoted Housing Stability among Renters

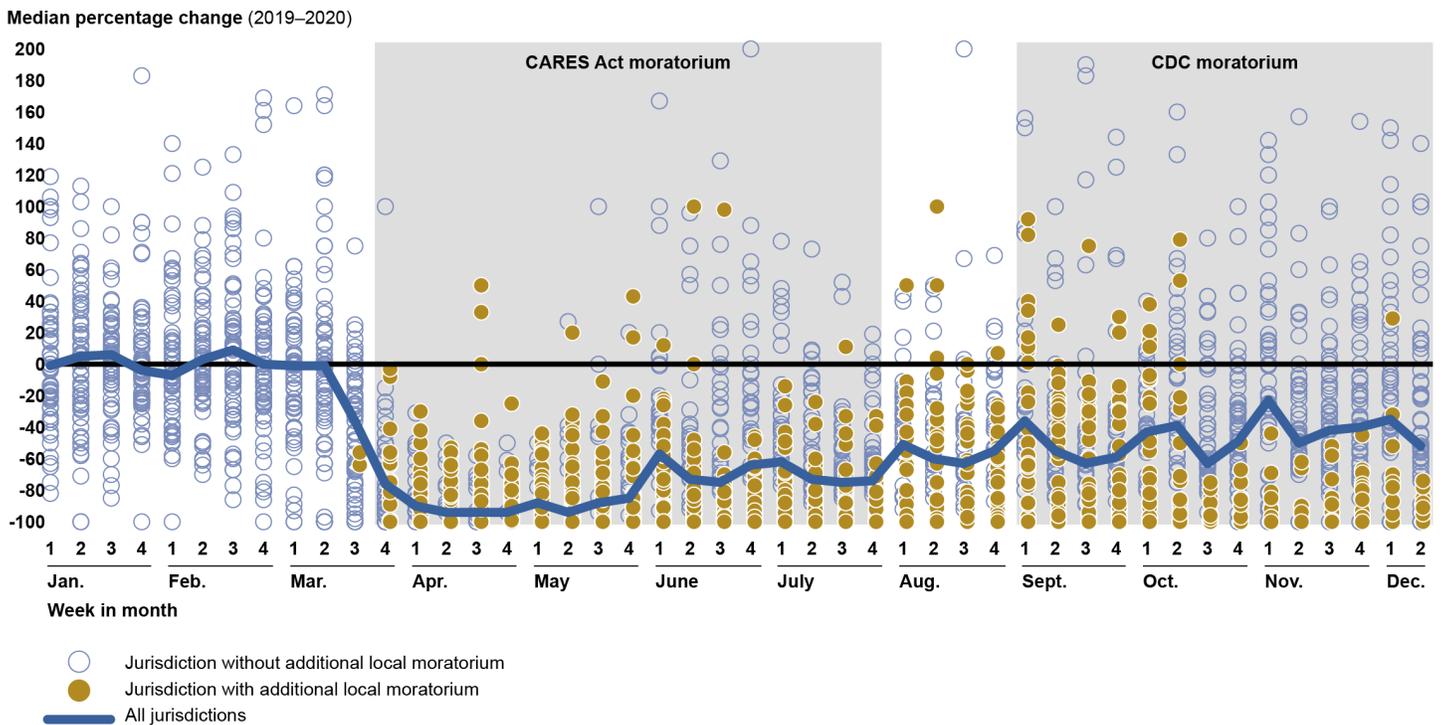
Federal eviction moratoriums created by the CARES Act and CDC—in combination with a number of state and local measures—helped limit evictions during the pandemic. As shown in figure 4, eviction filings with local courts decreased rapidly after Congress passed the CARES Act in late March 2020, based on data from 63 jurisdictions the Federal Reserve Bank of Cleveland collected and summarized.<sup>46</sup> The median rate of eviction filings in the jurisdictions was as much as 94 percent lower in April 2020 than in April 2019. Court closures early in the pandemic also contributed to the rapid decrease in eviction filings. When the CARES Act moratorium expired on July 24, 2020, the median rate of eviction filings remained about 74 percent lower than it had been during the same period in 2019. Eviction filings did not drop rapidly after CDC issued its eviction moratorium on September 4, 2020—they gradually increased—but the median rate of eviction filings remained at about half of 2019 levels through the second week of December 2020.

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<sup>46</sup>Hal Martin, *Data Updates: Measuring Evictions during the COVID-19 Crisis*. The 63 jurisdictions included county and city courts in 14 states that represented about 13 percent of all U.S. renters. The Federal Reserve Bank of Cleveland generally selected jurisdictions based on data availability. National data on executed eviction rulings, which the moratoriums sought to limit, do not exist. In the absence of such data, researchers have collected and analyzed data on eviction filings with local courts from a selection of jurisdictions. These data may not completely demonstrate the effectiveness of the moratoriums in keeping renters housed during the pandemic, especially during the CDC moratorium, which did not prevent property owners from filing eviction lawsuits.

**Figure 4: Percentage Change in Eviction Filings in Selected Jurisdictions (2019–2020)**

Eviction moratoriums imposed by the CARES Act, Centers for Disease Control and Prevention (CDC), and state and local jurisdictions in response to the COVID-19 pandemic resulted in fewer eviction filings in 2020 than in 2019.



Source: GAO analysis of data from the Federal Reserve Bank of Cleveland. | GAO-21-370

Note: The 63 jurisdictions in the figure were selected by the Federal Reserve Bank of Cleveland based on data availability and include county and city courts in 14 states that represent about 13 percent of all U.S. renters. The local moratoriums on evictions were issued by governors, state legislatures, local governments, and state and local courts. To highlight the median trend, we excluded 34 values (jurisdictions) that were greater than 200 percent in a given week (they ranged from 220 to 4,700 percent). Some jurisdictions that historically had few eviction filings experienced large increases after local moratoriums ended.

Jurisdictions with active local moratoriums generally had lower rates of eviction filings than jurisdictions that did not. Since March 2020 (and as of December 2020), about 95 percent of the 63 jurisdictions were under a state or local policy that limited evictions for a certain duration (about 5.3 months on average). For all but 1 week during this time, the median rate of eviction filings was lower in jurisdictions with a local moratorium. For example, when the CARES Act moratorium expired during the fourth week of July 2020, jurisdictions with an active local moratorium had about 88 percent fewer eviction filings (at the median) than in the fourth week of

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July 2019, whereas those without an active local moratorium had about 61 percent fewer. The difference in the rate of eviction filings between locations with and without local moratoriums generally expanded during the remaining months of 2020, including during the CDC moratorium. By the second week of December 2020, jurisdictions with an active local moratorium had about 91 percent fewer eviction filings (at the median) than in the second week of December 2019, whereas those without an active local moratorium had only about 36 percent fewer.

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### Renters and Property Owners May Be Unaware of the Eviction Moratorium, and CDC Lacks a Communication and Outreach Plan

Many renters at risk of eviction may not be fully aware of CDC's moratorium on evictions. As shown in figure 4, eviction filings generally increased during the agency's moratorium, especially in jurisdictions without separate local moratoriums. In addition, some states and localities have implemented requirements targeted at increasing awareness and understanding of the moratorium. For example, under an executive order, property owners in North Carolina are required to provide their tenant with a blank copy of CDC's declaration form when they file an eviction lawsuit.<sup>47</sup> Although comprehensive information does not exist on renter awareness of the moratorium, the increasing rate of eviction filings and the need for state and local measures targeted at increasing awareness suggest that some renters and property owners may be unaware of the CDC moratorium or its requirements.

Gaps in awareness could limit the ability of renters to utilize the CDC moratorium to avoid eviction. Although the CARES Act moratorium automatically halted evictions of covered renters, CDC has required that renters provide a completed declaration form to their property owner affirming that they meet multiple eligibility criteria to halt an eviction, such as stating that they had exhausted other housing options and risk

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<sup>47</sup>State of North Carolina, *Executive Order No. 171: Assisting North Carolinians at Risk of Eviction* (Oct. 28, 2020).

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homelessness if evicted.<sup>48</sup> However, property owners and local courts are not required to notify tenants of the moratorium or this requirement.

According to CDC communication and outreach guidelines for pandemics, it is critical to keep the public informed through clear, accurate, and timely communication.<sup>49</sup> However, CDC has conducted very limited communication and outreach to help ensure that renters and property owners understand its eviction moratorium. To date, CDC has not taken significant steps to increase awareness of the moratorium apart from publishing frequently asked questions in October 2020.<sup>50</sup> For example, the agency had not established a mechanism to receive complaints from affected parties, actively publicized the moratorium, or worked with federal entities or advocacy groups to increase understanding of the moratorium or its requirements among renters and property owners.<sup>51</sup>

CDC officials acknowledged that additional communication and outreach were needed to improve awareness and understanding of the moratorium. They said one reason they had not conducted additional outreach was that they did not have prior established relationships with

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<sup>48</sup>Centers for Disease Control and Prevention, *Declaration under Penalty of Perjury for the Centers for Disease Control and Prevention's Temporary Halt in Evictions to Prevent Further Spread of COVID-19* (Feb. 4, 2021). In addition to income limits, renters are required to declare that they (1) were unable to make a full rent or housing payment as a result of a substantial loss of income, (2) used their best efforts to obtain available government assistance for rent or housing, and (3) that eviction would likely have rendered them homeless or forced them to move into a shared living setting. According to the National Housing Law Project, some renters may have been deterred from signing the declaration form because it contained multiple eligibility criteria and carried penalties for perjury.

<sup>49</sup>Centers for Disease Control and Prevention, *Communication and Public Outreach* (Nov. 3, 2016), accessible at <https://www.cdc.gov/flu/pandemic-resources/planning-preparedness/communication-public-outreach.html>.

<sup>50</sup>CDC most recently updated its guidance in connection with the Director's extension of the moratorium through March 31, 2021. Centers for Disease Control and Prevention, *HHS/CDC Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19: Frequently Asked Questions* (Feb. 4, 2021).

<sup>51</sup>In February 2021, CDC officials said the agency had not referred any potential violations of the moratorium to the Department of Justice, which is responsible for prosecuting such cases. CDC's order on eviction moratoriums does not establish an administrative appeal process, and the agency directs individuals who need legal assistance with appeals for eviction actions that they believe are in violation of the moratorium to consult with a private attorney or legal aid program.

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key stakeholder organizations, such as housing advocacy groups. The officials also acknowledged that opportunities existed to leverage relationships with federal entities, such as HUD, Treasury, and the U.S. Interagency Council on Homelessness to assist in outreach on the eviction moratorium. Yet, as of February 2021, CDC officials had not developed a clear plan for conducting additional communication and outreach in coordination with relevant federal entities to help ensure renters and property owners are aware of the eviction moratorium.

By developing and implementing a communication and outreach plan on its eviction moratorium, CDC can help ensure that renters and property owners are aware of the moratorium and understand how to effectively exercise it—consistent with its goal of promoting housing stability during the pandemic to limit the spread of COVID-19.<sup>52</sup>

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## Renters and Property Owners Continue to Face Financial Challenges

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### Renters Have Experienced Greater Financial Hardship than Homeowners

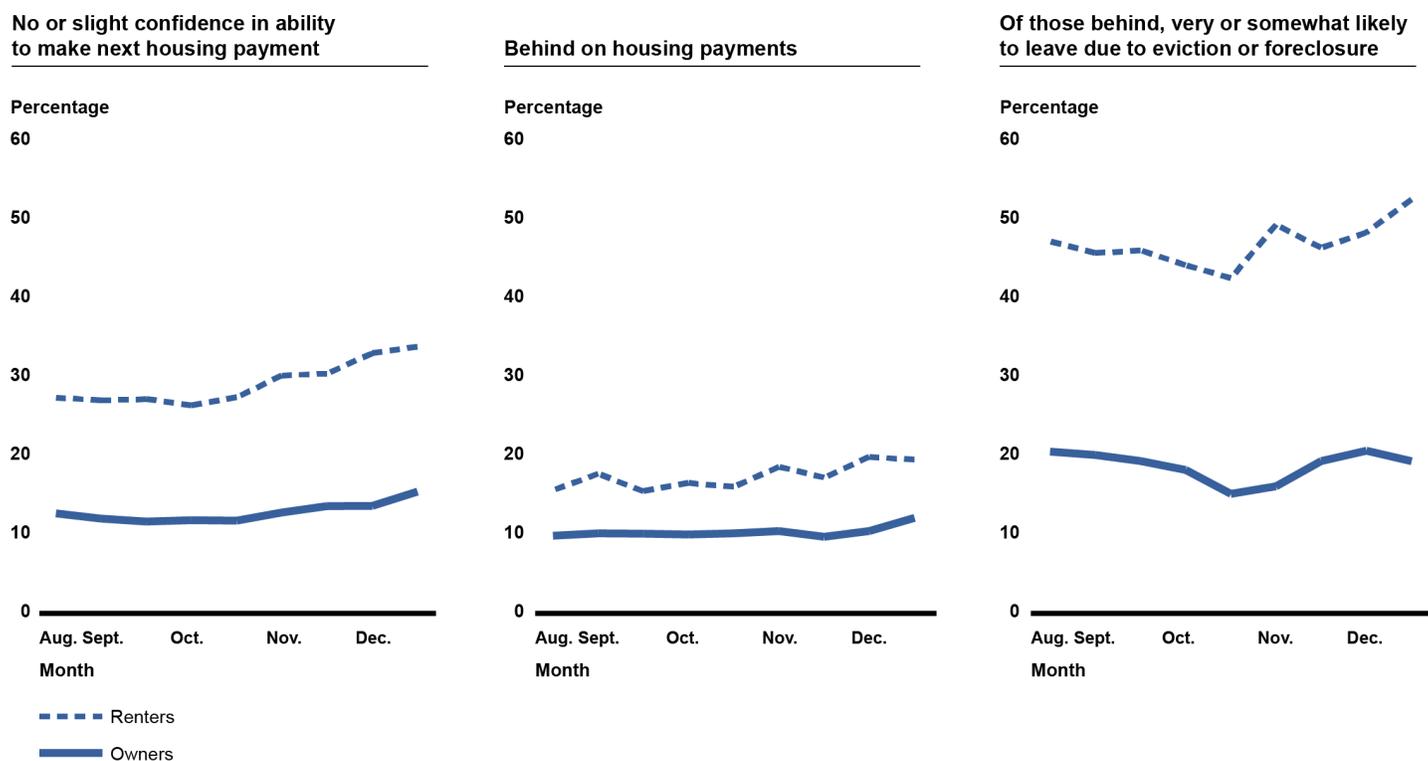
Despite federal eviction moratoriums, many renters have continued to experience high rates of financial hardship, especially compared to homeowners. The national unemployment rate peaked at 14.8 percent in April 2020 and has remained well above pre-pandemic levels. During the pandemic, renters reported lower confidence in their ability to meet housing payments, higher rates of missed housing payments, and greater concern over eviction as compared to homeowners, according to the

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<sup>52</sup>86 Fed. Reg. 8020 (Feb. 3, 2021). On February 25, 2021, the United States District Court for the Eastern District of Texas held that the CDC moratorium was unconstitutional. *Terkel v. Centers for Disease Control and Prevention*. 2021 WL 742877. The court concluded that the moratorium exceeded the federal government's authority to regulate interstate commerce under the Constitution's Commerce Clause. The Department of Justice has filed a notice of appeal to the United States Court of Appeals for the Fifth Circuit. In the announcement of its appeal, the Department of Justice noted that the district court's decision did not extend beyond the particular plaintiffs in the *Terkel* case and did not prohibit the application of the CDC moratorium to other cases.

Census Bureau’s Household Pulse Survey.<sup>53</sup> As shown in figure 5, in mid-December 2020—the most recent reporting period available at the time of our review—an estimated 52 percent of renters who were behind on payments reported that it was very or somewhat likely they would leave their rental property in the next 2 months because of eviction. By comparison, an estimated 19 percent of homeowners who were behind on payments reported that it was very or somewhat likely they would leave their homes in the next 2 months because of foreclosure. These trends have persisted over the course of the pandemic, and concern over eviction has grown among renters.

**Figure 5: Comparison between Homeowners and Renters of Challenges Making Housing Payments (August–December 2020)**



Source: GAO analysis of Census Bureau Household Pulse Survey data. | GAO-21-370

Note: Estimates in this figure have a margin of error of plus or minus 5 percentage points or less at the 95 percent confidence level. The months of August and September appear closer together in the figure than other months because data begin on August 19, 2020.

<sup>53</sup>All estimates we report from the Census Bureau’s Household Pulse Survey have a margin of error of plus or minus 5 percentage points or less at the 95 percent confidence level. All comparisons between renters and homeowners were also statistically significant at the 95 percent confidence level.

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Renters have experienced greater financial hardship and potential housing instability during the pandemic in part because they have experienced higher rates of unemployment and greater income losses than homeowners. In mid-December 2020, an estimated 60 percent of renters reported a loss of employment income since March 2020, as compared to an estimated 48 percent of homeowners, according to the Census Bureau's survey. According to the Urban Institute and Joint Center for Housing Studies at Harvard University, renters were more likely to have worked in lower-wage jobs affected by the pandemic and to have lost income from employment.<sup>54</sup>

The financial relief provided in response to the pandemic gives many homeowners—but not renters—the ability to suspend housing payments. The CARES Act allows a majority of single-family mortgage borrowers to suspend or reduce their mortgage payments by entering into forbearance for up to 360 days, and federal agencies and the enterprises introduced additional flexibility on how and when homeowners must repay forborne amounts. For example, the enterprises created a new repayment option (known as a COVID-19 payment deferral), which allows borrowers to resume their monthly mortgage payment and repay forborne amounts when their loans matures, are refinanced, or when they sell their property.

Although the CARES Act and CDC moratoriums protected some renters from eviction, laws and federal agency actions have not provided renters with forbearance and repayment options comparable to those offered to mortgage borrowers. In addition, CDC clarified that property owners could continue to charge fees, penalties, or interest associated with missed payments, which renters would owe along with accrued rent when the moratorium expired. As a result, renters experiencing financial hardship have relied more heavily on alternative funding sources to continue making housing payments, such as borrowing from friends or family or from government subsidies (e.g., economic impact payments, unemployment insurance), according to the Census Bureau's Household Pulse Survey.

In addition, Black and Hispanic renters have experienced the greatest financial hardship. In mid-December 2020, it was estimated that nearly

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<sup>54</sup>Jung Hyun Choi and Kaitlin Young, *Owners and Renters of 6.2 Million Units in Small Buildings Are Particularly Vulnerable during the Pandemic* (Urban Institute: Aug. 10, 2020); and Whitney Airgood-Obrycki and Alexander Hermann, *Interactive Tool Illustrates the Disparate Economic Impacts of the Pandemic* (Harvard Joint Center for Housing Studies: Feb. 8, 2021).

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half of Black and Hispanic renters had slight or no confidence in their ability to make their next rent payment, according to the Census Bureau's Household Pulse Survey, compared to an estimated quarter of White renters.

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### Mortgage Forbearance Has Helped Some Property Owners Temporarily Offset Missed Rental Payments

Property owners have relied on temporary mortgage forbearance to offset missed rental payments. Section 4023 of the CARES Act required servicers to provide multifamily properties with federally backed mortgages with up to 90 days of forbearance. In the months leading up to the COVID-19 pandemic (January and February 2020), the agencies that insure multifamily loans—FHA and RHS—and the enterprises told us they had no multifamily loans in forbearance. However, by June 2020, the agencies and enterprises reported that about 7.3 percent of multifamily loans backed by FHA, RHS, and the enterprises—about 6,400 in total—were under a forbearance agreement. Use of multifamily forbearance declined in the months that followed. In December 2020, Fannie Mae and Freddie Mac reported that about 0.4 percent and 2.3 percent of their total unpaid balance for multifamily loans remained in forbearance, respectively.

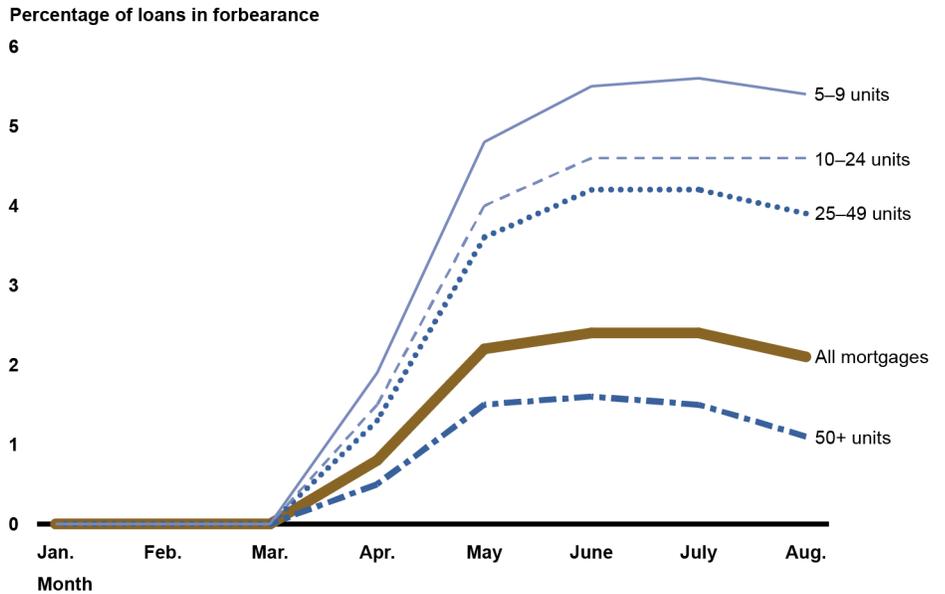
Multifamily mortgage forbearance rates have been highest among smaller properties, which suggests that smaller, non-institutional property owners have experienced the greatest financial challenges from missed rental payments. In August 2020, about 5.4 percent of FHA- or enterprise-backed properties with 5–9 units were under a mortgage forbearance, as compared to about 1.1 percent among such properties with 50 or more units (see fig. 6).<sup>55</sup> According to CoreLogic (a housing data analytics firm), larger property management and investment firms tend to own larger properties, whereas non-institutional investors who manage just one or two properties tend to own smaller properties.<sup>56</sup>

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<sup>55</sup>RHS did not provide forbearance data by property size. However, loans backed by the agency used forbearance at a relatively high rate—about 22 percent of multifamily loans backed by RHS were in forbearance in June 2020.

<sup>56</sup>Frank Nothaft, *Multifamily Ownership and Mortgage Use by Property Size* (CoreLogic: Nov. 19, 2019).

**Figure 6: Percentage of Federally Backed Multifamily Mortgages in Forbearance, by Property Size (January–August 2020)**



Source: GAO analysis of data provided by Fannie Mae, Federal Housing Administration, and Freddie Mac. | GAO-21-370

Note: We excluded data from the Rural Housing Service because the agency did not provide forbearance data by property size. However, loans backed by the agency used forbearance at a relatively high rate—about 22 percent of multifamily loans backed by the Rural Housing Service were in forbearance in June 2020.

Because multifamily forbearance provisions and the eviction moratorium end in early 2021, some property owners and renters will need to quickly receive rental assistance funds if pandemic-related mortgage defaults and evictions are to be avoided. The deadline to enter forbearance has expired for most multifamily borrowers covered by the CARES Act.<sup>57</sup> After forbearance, multifamily property owners must generally begin repaying

<sup>57</sup>The deadline for multifamily loans backed by FHA and RHS to enter forbearance was December 31, 2020 (when section 4023 expired). The enterprises extended the deadline for their COVID-19 multifamily forbearance programs through June 30, 2021. The CARES Act required mortgage servicers to provide covered multifamily borrowers with 90 days of forbearance, and the enterprises, through their own COVID-19 forbearance programs, allow for a 90-day extension under certain conditions (6 months in total).

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the forbore amount immediately and entirely within 12 months.<sup>58</sup> Given these financial constraints, some property owners may have few options beyond eviction to improve the financial performance of their property after the CDC eviction moratorium ends on March 31, 2021. Although some property owners have allowed tenants to repay accrued rent over time through repayment plans, other property owners—especially those with fewer units and lower-income tenants—may not have the financial resources to compensate for an extended period of missed rent payments.<sup>59</sup>

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## Treasury’s Updated Guidance for the Emergency Rental Assistance Program Addresses Some Initial Concerns about Administrative Challenges

Treasury’s initial guidance to grantees on the implementation of the Emergency Rental Assistance program did not include some information critical to grantees in the early stages of program development and contained requirements that may slow the distribution of assistance to or deter participation by renters. The Consolidated Appropriations Act, 2021 appropriated \$25 billion to Treasury to disburse by January 26, 2021 to state and other eligible grantees to fund rental assistance programs.<sup>60</sup> As of January 29, 2021, Treasury had disbursed 99 percent of the appropriated funds, according to Treasury officials. Treasury issued initial guidance on the use of funds through a grantee award contract (issued on January 4, 2021) and a list of frequently asked questions (issued on January 19, 2021).<sup>61</sup> Treasury intends to provide additional guidance to grantees on a rolling basis through its frequently asked questions.<sup>62</sup>

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<sup>58</sup>FHA does not specify forbearance repayment terms for multifamily loans. Under certain conditions, the enterprises may allow multifamily borrowers to delay repayment (up to 6 months) and extend the repayment period up to an additional 12 months (24 months in total).

<sup>59</sup>Marin Scott, *Landlords and Renters Struggling to Make Ends Meet During COVID-19 Uncertainty* (Feb. 8, 2021); accessed at <https://www.avail.co/blog/landlords-and-renters-struggling-to-make-ends-meet-during-covid-19-uncertainty>.

<sup>60</sup>Pub. L. No. 116-260, div. N, § 501(a), (b) (2020), 134 Stat. at 2069.

<sup>61</sup>Department of the Treasury, *Emergency Rental Assistance Program* (Jan. 4, 2021); and *Emergency Rental Assistance Frequently Asked Questions* (Jan. 19, 2021).

<sup>62</sup>As grantees awaited additional guidance from Treasury, stakeholders we interviewed developed or were developing guidance to grantees on designing effective and compliant Emergency Rental Assistance programs. For example, the National Low Income Housing Coalition published a guide on administering rental assistance programs funded through the Consolidated Appropriations Act, 2021. See National Low Income Housing Coalition, *Best Practices for State and Local Emergency Rental Assistance Programs* (Jan. 11, 2021). In addition, the National Council of State Housing Agencies said it contracted with a consulting firm to develop a model program guide for designing programs that use Emergency Rental Assistance program funds.

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Treasury's initial guidance for the Emergency Rental Assistance program did not address several key requirements outlined in the Consolidated Appropriations Act, 2021. The lack of clarification on these requirements may have delayed or complicated efforts to establish rental assistance programs that use the funds in a timely manner. On February 22, 2021, Treasury updated its frequently asked questions to address some concerns we identified when we provided a draft of this report to the agency for comment on February 19, 2021. Treasury's updated guidance addressed some but not all of our concerns with the initial guidance, which we discuss later in this section. Notably,

- **Prioritizing assistance.** The act requires grantees to prioritize applications for households at or below 50 percent of the area median income or in which one or more applicant in the household has been unemployed for 90 days. Although Treasury's initial guidance did not discuss how grantees should prioritize such applicants, its updated guidance clarified that grantees have ongoing flexibility but required grantees to communicate their preference system to applicants.
- **Data collection and reporting.** Treasury's initial guidance stated that, at a minimum, grantees must collect and retain information to allow Treasury and HUD to meet quarterly reporting requirements, including identifying information on the rental unit and property owner; amount, length, and nature of rental assistance; and characteristics of the household (income, gender, race, and ethnicity). However, both the initial and recently updated guidance noted that Treasury would provide further instructions on what additional information grantees must report and how they should report it, but this had not yet occurred as of March 3, 2021. Without timely clarification of these requirements, grantees may not be collecting or reporting data needed for Treasury and others to assess program compliance and effectiveness.
- **Other eligible expenses.** In addition to accrued and prospective rent and utility costs, the act allows grantees to pay for other direct or indirect housing expenses and housing stability services. According to the Consolidated Appropriations Act, 2021, Treasury is to define both costs.<sup>63</sup> Although Treasury's initial guidance did not define these other

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<sup>63</sup>HUD defines housing stability services for the Emergency Solutions Grant to include the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. 24 C.F.R. § 576.105(b)(2).

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eligible expenses, its updated guidance provided a definition and examples.

- **Obligated funds.** Starting on September 30, 2021, the act requires Treasury to recapture excess funds not obligated by grantees and redistribute them among grantees that have obligated at least 65 percent of their original allocation. However, both Treasury’s initial and updated guidance did not specify whether or how grantees must commit the funds (e.g., entering into a rental assistance agreement with an applicant) or actually expend the funds (i.e., distribute them to an applicant) by the September deadline. Without further clarification on spending requirements, grantees may be unable to effectively plan expenditures and run the risk of forfeiting unused but needed funds.

Grantees that have previously administered rental assistance programs through another Treasury funding source—the Coronavirus Relief Fund—experienced similar challenges because of limited guidance, according to our analysis and that of four stakeholder groups we interviewed that represent grantees, tenants, and property owners.<sup>64</sup> Several of the stakeholder groups characterized earlier guidance on the Coronavirus Relief Fund as overly broad and unclear.<sup>65</sup> In September 2020, we reported that some grantees delayed transferring these funds to local governments and other sub-recipients because they lacked guidance, such as on eligible costs.<sup>66</sup> Grantees expressed concern that additional guidance issued by Treasury after they implemented rental assistance programs would result in noncompliance and recapture of funds, according to stakeholders that represent grantees and renters. We also

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<sup>64</sup>We interviewed and reviewed the applicable published work of the National Council of State Housing Agencies, National Housing Law Project, National Low Income Housing Coalition, and National Multifamily Housing Council. For example, see National Low Income Housing Coalition, *NLIHC Research Note: Emergency Rental Assistance Programs in Response to COVID-19* (Oct. 27, 2020). The CARES Act appropriated \$150 billion through the Coronavirus Relief Fund to Treasury for state and eligible units of local government to cover eligible expenses incurred through December 30, 2020. The Consolidated Appropriations Act, 2021 extended this deadline to December 31, 2021.

<sup>65</sup>Treasury last substantively updated its Coronavirus Relief Fund guidance in September 2020. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments* (Sept. 2, 2020). In January 2021, Treasury republished its guidance with minor changes and updated deadlines. See 86 Fed. Reg. 4182 (Jan. 15, 2021).

<sup>66</sup>[GAO-21-701](#). In this report, we recommended that the Director of the Office of Management and Budget, in consultation with Treasury, issue an addendum to its Single Audit Act Compliance Supplement to provide necessary audit guidance for the Coronavirus Relief Fund, which the agency has since implemented.

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reported that Treasury increased the risk of noncompliance among grantees by issuing spending and accountability requirements after disbursing the funds.<sup>67</sup> In the absence of clear guidance, some grantees developed burdensome application and program requirements, which increased processing times, limited participation, and prevented some grantees from spending Coronavirus Relief Fund resources by the December 31, 2020 deadline. (Congress later extended this deadline by 1 year).

Treasury's initial guidance also included several requirements and internal controls designed to ensure compliance with applicable laws and limit fraud in the Emergency Rental Assistance program. In prior work, we have emphasized the importance of such controls to help ensure program integrity and reduce the risk of improper payments for programs funded by COVID-19 relief laws.<sup>68</sup>

Treasury faces the challenge of balancing appropriate controls for the Emergency Rental Assistance program with the delays and administrative hurdles those controls may cause—particularly in light of the urgent financial needs of some renters and property owners during the pandemic. Four stakeholder organizations we interviewed that represented renters, property owners, and grantees expressed concern that burdensome documentation requirements in Treasury's initial guidance would delay application processing times and deter renters and property owners from participating in programs that use Emergency Rental Assistance program funds.<sup>69</sup> Treasury's updated guidance addressed many of these concerns, which we discuss later in this section. These requirements included the following:

- **Documentation of income.** Applicants must provide documentation that they meet the program's income requirements (80 percent or less of the area median) based on their household's annual income in 2020 or monthly income at the time of application. Treasury's initial guidance clarified that documentation of income may include wage statements, interest, or unemployment compensation statements, or

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<sup>67</sup>[GAO-20-625](#).

<sup>68</sup>GAO, *Small Business Administration: COVID-19 Loans Lack Controls and Are Susceptible to Fraud*, [GAO-21-117T](#) (Washington, D.C.: Oct. 1, 2020).

<sup>69</sup>These organizations were the National Housing Law Project, National Low Income Housing Coalition, National Multifamily Housing Council, and National Council of State Housing Agencies.

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tax filings (e.g., Form 1040). The initial guidance also noted that applicants documenting income on a monthly basis must provide documentation for at least the 2 months prior to their application for assistance, and grantees must re-determine their eligibility every 3 months for the duration of assistance. This documentation requirement could have delayed assistance to households and deterred participation from those at higher risk of eviction, such as those experiencing extended unemployment or who do not collect unemployment insurance or file tax returns.<sup>70</sup>

All four of the stakeholder organizations we interviewed believed that Treasury should instead allow applicants to provide a written self-certification of income. Other federal housing assistance programs have allowed such self-certification during the pandemic. For example, HUD's Office of Multifamily Programs has temporarily allowed tenants in federally assisted units to self-certify income, and CDC allows renters to self-certify their income and financial hardship status in the declaration form that invokes its eviction moratorium.

Although self-certification may help grantees distribute funds to recipients more efficiently, it also may increase the potential for fraud risks. To mitigate these risks, agencies that allow self-certification for rental assistance programs have introduced additional oversight procedures. For example, HUD's Community Development Block Grant program, which the agency has used to distribute emergency housing assistance funds, permits applicants to self-certify household income in the absence of documentation while also allowing for an audit of the certification by the agency. In addition, the Federal Emergency Management Agency's Individuals and Households Program provides up to 2 months of rental assistance to individuals displaced by Presidentially declared disasters with no documentation of income. FEMA only requires documentation of income when individuals apply for an extension to the initial rental assistance.

- **Documentation of financial hardship.** Recipients of Emergency Rental Assistance program funds must demonstrate a financial hardship and a risk of experiencing homelessness or housing instability. Unlike the documentation requirement for income, Treasury implied (through its initial frequently asked questions) that there is

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<sup>70</sup>A recent study of grantees that administered rental assistance programs funded through the Coronavirus Relief Fund found that strict documentation and other requirements, such as requiring applicants to document financial hardship, resulted in more incomplete applications and challenges distributing funds. Housing Initiative at Penn, New York University Furman Center, and National Low Income Housing Coalition, *COVID-19 Emergency Rental Assistance: Analysis of a National Survey of Programs* (January 2021).

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flexibility in how grantees should document financial hardship. According to the initial guidance, grantees must document financial hardship using past-due rent or eviction notices, among other documentation, but only if it is administratively feasible. However, Treasury did not specify what it meant by “administratively feasible” (for example, number of attempts to obtain documentation). The agency also did not specify whether self-certification of hardship would constitute sufficient documentation in cases in which the applicant cannot provide the example documents noted in the guidance.

- **Outreach to property owners and utility providers.** Grantees must make reasonable efforts to obtain the cooperation of property owners and utility providers to accept rental assistance payments on behalf of renters. If a property owner or utility provider chooses not to participate—for example, because they do not want to comply with program requirements—grantees can provide funds directly to renters. Treasury stated in its initial frequently asked questions that acceptable efforts by grantees to contact property owners and utility providers includes a request by certified mail or at least three attempts by phone or email in a 21-day period. Stakeholder groups that represent grantees and tenants suggested that this response period should be shorter to avoid delaying payments to or deterring participation from households with an urgent need for assistance.

In early February 2021, Treasury staff said they were aware of concerns with the initial guidance for the Emergency Rental Assistance program raised by stakeholder groups and were considering potential updates. Treasury’s goal with respect to the initial frequently asked questions published on January 19, 2021 was to ensure that some initial guidance was available for grantees before Treasury disbursed the funds. According to the staff, developing comprehensive guidance had been challenging given the limited time and transitioning agency leadership.

Treasury issued updated guidance in late February 2021 through its frequently asked questions that addressed several concerns we identified in our draft report. Specifically, the updated guidance

- Clarified that, under certain conditions, grantees are permitted to accept a written attestation without further documentation from an applicant to confirm their household meets the eligibility requirements (i.e., financial hardship, risk of housing instability, and income). Grantees must develop policies and procedures for when they will accept a written attestation without further documentation and reasonable validation and fraud prevention procedures.

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- Reduced the amount of time required for grantees to determine that a property owner or utility provider will not accept payment from 21 days to 10 days (or 14 days if contacted via mail).
  - Provided grantees with flexibility in how they prioritize lower-income households and those experiencing extended unemployment, and required that grantees document and communicate their preference system to applicants.
  - Defined and provided examples of other eligible expenses. The updated guidance defined other eligible expenses to generally include relocation costs, accrued late fees, and internet services; and it provided examples of housing stability services, for example, eviction-related attorney's fees.

The guidance did not address several additional concerns we identified, including clarification of data collection and spending requirements. As we noted, a lack of clear and timely guidance on these requirements could limit Treasury's oversight of the program and grantees' ability to plan future expenses. Treasury officials told us they plan to continue working with stakeholders to provide additional guidance on these and other issues moving forward.

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## Conclusion

As the COVID-19 pandemic persists, potentially millions of renters and property owners will continue to experience financial challenges. The CDC eviction moratorium provides some measure of relief to struggling renters, but there are indications that some renters facing eviction may be unaware of and unable to exercise the moratorium, and therefore unnecessarily evicted. CDC has taken few steps to help publicize the moratorium. By conducting greater public outreach in coordination with relevant federal entities to ensure eligible renters and property owners are aware of and invoke the eviction moratorium, CDC could help maximize its assistance to vulnerable renters, promote housing stability during the pandemic, and slow the spread of COVID-19.

Treasury faces a challenging task in developing the new \$25 billion Emergency Rental Assistance program with limited time and under crisis conditions. Treasury's initial program guidance lacked clarity regarding certain key requirements and could have created some unnecessary administrative challenges for grantees. Treasury's updated guidance provides greater clarity on some program requirements and strikes a more appropriate balance with controls that seek to reduce administrative burdens while still providing prudent fiscal stewardship. Treasury plans to issue additional guidance over the coming months as assistance flows to

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renters and property owners. We will continue to monitor Treasury's implementation of the program and forthcoming guidance.

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## Recommendation for Executive Action

The Director of the Centers for Disease Control and Prevention, in coordination with other relevant federal entities, should develop and implement a communication and outreach plan designed to ensure that eligible renters and property owners are aware of and able to use the agency's moratorium to prevent eviction. (Recommendation 1)

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## Agency Comments and Our Evaluation

We provided a draft of this report to Department of Health and Human Services and Treasury for review and comment. Department of Health and Human Services provided written comments, which are reprinted in appendix I. Treasury provided only technical comments. In addition, we requested and incorporated technical comments from the Federal Housing Finance Agency and Department of Housing and Urban Development. We requested technical comments from the Rural Housing Service but none were provided.

Department of Health and Human Services did not concur with our recommendation that CDC, in coordination with other relevant federal entities, should develop and implement a communication and outreach plan to ensure that eligible renters and property owners are aware of and able to use the agency's moratorium to prevent eviction. In written comments, CDC said it did not have established relationships with housing organizations that can promote awareness of its eviction moratorium because it is a health protection agency. As a result, CDC is seeking a government partner to assist with communication, education, and dissemination of information, such as HUD or Treasury. We maintain that developing and implementing a communication and outreach plan in coordination with relevant federal entities is critical for promoting awareness and understanding of the moratorium. In fact, working with partners such as HUD to promote awareness is consistent with our recommendation and would likely meet its intent.

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We are sending copies of this report to the appropriate congressional committees, the Director of the CDC, Secretary of Agriculture, Director of Federal Housing Finance Agency, Secretary Designate of Health and Human Services, Secretary of Housing and Urban Development, Secretary of the Treasury, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-8678 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.

A handwritten signature in black ink that reads "John H. Pendleton". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John H. Pendleton  
Director, Financial Markets and Community Investment

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# Appendix I: Comments from the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

OFFICE OF THE SECRETARY

Assistant Secretary for Legislation  
Washington, DC 20201

March 3, 2021

John Pendleton  
Director, Financial Markets and Community Investment  
U.S. Government Accountability Office  
441 G Street NW  
Washington, DC 20548

Dear Mr. Pendleton:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, "*COVID-19 Housing Protections: Moratoriums Have Helped Limit Evictions, but Further Outreach Is Needed*" (Job code 104337/GAO-21-370).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Anne S.  
Tatem -S

Digitally signed by Anne  
S. Tatem -S  
Date: 2021.03.03  
13:47:49 -05'00'

Anne S. Tatem  
Acting Assistant Secretary for Legislation

Attachment

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**Appendix I: Comments from the Department of  
Health and Human Services**

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**GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S DRAFT REPORT ENTITLED — COVID-19 HOUSING PROTECTIONS: MORATORIUMS HAVE HELPED LIMIT EVICTIONS, BUT FURTHER OUTREACH IS NEEDED (GAO-21-370)**

The U.S. Department of Health & Human Services (HHS) appreciates the opportunity from the Government Accountability Office (GAO) to review and comment on this draft report.

**Recommendation 1**

The Director of the Centers for Disease Control and Prevention, in coordination with other relevant federal entities, should develop and implement a communication and outreach plan designed to ensure that eligible renters and property owners are aware of and able to use the agency's moratorium to prevent eviction.

**HHS Response**

HHS non-concurs with GAO's recommendation.

CDC used its public health authority to enact the Order to prevent the further spread of COVID-19 as a result of evictions. But because CDC is the nation's health protection agency, our activities are designed to improve the health of the people of the United States. We do not have established relationships with housing organizations, advocacy groups, or stakeholders who can help ensure that landlords and tenants are aware of the Order. CDC is therefore seeking a government partner, like the Department of Housing and Urban Development (HUD) and the Department of the Treasury, to assist CDC by providing communication, education, and dissemination of information about the Order and the availability of housing and rental assistance.

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# Appendix II: GAO Contacts and Staff Acknowledgments

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## GAO Contact

John H. Pendleton, (202) 512-8678 or [pendletonj@gao.gov](mailto:pendletonj@gao.gov)

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## Staff

## Acknowledgements

In addition to the contact named above, Cory Marzullo (Assistant Director), Brandon Kruse (Analyst in Charge), Marianne Anderson, Abigail Brown, Lilia Chaidez, Gita Devaney, Justin Fisher, Toni Gillich, John McGrail, Marc Molino, Eric Schwab, Shenandoah Sowash, Matt Rabe, and Farrah Stone made key contributions to this report.

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