

Treasury Department Issues Guidance To Speed Up Rent Relief Distribution

NationalMultifamily

August 25, 2021 [Matthew Rothstein, Bisnow East Coast](#)

In response to the [sluggish distribution](#) of federal rent relief funds, the [Department of the Treasury](#) wants state and local governments to be more flexible.

By the end of July, only \$5B of the \$25B in Emergency Rental Assistance funds authorized in the [\\$900B federal stimulus bill](#) passed in December had been distributed, the federal agency reported in a press release issued on Wednesday.

To accelerate the process, the Treasury, led by Secretary Janet Yellen, laid out seven points of guidance to the entities it labels as grantees.

1. Self-attestation can be used by tenants to demonstrate financial hardship, income and risk of [homelessness](#) or housing instability.
2. Tenants without any documentation proving income can use self-attestation alone in ERA applications as long as the public health emergency continues.
3. State and local governments can pay bulk sums to landlords and utility companies based on estimates of how many tenants are awaiting [rental assistance](#) ahead of individual applications' processing.
4. Grantees can partner with nonprofit organizations to advance payments to individual tenants in areas where having an outstanding application doesn't provide protection from eviction.
5. Grantees can offer additional rent payments as incentives to landlords who accept "hard-to-house" tenants who would otherwise not pass screening procedures, such as those with [evictions](#) on their record.
6. ERA payments can be used to pay [rent debt](#) at properties where tenants no longer reside.
7. Court fees or other payments that tenants face in appealing evictions are eligible expenses that can be covered by ERA payments.

Deputy Secretary of the Treasury Wally Adeyemo also sent a letter to all state and local governments tasked with distributing ERA funds offering to deploy more Treasury employees to jurisdictions as technical assistants in streamlining their operations. The letter also heavily encouraged jurisdictions that haven't already enacted [eviction protections](#) for tenants awaiting responses to their ERA applications to do so.

Adeyemo's letter came with a warning as well: Grantees that [don't distribute enough ERA](#) funds by the end of September risk having unallocated money taken from them and redistributed to better-performing jurisdictions.

The Treasury data didn't take into account the second round of ERA that was passed as part of the [American Rescue Plan](#) in April, but the agency noted that a few jurisdictions have already spent their first allocations, labeled ERA1, and have transitioned to spending their portion of the \$21B in CARES Act funding, or ERA2. Treasury has only made 40% of ERA2 money available, but it said in the release that more will be unlocked once jurisdictions spend what has already been allocated to them.

Contact Matthew Rothstein at matt.rothstein@bisnow.com