

## COVID-19 Renter Assistance

By: Shaun McGann, Legislative Analyst II  
May 7, 2020 | 2020-R-0137

### Issue

Describe federal and state assistance for Connecticut renters impacted by COVID-19. Additionally, identify resources that provide COVID-19-related information relevant to renters.

### Summary

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, among other things, establishes an eviction moratorium for renters residing in specified covered dwellings. Prior to the CARES Act, Fannie Mae and Freddie Mac offered forbearances for their multifamily property owners who suspend evictions of tenants unable to pay rent due to the impacts of COVID-19.

At the state level, Governor Lamont's Executive Order 7X provides several protections to Connecticut renters, including rent grace periods and the ability to apply a portion of security deposits towards rent under certain circumstances. Additionally, the Connecticut Department of Housing (DOH) is providing immediate rent recalculation due to a change in income for renters participating in certain state and federal rental assistance programs.

### Federal CARES Act Eviction Moratorium

The federal CARES Act prevents landlords of "covered dwellings" from initiating eviction proceedings or charging fees and penalties for nonpayment of rent for a 120-day period beginning March 27, 2020 ([P.L. 116-136, §4024\(b\)](#)). Under the CARES Act, "covered dwellings" are tenant-occupied dwellings in properties that (1) are financed by federally-backed mortgage or multifamily loans or (2) participate in specified federal assistance programs ([P.L. 116-136, §4024\(a\)](#)).

Additionally, the act requires landlords of covered dwellings to provide tenants with at least 30-days' notice before requiring that they vacate the property ([P.L. 116-136, §4024\(c\)](#)). The act prohibits landlords from issuing tenants a notice to vacate until the above mentioned 120-day period is over (i.e., landlords cannot force tenants to vacate a covered dwelling until August 23, 2020). (See the April 7, 2020, Congressional Research Service [report](#) on this topic for more information.)

## **Fannie Mae and Freddie Mac Multifamily Forbearances**

Prior to enactment of the CARES Act, Fannie Mae and Freddie Mac announced three-month forbearances for their multifamily property owners under the condition that these property owners agree to suspend all evictions of tenants unable to pay rent due to the impacts of COVID-19 during the forbearance period. Both [Fannie Mae](#) and [Freddie Mac](#) have since updated their COVID-19 forbearance programs to further align with the CARES Act.

## **Governor Lamont's Executive Order 7X**

On April 10, 2020, Governor Lamont issued Executive Order 7X, which provides additional protections for residential renters impacted by COVID-19 ([EO 7X](#), §1, Apr. 10, 2020).

### ***Eviction Moratorium***

EO 7X prohibits landlords or their representatives from serving a notice to quit or taking other eviction actions before July 1, 2020, except for serious nuisance. (On March 19, prior to the issuance of EO 7X, Connecticut's courts [announced](#) a stay of all issued executions of evictions and ejections through May 1, 2020. This stay has since been extended through June 1, 2020.)

### ***Rent Grace Periods for April and May***

EO 7X establishes a 60-day grace period for April rent for tenants, including mobile home residents, by prohibiting landlords from taking eviction action; imposing late fees, interest, or penalties; reporting nonpayment to a credit bureau; or retaliating against tenants, provided the rent is paid within 60 days after its due date.

Additionally, EO 7X establishes a 60-day grace period for May rent if a tenant, by the 9<sup>th</sup> day after the rent is due, notifies the landlord in writing, including by email, that the tenant has become fully or partially unemployed or experienced significant loss of revenue or increase in expenses due to the COVID-19 pandemic, provided the rent is paid within 60 days after its due date.

## ***Security Deposits***

EO 7X requires landlords, upon request by certain tenants, such as those experiencing financial hardship due to the pandemic, to (1) withdraw from escrow the security deposit amount over one month's rent and (2) apply it toward the rent due in April, May, or June 2020. The order prohibits landlords from demanding that the security deposit be restored before the later of the end of the public health emergency or the rental agreement renewal or extension.

See the April 15, 2020, Shipman & Goodwin [COVID-19 publication](#) for further discussion of the interplay between the CARES Act and Governor Lamont's Executive Order 7X (including potential preemption issues).

## **Department of Housing and Public Housing Authorities**

According to DOH Director of Government Relations and Communications, Aaron Turner, renters participating in the state's Rental Assistance Program (RAP) or receiving DOH-administered vouchers under the federal Housing Choice Voucher (HCV; Section 8) program are eligible for an immediate recalculation of their rent payments based on an income reduction. Typically, DOH requires a 30-day waiting period for a rent recalculation. Renters in public housing or receiving HCV vouchers through a local housing authority may also be eligible for a rent recalculation (see the Connecticut Fair Housing Center's [online tool](#)).

## **COVID-19 Resources for Renters**

- [Connecticut Department of Housing. "COVID-19: Homeowners and Renters."](#) (summary of federal and state actions to help protect homeowners and renters impacted by the COVID-19 outbreak)
- [Connecticut Fair Housing Center. "COVID-19 FAQs for Renters: Overview." \(April 10, 2020\)](#) (frequently asked questions about COVID-19 for renters)
- [National Housing Law Project \(NHLP\). "Protecting Renter and Homeowner Rights During our National Health Crisis." \(April 29, 2020\)](#) (updated resources for attorneys, advocates, policymakers, and others for assistance during the COVID-19 national public health crisis)
- [National Low-Income Housing Coalition. "Congressional Leaders Agree to Coronavirus Response Package with Funding for Homelessness and Housing." \(March 25, 2020\)](#) (provides analysis of the housing-related provisions in the CARES Act)
- [O'Connell, Ann. "List of Resources and Assistance for Renters and Landlords Affected by COVID-19." NOLO. \(April 3, 2020\)](#) (provides a list of federal, state, and private or nonprofit COVID-19 resources for renters and landlords)

- [Shipman & Goodwin. "COVID-19: Real Estate Leasing Resource Page for Connecticut & New York."](#) (analysis of key issues affecting both landlords and tenants during the COVID-19 crisis)

SM:kl