



TENANT PROTECTIONS FOR ENTERPRISE-BACKED RENTAL PROPERTIES IN RESPONSE TO COVID-19

revised 8/4/2021

INFORMATION FOR TENANTS IN RENTAL PROPERTIES WITH A FANNIE MAE OR FREDDIE MAC MORTGAGE

FEDERAL PROTECTIONS FOR TENANTS DURING THE COVID-19 NATIONAL EMERGENCY

In response to the COVID-19 pandemic, the **Coronavirus Aid, Relief, and Economic Security Act (CARES Act)** was enacted on March 27, 2020. There are three relevant provisions of this law for property owners of multifamily rental properties (defined as properties with five or more units) and their tenants:

1. A forbearance program established for multifamily rental properties with federally-backed mortgage loans, including loans owned by Fannie Mae or Freddie Mac (the Enterprises);
2. The prohibition of evictions due to nonpayment of rent for tenants in multifamily properties receiving forbearance under this program; and
3. The provision of a written notice delivered to tenants of all federally-backed properties at least 30 days prior to the date on which they will be required to vacate a unit.

Property owners are prohibited from charging late fees or other penalties for nonpayment of rent during the period of forbearance and must provide a 30-day notice to vacate prior to eviction. The CARES Act's forbearance eligibility period expired on December 31, 2020. FHFA has since extended the Enterprises' forbearance programs through September 30, 2021. Tenants can use the online lookup tools (see page 2) to determine whether the multifamily property they are leasing has an Enterprise-backed mortgage.

On September 4, 2020, the Centers for Disease Control and Prevention (CDC) published an order called the "**Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19.**" The CDC order is independent of the CARES Act and has different rules and requirements. It applies to all tenants in all U.S. counties and territories, regardless of whether the tenant lives in a single-family property or a multifamily property or whether the property has a federally-backed mortgage. The order prohibits evictions for nonpayment of rent if the tenant meets certain conditions, including economic and financial hardships incurred as a result of the pandemic. To stop or prevent an eviction under the CDC order, the tenant must have used best efforts to obtain all available government assistance for rent or housing and must provide a [declaration](#) to their landlord affirming that they meet other conditions outlined in the order. The CDC order is in effect through July 31, 2021. On August 3, 2021, the CDC issued a [new eviction moratorium](#) that applies in counties with heightened levels of COVID-19 transmission through October 3, 2021.

These federal eviction protections do not relieve tenants of any obligation to pay rent or from any other lease terms and property rules. Tenants still may face evictions for reasons other than not paying rent or making a housing payment. See the Applicability section of the [CDC order](#) to learn more.

FHFA encourages landlords of properties backed by the Enterprises to apply for Emergency Rental Assistance before starting the process of evicting a tenant for non-payment of rent. The Emergency Rental Assistance funds were made available by federal legislation to help tenants who are behind on rent or continuing to experience hardship due to the COVID-19 pandemic. Tenants and landlords can learn more about local Emergency Rental Assistance providers by visiting the Consumer Financial Protection Bureau's online [Rental Assistance Finder](#).

SUMMARY OF TENANT PROTECTIONS

Tenants may be protected from eviction from rental properties under one or more of the following:

- The CDC eviction moratorium that extends to October 3, 2021 in counties with heightened levels of transmission;
- The CARES Act eviction protections for tenants of multifamily properties in forbearance (a program that allows the property owner to delay their mortgage payments); and/or
- State or local eviction moratoria or rules (not covered in this fact sheet).

For all federally-backed mortgages, property owners must provide a 30-day written notice prior to the date on which a tenant is required to vacate because of unpaid rent.

For Enterprise-backed mortgages in forbearance, property owners are not permitted to:

- Charge late fees or penalties for back rent; or
- Require past due rent to be repaid in a lump sum.

Any borrower that fails to comply with applicable law may be subject to remedies under the loan documents, which could include moving the loan into a technical default and revocation of the forbearance (if applicable).

Tenants experiencing financial hardship who are unable to pay rent on time should immediately contact their landlord. While an eviction moratorium is in place, rent payments generally are still due on the usual date for tenants in Enterprise-backed properties.

HOW TO FIND OUT IF A MULTIFAMILY PROPERTY HAS AN ENTERPRISE-BACKED LOAN

Tenants may use Fannie Mae's and Freddie Mac's multifamily property lookup tools to determine if they live in a multifamily property with a mortgage loan purchased or securitized by that Enterprise. These lookup tools do not include other federally-backed properties.

- Fannie Mae Lookup Tool: <https://www.knowyouroptions.com/rentersresourcefinder>
- Freddie Mac Lookup Tool: <https://myhome.freddie.mac.com/renting/lookup.html>

Tenants living in multifamily properties with Enterprise-backed mortgages, who need support may contact the appropriate Enterprise:

- Fannie Mae's Helpline: 877-542-9723
- Freddie Mac's Helpline: 800-404-3097

Tenants living in properties that do not have an Enterprise-funded mortgage can find additional information from the [Consumer Financial Protection Bureau](#).

ADDITIONAL PROTECTIONS FOR TENANTS IN ENTERPRISE-BACKED MULTIFAMILY PROPERTIES

The Federal Housing Finance Agency (FHFA) has taken actions that provide tenant protections and support multifamily property owners during the COVID-19 national emergency. Prior to the passage of the CARES Act, the Enterprises announced, on March 23, 2020, a forbearance program for multifamily property owners that provides the same tenant protections described above.

Further, FHFA and the Enterprises announced additional tenant protections and property owner support on June 29, 2020. This allowed mortgage servicers to extend forbearance agreements for multifamily property owners. Those owners who had existing forbearance agreements lasting up to three months might then be eligible to extend for an additional three months—for a total forbearance of up to six months. The forbearance extension is available for multifamily property owners with an Enterprise-backed multifamily mortgage loan experiencing a financial hardship due to the COVID-19 national emergency through September 30, 2021. **While a property is in forbearance, the landlord must suspend all evictions for tenants unable to pay rent.** Property owners with Enterprise-backed mortgage loans in an extended forbearance or repayment schedule, or who enter into a new forbearance agreement, are also prohibited from:

- Charging late fees or penalties for nonpayment of rent during the property owner's repayment period for the forborne amount of the loan; and
- Requiring tenants to repay back rents in one lump sum without providing flexibilities.

On August 4, 2020, FHFA directed the Enterprises to require those multifamily property owners with a new or modified forbearance agreement to inform tenants of their available protections during the forbearance and repayment periods. Property owners are required to provide tenants with written notices within 14 days of the start of the forbearance period, which must include:

- A disclosure of property's forbearance status and dates of forbearance;
- Information about tenant protections, including suspension of evictions;
- The dates of tenant protections; and
- Contact information for the property manager.

To help ensure compliance, property owners must certify to their servicers once the notification is complete.

FHFA encourages all rental property owners to consider adopting these tenant protections even when not required by law or as part of an Enterprise forbearance agreement. FHFA will continue to monitor data as well as new and evolving challenges facing tenants, borrowers, and the mortgage market as a result of the COVID-19 national emergency and will update its policies accordingly.

OTHER RESOURCES

- Consumer Financial Protection Bureau Coronavirus Renter Protection Webpage: <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/>
- Department of Housing and Urban Development Questions and Answers for Office of Multifamily Stakeholders: https://www.hud.gov/sites/dfiles/Housing/documents/HUD_Multifamily_Corona_QA_FINAL.pdf
- Center for Disease Control Federal Notice: Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19: <https://www.cdc.gov/coronavirus/2019-ncov/covid-eviction-declaration.html>
- USDA Rural Development Multifamily Housing Direct Loans Fact Sheet: https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RHS_MFHDirectLoans.pdf

