

The CARES Act:



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What Renters in Georgia Need to Know

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The impact of coronavirus

On January 21, 2020, the U.S. announced its first confirmed case of coronavirus (COVID-19).¹ Since this date, over 1.6 million cases of COVID-19 have been confirmed in the U.S., with over 120,000 deaths associated with the virus.² On March 2, 2020, Governor Brian Kemp, Georgia Department of Public Health Commissioner Kathleen Toomey, M.D., and state officials confirmed Georgia's first cases of COVID-19.³ The combination of declining economic activity and job losses have put pressure on both homeowners and renters, whose physical and financial well-being have been devastated by the COVID-19 pandemic. As a result, many households around the nation are facing housing insecurity in the form of potential eviction or foreclosure. Despite the gradual reopening of businesses and state agencies, many people will continue to face housing uncertainty in the months to come.

What is the CARES Act?

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, was signed into law on March 27, 2020.⁴ It is a \$2 trillion stimulus package designed to address the widespread economic impact of the COVID-19 pandemic. The act provides financial support to businesses, state and local governments, and individuals. It also outlines specific protections for renters who have been impacted by the COVID-19 pandemic.

How does the CARES Act affect renters in Georgia?

Outlined below are the key provisions in the CARES Act designed to protect renters.

- Section 4024 of the CARES Act provides a temporary halt (or moratorium) on eviction filings for tenants in rental properties that receive federal assistance or federally related financing for 120 days after March 27 (through July 25, 2020). This does not apply to eviction cases that were filed before March 27.
- Landlords who participate in any of the federal housing subsidy programs or who have a federally insured or government-sponsored enterprise (GSE) backed mortgage are not allowed to evict tenants due to nonpayment of rent. This applies through July 25, 2020.
- These landlords are also prohibited from charging fees, penalties, or other charges against a tenant for the nonpayment of rent.
- Landlords are prohibited from evicting a tenant after the moratorium expires except on 30 days' notice—which may not be given until after the moratorium period (July 25, 2020).
- The federal eviction moratorium does not prohibit the filing of evictions in cases:
 - ▷ Which were filed before March 27 or that are filed after July 25, 2020.
 - ▷ Which involve noncovered tenancies.
 - ▷ Where the eviction is based on another reason besides nonpayment of rent or nonpayment of other fees or charges.⁵

How does the CARES Act affect landlords in Georgia?

Section 4023 of the CARES Act allows landlords of multifamily properties with federally backed mortgages to request a forbearance on loan payments if the borrower is experiencing financial hardship due to the COVID-19 pandemic.⁵ A forbearance is a temporary postponement of mortgage payments. It is a form of repayment relief granted by the lender or creditor in lieu of forcing a property into foreclosure.⁶

This section applies to loans secured by mortgages on multifamily properties designed for five or more families and that are:

- Made, insured, guaranteed, supplemented, or assisted by any agency of the federal government.
- Made in connection with a program administered by the secretary of the U.S. Department of Housing and Urban Development (HUD).
- Purchased or securitized by the Federal Home Loan Mortgage Corporation (Freddie Mac) or the Federal National Mortgage Association (Fannie Mae).

Section 4023 requires the company holding, or servicing, the mortgage to provide forbearance for borrowers with federally backed loans who have experienced financial hardship caused by the COVID-19 emergency if:

- The borrower has submitted an oral or written request for forbearance affirming that they are experiencing financial hardship.
- The borrower was current on their payments as of February 1, 2020.

The initial forbearance will be for 30 days, which can be extended for up to two additional 30-day periods, so long as the extension request is made 15 days before the expiration of the then-current 30-day forbearance period. A borrower's right to request the initial forbearance (and the right to request an extension) expires on the termination date of the national emergency concerning COVID-19, or December 31, 2020, whichever occurs first. A borrower has the right to discontinue the forbearance at any time. During the period of forbearance, the borrower may not:

- Evict or initiate the eviction of a tenant solely for nonpayment of rent or other fees or charges.
- Charge any late fees, penalties, or other charges to a tenant for late payment of rent.
- Issue a notice to vacate.⁷

Eviction moratoriums in Georgia

The provisions in the CARES Act applies to all 50 states in the U.S. However, state and local governments can also enact their regulations to support renters impacted by the COVID-19 pandemic. To date, the state of Georgia has not passed any statewide moratorium on evictions. Atlanta is the only city in the state that has issued an eviction moratorium which was issued through an executive order by Mayor Keisha Lance Bottoms on March 17, 2020. The executive order instituted a temporary moratorium on residential evictions and filings in Atlanta for sixty (60) days. The moratorium on evictions in Atlanta ended in May 2020.⁸

Georgia Supreme Court ruling on evictions

On April 30, 2020, the Supreme Court of Georgia issued a new rule for landlords filing evictions. Landlords filing an eviction warrant (dispossessory) before August 25, 2020, for nonpayment of rent, will have to also submit a CARES Act Affidavit, indicating that the property is exempt from the CARES Act eviction moratorium. If the property is covered by the CARES Act eviction moratorium, the landlord must supply a 30-day notice to the tenant, which cannot be sent to the tenant before July 26, 2020.⁹

How do renters know if their home is covered by the CARES Act?

Renters are encouraged to first speak with their landlords to determine whether their home is covered by the federal moratorium. If a renter's apartment or rental unit is in a building with five or more units, renters can check with the agencies below to determine if their home is covered.¹⁰

Fannie Mae and Freddie Mac backed properties			
Fannie Mae's Multifamily Loan Lookup tool https://www.knowyouroptions.com/rentersresourcefinder		Freddie Mac's Multifamily Loan Lookup tool https://myhome.freddie.mac.com/renting/lookup.html	
Public housing			
HUD Public and Indian Housing (PIH) customer service center https://www.hud.gov/program_offices/public_indian_housing/about/css			
HUD multifamily assisted and FHA insured multifamily property			
HUD's Database for Multifamily Assisted Properties https://hudgis-hud.opendata.arcgis.com/datasets/multifamily-properties-assisted		HUD Database of FHA Insured Multifamily Properties https://hudgis-hud.opendata.arcgis.com/datasets/hud-insured-multifamily-properties	
U.S. Department of Agriculture multifamily housing			
USDA Rural Development https://www.rd.usda.gov/programs-services/all-programs/multi-family-housing-programs			
The National Low-Income Housing Coalition			
NLIHC searchable database and map for CARES Act covered properties https://nlihc.org/federal-moratoriums			
If a renter is in a property with four or fewer units, they can check for CARES Act coverage on these websites:			
Freddie Mac ww3.freddie.mac.com/loanlookup	Fannie Mae www.knowyouroptions.com/loanlookup	Veterans Affairs www.va.gov/housing-assistance/	USDA www.rd.usda.gov/contact-us/loan-servicing

What can renters do if they are facing housing uncertainty?

If you are facing housing insecurity due to COVID-19, try resolving the issue by:

- Determine if your landlord participates in any of the federal housing programs.
- Call, text, or chat with your local 211 to speak with a community resource specialist in your area who will help you find shelter and housing options available to you.
- Speak with your landlord regarding your situation. HUD has published tips on how renters facing financial difficulties can communicate with their landlords. These tips include:
 - ▷ Be candid about your situation. If you are impacted by COVID-19 or other difficulties, share how your income has been affected.
 - ▷ Consider mentioning resources and assistance options you have found.
 - ▷ Explain how your family would be impacted by a loss of housing.
 - ▷ Ask about payment arrangements.
 - ▷ Keep any email and text conversations and make notes of when you speak in person and who you talk with.¹¹

If your landlord is noncompliant with CARES Act provisions, renters can submit a complaint to the state attorney general by calling 800-869-1123 or visiting consumer.georgia.gov.

General information on COVID-19		
Centers for Disease Control and Prevention https://www.cdc.gov	Georgia.org https://www.georgia.org/covid19	World Health Organization https://www.who.int
Federal government and CARES Act provisions		
Department of Housing and Urban Development https://www.hud.gov/coronavirus/renters https://www.hud.gov/states/georgia/renting	Consumer Financial Protection Bureau https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/renter-protections	
COVID-19 and renters in Georgia		
Georgia Department of Community Affairs FAQ for renters https://www.dca.ga.gov/sites/default/files/residentfaq0520.pdf		
Renter legal rights		
Nolo.com https://www.nolo.com/legal-encyclopedia/emergency-bans-on-evictions-and-other-tenant-protections-related-to-coronavirus.html	GeorgiaLegalAid.org https://www.georgialegalaid.org	

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2. <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html>
3. <https://www.atlantaga.gov/government/mayor-s-office/city-of-atlanta-covid-19-response>
4. <https://www.congress.gov/bill/116th-congress/senate-bill/3548/text?q=product+update>
5. <https://www.congress.gov/bill/116th-congress/house-bill/748>
6. <https://www.investopedia.com/terms/f/forbearance.asp>
7. <https://www.mayerbrown.com/en/perspectives-events/publications/2020/03/cares-act-considerations-for-certain-multifamily-landlords-and-tenants-in-the-us>
8. <https://www.atlantaga.gov/Home/Components/News/News/13296/672>
9. <https://www.ajc.com/news/local-govt--politics/supreme-court-issues-new-rule-for-landlords-seeking-eviction/dpyWsrh843RDiBTUERGcGI/>
10. <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/>
11. <https://www.hud.gov/coronavirus/renters>

extension.uga.edu

Temporary Publication 117

June 2020

Published by the University of Georgia in cooperation with Fort Valley State University, the U.S. Department of Agriculture, and counties of the state. For more information, contact your local UGA Cooperative Extension office. *The University of Georgia College of Agricultural and Environmental Sciences (working cooperatively with Fort Valley State University, the U.S. Department of Agriculture, and the counties of Georgia) offers its educational programs, assistance, and materials to all people without regard to race, color, religion, sex, national origin, disability, gender identity, sexual orientation or protected veteran status and is an Equal Opportunity, Affirmative Action organization.*