

FSC Section by Section

Subtitle B – Emergency Rental Assistance

Sec. 5201(a): Appropriation

Appropriates \$25 billion to the Department of the Treasury to provide Emergency Rental Assistance. Reserves \$400 million for the U.S. territories, \$800 million for tribal communities, and \$15 million for Treasury Department administrative expenses.

Sec. 5201(b): Payments for Rental Assistance

Within 30 days of enactment, Treasury shall allocate funds to States and cities with populations of 200,000 or more (collectively, “grantees”). Each State shall receive no less than \$200 Million.

Sec. 5201(c): Use of Funds

Grantees shall use funds to provide direct financial assistance or housing stability services to eligible households. Not less than 90 percent of funds shall be used for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. Not more than 10 percent of funds shall be used for housing stability services, including case management and other services intended to keep households stably housed. Grantees may use up to 10 percent of funds received to cover administrative costs.

Eligible households may receive up to 12 months of assistance, plus an additional 3 months if necessary to ensure housing stability. Grantees can only commit to assistance in 3-month increments, after which point an eligible household must re-apply for funds. Grantees may not make commitments for prospective rent payments to an eligible household unless assistance has also been provided to reduce that household’s rental arrears. In general, grantees will provide funds directly to landlords and/or utility service providers. If a landlord does not wish to participate, the grantee may provide funds directly to the eligible household.

Grantees shall prioritize consideration of applications for eligible households that are at or below 50 percent of the area median income, or where one or more members of the household has been unemployed for 90 days or longer. Grantees have flexibility to devise additional eligibility criteria.

Sec. 5201(d): Reallocation of Unused Funds

Beginning on September 30th, 2021, Treasury shall recapture a grantee’s unspent funds and shall reallocate those funds to grantees that have obligated at least 65 percent of their original allocation. The amount of any such reallocation shall be determined based on demonstrated need within a grantee’s jurisdiction.

Sec. 5201(e): Availability

Funds provided to a grantee shall remain available through December 31st, 2021. Grantees receiving reallocated funds may request, subject to the Secretary’s approval, an extension of that deadline of up to 90 days in order to obligate reallocated funds.

Sec. 5201(f): Application for Assistance by Landlords and Owners

Establishes a process for landlords to submit an application for assistance on behalf of an eligible household. Eligible households may also apply for assistance directly with a grantee.

Sec. 5201(g): Reporting Requirements

Establishes quarterly and program-length reporting requirements for the Treasury Department, as well as privacy protections and rules regarding the use of data for statistical research.

Sec. 5201(h): Administrative Expenses of the Secretary

Provides \$15 million to the Department of the Treasury for program administration, including providing technical assistance to grantees.

Sec. 5201(i): Inspector General Oversight; Recoupment

Requires the Treasury Inspector General to conduct oversight of the program. Empowers the Inspector General to recoup funds from any grantee that fails to comply with the use of funds rules. Provides \$6.5 million for the oversight and recoupment activities of the Inspector General.

Sec. 5201(j): Treatment of Assistance

Rental assistance received by an eligible household shall not be considered income for purposes of qualification for a federal benefit or assistance program.

Sec. 5201(k): Definitions

Defines an “eligible household” as a renter household that meets the following criteria:

- i) Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship related to COVID-19;
- ii) Demonstrates a risk of experiencing homelessness or housing instability; and
- iii) Has a household income at or below 80 percent of the area median.

In determining a household’s income for purposes of this section, grantees shall consider either the household’s total income for calendar year 2020 or the household’s monthly income at the time of application for assistance. For household incomes determined using the latter method, grantees must re-determine income eligibility every 3 months. A household receiving other forms of federal housing assistance shall not be eligible to receive assistance under this section.

Sec. 5201(l): Termination of Program

The program established under this section terminates no later than December 31, 2021 or, in the case of a grantee approved for an extension, no more than 90 days thereafter. Following the termination date, any unspent funds shall revert to the Department of the Treasury.

Sec. 5202: Extension of Eviction Moratorium

Extends the rental eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) through January 31, 2021.

Subtitle C – Community Development Investment

Sec. 5301. Purpose.

Establishes emergency programs to revitalize and provide long-term financial products and service availability for, and provide investments in, low- to moderate-income (LMI) and minority communities that have disproportionately suffered from the impacts of the COVID-19 pandemic.

Sec. 5302. Considerations; Requirements for Creditors.

Directs the Secretary of the Treasury to take into consideration increasing the availability of affordable credit for consumers, small businesses, and nonprofit organizations that provide direct benefits to communities.

Sec. 5303. Capital Investments for Neighborhoods Disproportionately Impacted by the COVID-19 Pandemic.

Provides \$9 billion to Treasury to fund the capital investment program. Program applicants must provide Treasury and federal banking agency or NCUA with an investment and lending plan. Applicants must be community lenders that are federally insured and provide evidence that 30% of lending activity over past 2 years has been to low- to moderate-income (LMI) borrowers.

Under program, Treasury is authorized to make preferred stock purchases to provide capital support to LMI communities. Preferred stock allows for immediate capital investment, while providing consistent dividend payments. Treasury, as the equity provider, has the ability to separate from capital investment at date of maturity.

States Treasury investments will be repaid within a 10-year period of the initial capital injection. Section authorizes Treasury to adjust the annual required payments to meet needs of community financial institution. Treasury is also authorized to adjust terms of program as necessary to support investments in community. Under the program, institutions cannot issue preferred stock purchases of more than \$250K per investment.

Directs Treasury to implement the program within 30 days. The authority to provide capital terminates six months after the date on which the COVID-19 national emergency ends.

Sec. 5304. Emergency Support for CDFIs and Communities Responding to the COVID-19 Pandemic.

Appropriates a total of \$3 billion for the CDFI fund. \$1.25 billion is set aside for direct emergency support based on a formula. A minimum of \$25 million is directed toward Native American, Native Hawaiian, and Alaska Native communities. Section directs that emergency funds must be used by September 30, 2021.

\$1.75 billion is set aside for community development financial institutions to provide grants to LMI communities. \$1.2 billion of this funding is to be used for financial assistance, technical assistance, awards, training and outreach programs to recipients that are minority lending institutions.

Sec. 5305. Inspector General Oversight.

Directs the Treasury Department Inspector General to conduct, supervise, and coordinate audits and investigations of the programs established by this subtitle. The IG is required to report semi-

annually to the Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Financial Services and the Secretary of the Treasury.

Sec. 5306. Study and Report with Respect to Impact of Programs on Low- and Moderate-Income and Minority Communities.

Requires the Secretary of the Treasury to study and report to the Senate Committee on Banking, Housing, and Urban Affairs and House Committee on Financial Services on the impact of the programs or any changes made for low- to moderate-income and minority communities within 18 months after date of enactment.

Subtitle D - Miscellaneous

Sec. 5401 Extension of Temporary Relief and Emergency Authorities

The CARES Act exempted financial institutions from to complying with Current Expedited Credit Loss (CECL) accounting standard. Extends this relief for any additional year, through January 1, 2022. The CARES Act also enhanced the NCUA's Central Liquidity Facility (CLF) by temporarily increasing the CLF's maximum legal borrowing authority and allowing more credit unions to borrow from the CLF. Extends access to this facility for an additional year, through December 31, 2021.

Sec. 5402 Extension of Temporary Relief from Troubled Debt Restructuring and Insurer Clarification

The CARES Act temporarily suspends the generally accepted accounting principles (GAAP) requirements for the Troubled Debt Restructuring (TDR) classifications on loans. Extends this provision for an additional year, to January 1, 2022.

Sec. 5403: Healthcare Operating Loss Loans

Permits the Secretary of Housing and Urban Development to finance up to a year of operating losses for healthcare facilities insured under §232 or §242 of the National Housing Act, up to certain specified limits.

Rescission of ESF funds and Limitations in CARES Fed facilities

Sec. __ immediately rescinds \$429 billion in unobligated funds appropriated to the ESF by the CARES Act upon enactment of this bill. In addition, the bill subsequently rescinds all remaining funds unused by the Federal Reserve to operate facilities or not needed to meet the commitments as of January 9, 2021.

Exempts from rescission: \$100 million for administrative expenses under 15 U.S.C. 9042(f); \$25 million for use by the Special Inspector General for Pandemic Response under 15 U.S.C. 9053(g); and \$5 million for use by the Congressional Oversight Commission under 15 U.S.C 9061.

Amends Sec. 4003 of CARES Act to zero out the \$500 appropriation, including zeroing out the direct loans to passenger air carriers, cargo air carriers, businesses critical to national security, and the ESF. Includes a rule of construction ensuring that the directed rescissions do not impact any obligation incurred by the Secretary of Treasury before December 31, 2020.

Sec. __. Emergency Relief and Taxpayer Protections

Ensures that proceeds from investments can continue and be deposited as set out in Section 4003 of CARES.

Sec. __. Termination of Authority

Clarifies that after December 31, 2020, the Federal Reserve cannot make new investments, loans or loan guarantees, or extensions of credit to a facility that was established using CARES Act funding. The MSLP has until January 8, 2021 to fulfill its obligations under the facility's terms and conditions.

Prohibits the Federal Reserve from making modifications to the terms and conditions of any 13(3) facility that used CARES Act funding. Allows the Federal Reserve to make modifications to existing loans, loan guarantees, or investments.

Prevents Treasury Secretary from using the ESF to reestablish any facility or program under 13(3) that was established using Sec 4003 funding, except the Term Asset-Back Security Liquidity Facility (TALF). However, it reaffirms the Treasury Secretary's authority to use the ESF for non-CARES purposes as set out in 31 U.S.C. 5302.

Sec. __. Rule of Construction

Reaffirms the Federal Reserve's existing authority under 13(3) of the Federal Reserve Act.