

Emergency Rental Assistance Program: 2020 Act vs. 2021 Act

On March 11, 2021, President Joe Biden signed the American Rescue Plan Act of 2021 into law. The \$1.9 trillion COVID-19 relief bill, which passed in the U.S. Senate by a narrow 50-49 vote on March 6 and in the U.S. House of Representatives by a 220-211 vote on March 10, signifies the Biden administration's first legislative achievement with the Democratic majority in Congress to expand federal assistance to the American public.

The latest relief package follows the Consolidated Appropriations Act of 2021, which was signed into law in late December. The Appropriations Act established the U.S. Treasury Department's Emergency Rental Assistance Program, and this latest relief package provides additional funds for the program. Here are how the emergency rental assistance stipulations in the two legislative packages compare.

	Consolidated Appropriations Act (Dec. 27, 2020)	American Rescue Plan Act (March 11, 2021)
Federal Administrative Body	Treasury	Treasury
Total Funding	\$25 Billion	\$21.55 Billion
Additional Funding for High-Need Grantees	N/A	\$2.5 Billion
Small-State Minimum	\$200 Million	\$152 Million
Disbursement	Treasury is required to disburse payments to grantees within 30 days of enactment.	Treasury is required to disburse 40 percent of each grantee's grant within 60 days of enactment. Treasury will disburse the remaining grant funds to each grantee in stages only when the grantee has obligated at least 75 percent of the funds previously provided to it by Treasury.
Eligible Recipients	Households with incomes no more than 80 percent of the area median income and at least one person in the household: <ol style="list-style-type: none"> Has qualified for unemployment benefits or can attest in writing that he or she has experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the pandemic; and Can show that they are at risk of eviction or housing instability. 	Households with incomes no more than 80 percent of the area median income who meet the following conditions: <ol style="list-style-type: none"> One or more individuals in the household have qualified for unemployment benefits or have experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due directly or indirectly to the coronavirus outbreak; and One or more individuals can show a risk of experiencing homelessness or housing instability. (The "during or" language does not appear in the Consolidated Act's language.)

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	Consolidated Appropriations Act (Dec. 27, 2020)	American Rescue Plan Act (March 11, 2021)
Prioritization Requirements	Grantees must prioritize assistance to households with income of no more than 50 percent of AMI and to households in which one or more household members are unemployed and have been unemployed for 90 days.	Grantees must prioritize assistance to households with income of no more than 50 percent of AMI and to households in which one or more household members are unemployed and have been unemployed for 90 days.
Use of Funds	At least 90 percent of funds must be used for the following activities: rent, rental arrears, utilities and home energy costs, utilities and home energy arrears, other expenses related to housing incurred due directly or indirectly to the pandemic.	Funds may be used for the following activities: rent; rental arrears; utilities and home energy costs; utilities and home energy arrears; other expenses related to housing; no more than 10 percent for housing stability services; no more than 15 percent for administrative costs. Grantees that have obligated at least 75 percent of their total funds may, after Oct. 1, 2022, use remaining funds for any other affordable housing purpose defined by the Secretary to assist very low-income families, in addition to the eligible activities above.
Time Limits for Assisting Households	Payments, including arrearages and future payments, for any individual household generally may not exceed 12 months. However, a grantee may provide assistance for an additional three months (for a total of 15 months) only if it is necessary to ensure the household remains stably housed and if funding is available.	Total assistance a household can get between this and the Consolidated Appropriations Act is for 18 months of expenses.
Landlord Roles	Owners may apply on behalf of tenants meeting the eligibility requirements, as long as the tenant co-signs the application, the owner provides documentation to the tenant, and the payments are used to satisfy the tenant's rental obligation to the owner.	Not specified.
Income Determination	For eligibility purposes, grantees must only consider household income for 2020 or confirmation of the monthly income the household is receiving at the time of application. Household income must be recertified every three months if the household is receiving ongoing rental assistance.	Not specified.
Deadline to Spend Funds	Funding is available until Dec. 31, 2021.	Funding authorized by this bill is available until Sept. 30, 2025. Funding previously authorized under the Consolidated Appropriations Act for this program would be available until Sept. 30, 2022, under an amendment to the Act in this legislation.
Treatment of Assistance	Assistance to households under the ERA will not be considered income and shall not be considered as a resource for purposes of determining the eligibility of the household for benefits/assistance.	Not specified.