



U.S. HOUSE COMMITTEE ON FINANCIAL SERVICES
– CHAIRWOMAN MAXINE WATERS –
SUMMARY OF SECTION 3201 OF THE AMERICAN RESCUE PLAN
(EMERGENCY RENTAL ASSISTANCE)

Section 3201 of the American Rescue Plan provides \$21.6 billion for states, localities, and territories to help families and individuals pay their rent and utility bills and remain stably housed, while also helping rental property owners of all sizes continue to cover their costs, including the costs necessary to ensure residents' health and safety. This funding supplements the \$25 billion in emergency rental assistance funding provided by Congress in December 2020 (Section 501 of the Consolidated Appropriations Act of 2021) but includes additional flexibilities to ensure grantees can better stabilize renters. The Department of the Treasury is administering the program. This section is based on H.R. 1725, the "Emergency Assistance for Renters Act," introduced by House Financial Services Committee Chairwoman Maxine Waters (D-CA).

Explanation of Key Provisions

What kind of assistance will renters receive?

Eligible renters will be able to receive up to 18 months of financial assistance, including future rent and utility payments (including pad rents in manufactured housing communities), and unpaid rent or utility bills that have accumulated. Renters can also receive assistance for other housing-related expenses necessary to promote housing stability, such as, but not limited to: security deposits; relocation and rental fees for displaced households; late fees related to a former or current rental unit; and internet service provided to the rental unit.

Additionally, funds can be used to provide housing stability services, such as, but not limited to: case management; tenant-landlord mediation; legal services related to eviction and housing stability; housing counseling; fair housing counseling; and specialized services for people with disabilities; people with chronic health conditions; seniors; or survivors of domestic violence or human trafficking.

Who will be eligible to receive emergency rental assistance?

Eligible households are defined as renter households who: (1) have a household income not more than 80 percent of the area median income (AMI); (2) have one or more household members who can demonstrate a risk of experiencing homelessness or housing instability; and (3) have one or more household members who qualify for unemployment benefits or experienced financial hardship during or due, directly or indirectly, to the pandemic. Assistance will be prioritized for renter households with incomes that do not exceed 50 percent of AMI as well as renter households who are currently unemployed and have been unemployed for 90 days.

How will Treasury distribute the funding?

The Department of Treasury will distribute funds to states and localities using the same formula used to distribute emergency rental assistance funds provided by the Consolidated Appropriations Act of 2021. Small states will receive a minimum of \$152 million in emergency rental assistance. Localities with populations over 200 thousand people may request to receive their allocation of emergency rental assistance directly. Under the program, the District of Columbia is treated as a state. The U.S. territories will share a set-aside of \$305 million (with a small territory set-aside). Treasury will also distribute \$2.5 billion to "high-need" grantees based on the number of very low-income renters paying more than 50 percent of income on rent or living in substandard or overcrowded conditions, rental market costs, and change in employment since February 2020.