



Coronavirus Aid, Relief, and Economic Security (CARES) Act FAQs

The federal CARES Act established a 120-day moratorium (through July 24, 2020), which prohibits certain property owners from filing non-payment of rent evictions, as well as collecting late fees.

Below are the most common questions NAA is receiving from owners about the Act.

1. Which properties are subject to the eviction moratorium under the CARES Act?

The temporary moratorium on eviction filings and late fees under the CARES Act applies to properties:

- occupied by a resident who participates in a covered housing program* or the rural housing voucher program, or
- with a federally backed mortgage or multifamily mortgage loan.

* Visit <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=406472> for a full list of programs.

2. Can properties covered by the CARES Act charge late fees under the Lease or as part of a Payment Plan Agreement during the moratorium?

No. The CARES Act specifically prohibits owners from collecting late fees during the moratorium period. If, when the moratorium ends, the resident is not current with payments, the late fee provisions under the Lease would apply.

3. Do residents still have to pay rent during the moratorium?

Yes, absolutely. The moratorium does not change a resident's duty to pay rent under the Lease.

4. Does this moratorium temporarily stop *all* evictions for residents in covered dwellings?

No. The moratorium only applies to evictions for non-payment of rent. In addition, the Act mandates a temporary hold on certain eviction proceedings, but does not mean rent during this period is forgiven. Unpaid amounts will accrue during this period even if fees are not assessed.

5. Can owners waive late fees even if their properties are covered by the CARES Act?

Yes, properties covered by the Act can choose to waive late fees and enter into payment plan agreements.

6. Can evictions be filed by covered properties during the moratorium?

Depends on the type of eviction. Notices to vacate and eviction petitions for non-payment of rent cannot be issued or filed during the moratorium. According to the CARES Act, owners must wait until after the moratorium ends to deliver notices to vacate for the non-payment of rent. The CARES Act further requires owners provide the resident with a 30-day notice to vacate. Other types of evictions, such as conduct-based evictions, can proceed during the moratorium.

DISCLAIMER: Joint project of the Texas Apartment Association and the National Apartment Association. This information is not intended to be state specific. We continue to monitor the developments surrounding Coronavirus (COVID-19). This information is intended to provide you with general information from our perspective, which does not constitute legal advice. It is informational only and does not replace the advice of your own legal counsel. It is uncertain how courts will interpret and apply this legislation.