

CARES Act Signed Into Law

On March 27, 2020, the President signed into law the **Coronavirus Aid, Relief and Economic Security Act, known as the CARES Act**.

The \$2 trillion bill provides financial aid to individuals, businesses, nonprofits, and state and local governments. An important provision for affordable housing providers:

Important for affordable housing managers:

§4023 Forbearance of Resident Mortgage of Resident Mortgage Loan Payments for Multifamily Properties with Federally Backed Loans and those subject to VAWA

- Borrower has a federally backed mortgage loan experiencing a financial hardship due to COVID-19 emergency.
- Properties with direct federal loans or mortgage insurance.
- It also applies to LIHTC properties without a federal loan or mortgage insurance (because they are subject to the requirements of the Violence Against Women Act).
- An owner a federally backed multifamily mortgage loan that was current on payments as of February 1, 2020 may submit a request for forbearance affirming that the borrower is experiencing a financial hardship during the COVID-19 emergency.
- If a borrower receives a forbearance, the borrower may not, for the duration of the forbearance:
 - Evict or initiate the eviction of a tenant from a dwelling unit located in or on the applicable property solely for nonpayment of rent or other fees or charges; or
 - Charge any late fees, penalties, or other charges to a tenant for late payment of rent.
 - May not require a tenant to vacate a dwelling unit on the property before the date that is 30 days after the date on which the borrower provides the tenant with a notice to vacate; and may not issue a notice to vacate until after the expiration of the forbearance.
- This provision ends on the earlier of (1) the termination date of the COVID-19 national emergency; or (2) December 31, 2020.