

Through the Consolidated Appropriations Act of 2021, Congress established a new Emergency Rental Assistance Program, overseen by the United States Department of Treasury.

All funds must be obligated by September 30, 2021 and must be expended within 12 months, or 15 months only if necessary to ensure a household remains stable and if funding is available.

Eligible recipients

Household income is no more than 80% of area median income (AMI) and, due directly or indirectly to the COVID-19 pandemic:

AND

One or more individual in the household can demonstrate a risk of experiencing homelessness or housing instability, including:

- a. qualified for unemployment benefits
- or*
- b. experienced reduced household income
- or*
- c. incurred significant costs
- or*
- d. experienced other financial hardship

- a. A past due utility/rent notice or an eviction notice
- or*
- b. Unsafe or unhealthy living conditions
- or*
- c. Any other evidence of such risk as determined by you, the grantee

Eligibility notes

- 1) Per Treasury instruction, give priority to households with incomes of no more than 50% AMI and to households in which one or more member is unemployed and has been for 90 days or more.
- 2) Landlords and owners may apply on behalf of tenants who meet the requirements.
- 3) As a grantee, you must monitor for duplication of benefits and ensure that households receiving assistance under this program do not receive funding under any other federally funded rental assistance program.

Use ERAP funds for:

- Rent
- Rental arrears
- Utility and home energy costs
- Utility and home energy arrears
- Other expenses related to housing incurred directly or indirectly due to the pandemic
- Administration of funds (10% maximum)

Report on the following:

- Number of households receiving assistance
- Acceptance rate of applicants for assistance
- Type of assistance provided to each household
- Average funding provided per household
- Incomes of eligible households by income tier (less than or equal to 30% of AMI, 30-50% of AMI, 50-80% of AMI)
- Average number of monthly rental/utility payments that each household received

Key Considerations

General considerations

Application intake

- The program should have an open, rolling application intake with established priorities escalated to the top of the list
- The program should have an initial opening with a two-week period to accept applications
- The closing date may be extended, or the waiting list may be re-opened based on amounts obligated

COVID impact

Families should be permitted to self-certify how they were impacted by the COVID-19 pandemic

Priority cases

- Families with income less than 50% of AMI (established by program eligibility criteria)
- Renters who are in arrears, and the owner has NOT filed for eviction
- Renters who are in arrears and the owner has filed for eviction
- Households with one or more individuals who are unemployed at the date of application, and have not been employed for the 90-day period preceding such date (established by program eligibility criteria)

Funding and eligibility

Eligibility

Families over 80% of AMI should be referred for assistance with CRF (if CRF dollars still exist)

Income verification

- Allow families who self-report over 80% of AMI to use self-certification
- Ask families to provide one proof document per income source, dated within 60 days
- South Carolina: Accept self-certification of income if documents are not submitted on time
- Use income should only to establish eligibility for the program
- Families must submit documentation to support claimed arrears

Denials

- Over-income
- Voluntary withdraw
- Duplication of benefits, or duplicate application
- Misrepresentation of information (i.e., fraud)
- Unable to establish eligible citizenship status

Rental stipends

- Families in arrears should be eligible for 3 months of stipend, must be certified every 3 months for a total of 12 months
- Monthly stipends should be subject to income verification at least once every 3 months
- Maximum rental stipend should not exceed 15 months

Owner

- Owners must provide W-9 and owner agreement.
- To streamline owner participation, instead of having owners sign an agreement per family, have them sign a single document that encompasses their commitments and obligations for all families who receive assistance under the program.

Arrears

- Subsidy should be the lessor of the contract rent, or up to 150% of the FMR (2021)
- Maximum months of arrears should be 12 months, but not to exceed March of 2020

Avoid

- Using a lottery system
- Using a waiting list; instead, have a rolling application process
- Awarding funds based on income; income should only be used to establish eligibility
- Requiring applications to be submitted online only; phone or paper applications include individuals without access to a computer or internet
- Prioritizing utility payments. Utilities and utility arrears should be paid with remaining funds (as appropriate). Funds should first be direct to rent payments