To suspend obligations of residential renters and mortgagors to make payments during the COVID-19 emergency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2020

Ms. Omar (for herself, Ms. Ocasio-Cortez, Ms. Tlaib, Ms. Pressley, Ms. Jayapal, Mr. Pocan, Ms. Escobar, Mr. García of Illinois, and Ms. Meng) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To suspend obligations of residential renters and mortgagors to make payments during the COVID-19 emergency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rent and Mortgage Cancellation Act of 2020”.

SEC. 2. SUSPENSION OF OBLIGATIONS TO MAKE RESIDENTIAL MORTGAGE AND RENT PAYMENTS.

(a) Rent Payments.—
(1) **Suspension.**—Notwithstanding any other provision of law, the obligation of each tenant household of a covered rental dwelling unit to pay rent for occupancy in such dwelling unit shall be suspended with respect to such occupancy during the COVID-19 suspension period.

(2) **Prohibitions.**—

(A) **On fines.**—No tenant or tenant household may be charged a fine or fee for non-payment of rent in accordance with paragraph (1) and such nonpayment of rent shall not be grounds for any termination of tenancy or eviction.

(B) **On debt.**—No tenant or tenant household may be treated as accruing any debt by reason of suspension of contribution of rent under paragraph (1).

(C) **On repayment.**—No tenant or tenant household may be held liable for repayment of any amount of rent contribution suspended under paragraph (1).

(D) **On credit scores.**—The non-payment of rent by a tenant or tenant household shall not be reported to a consumer reporting agency nor shall such nonpayment adversely
affect a tenant or member of a tenant household’s credit score.

(b) **Mortgage Payments.**—

(1) **Suspension.**—Notwithstanding any other provision of law, the obligation of each mortgagor under a covered residential mortgage loan to make mortgage payments of principal and interest that become due during the COVID-19 suspension period is hereby suspended.

(2) **Requirements and Prohibitions.**—

(A) **On Debt.**—No mortgagor under any covered residential mortgage loan may be held responsible for payment of mortgage payments suspended under paragraph (1) or treated as accruing any debt by reason of suspension under such paragraph of the obligation to make mortgage payments.

(B) **On Foreclosure.**—A mortgagee under a covered residential mortgage loan (or servicer for such mortgagee) may not commence or continue any judicial foreclosure action or non-judicial foreclosure process or any action for failure to make a payment due under such mortgage that is suspended pursuant to paragraph (1).
(C) **ON FEES, PENALTIES, AND INTEREST.**—No fees, penalties, or additional interest beyond the amounts scheduled or calculated as if the mortgagor made all contractual payments on time and in full under the terms of the mortgage contract in effect as of the commencement of the COVID-19 suspension period shall accrue.

(D) **ON CREDIT SCORES.**—The non-payment of a mortgage payment by a mortgagor pursuant to suspension under paragraph (1) of the obligation to make such payment shall not be reported to a consumer reporting agency nor shall such nonpayment adversely affect a mortgagor’s credit score.

(e) **NOTICE.**—The Secretary of Housing and Urban Development shall establish and carry out a system to notify all tenants of covered rental dwelling units, including tenants described in section 7(1)(B)(ii), and all mortgagors under covered residential mortgage loans, of the suspensions under paragraph (1) of subsections (a) and (b) of the obligations to make rental payments or mortgage payments, respectively, and of their right to pursue legal action pursuant to section 3.
SEC. 3. CIVIL ACTION.

(a) IN GENERAL.—Any individual aggrieved by an adverse action taken by a lessor or mortgagee for exercising rights under section 2 may commence a civil action under this section against the lessor or mortgagee violating such section in an appropriate United States district court or State court not later than 2 years after such violation occurs for damages under subsection (b).

(b) DAMAGES; PENALTY.—Any lessor or mortgagee found to have taken adverse action against any lessee or mortgagor for exercising rights under section 2 shall be liable—

(1) to the individual aggrieved by such violation, for any actual damages as a result of such adverse action; and

(2) for a fine in the amount of—

(A) $5,000, in the case of violation that is the first violation by such lessor or mortgagee;

(B) $10,000, in the case of violation that is the second violation by such lessor or mortgagee; and

(C) $50,000 or forfeiture of the property, in the case of violation that is the third or subsequent violation by such lessor or mortgagee.

(c) AUTHORITY OF COURT.—In an action brought under this section, the court—
(1) may award preventative relief, including a permanent or temporary injunction or other order, to ensure the full rights granted by subsections (a) and (b) of section 2; and

(2) shall award any prevailing plaintiff, other than the United States, reasonable attorney’s fee and costs.

(d) ATTORNEY GENERAL ENFORCEMENT.—The Attorney General may bring a civil action in any appropriate United States district court against any individual who violates subsection (a) or (b) of section 2 for fines under subsection (b)(2) of this section.

SEC. 4. LANDLORD RELIEF FUND.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish and manage a Landlord Relief Fund (in this section referred to as the “Fund”), to provide lessors payments under this section to reimburse such lessors for payments under covered residential mortgage loans suspended pursuant to section 2(b).

(b) APPLICATION.—The Secretary shall provide for lessors of covered rental dwelling units to apply for reimbursement payments from the Fund, which applications shall include the certifications and binding agreements required pursuant to subsection (c).
(c) Eligibility.—The Secretary may provide a payment under this section only with respect to covered rental dwelling units that meet all of the following requirements:

(1) Fair Rental Requirements.—The lessor of the covered rental dwelling unit has made such certifications to, and entered into such binding agreements with, the Secretary as the Secretary considers necessary to ensure that during the 5-year period beginning upon initial receipt by such lessor of payment under this section for such dwelling unit, such dwelling unit shall be subject to the following requirements:

(A) Rent Freeze.—The monthly rent for the dwelling unit may not be increased from the amount of such rent charged as of the date of the enactment of this Act.

(B) Just-Cause Evictions.—A tenant of the dwelling unit may be evicted only for just cause and only pursuant to advance written notice to the tenant of such just cause.

(C) Source of Income Discrimination.—The lessor may not refuse to rent the dwelling unit, or discriminate in the renting of the dwelling unit, to a household based on the source of income of such household, including
income under the program under section 8(o) of
the United States Housing Act of 1937 (42
U.S.C. 1437f(o)) or any similar tenant-based
rental assistance program.

(D) NEW VACANCIES.—The lessor shall co-
ordinate with the public and other housing au-
thorities for the jurisdiction within which the
dwelling unit is located to make the dwelling
unit available, upon any vacancy, to households
assisted as described in subparagraph (C).

(E) ADMISSIONS RESTRICTIONS.—The les-
sor may not restrict tenancy of the dwelling
unit on the basis of sexual identity or orienta-
tion, gender identity or expression, conviction or
arrest record, credit history, or immigration
status.

(F) ARREARAGES.—The lessor may not
collect an arrearage in rent owed by the tenant
as of the expiration of such 5-year period.

(G) RETALIATION.—The lessor may not
retaliate in any way against a tenant of the
dwelling unit.

(H) DEBT COLLECTORS AND CREDIT RE-
PORTING AGENCIES.—The lessor may not re-
port the tenant of the dwelling unit to a debt
collector or provide any adverse information re-
garding the tenant to any credit reporting agen-
cy.

(2) Prohibition on Duplication of Assistance.—Assistance may not be provided under this section with respect to any dwelling unit for which assistance is provided pursuant to section 5.

(d) Amount.—

(1) In General.—Subject to paragraph (2), the amount of a payment under this section with re-
spect to a covered rental dwelling unit may not ex-
ceed the aggregate amount of rent for the dwelling unit suspended pursuant to section 2(a) and attrib-
utable only to days during the COVID-19 suspen-
sion period that the dwelling unit was occupied by a tenant otherwise required to pay rent for such oc-
cupancy.

(2) Reimbursement for Rent Paid by Ten-
ants.—In making payments under this section with respect to any covered dwelling unit for which tenant made a payment of rent during the COVID-19 sus-
pension period, the Secretary shall—

(A) reduce the amount of the payment to the lessor under paragraph (1) by the amount of any such rent paid; and
(B) make a payment to such tenant in the amount of any such rent paid.

(c) PRIORITY.—In making payments under this section, the Secretary shall establish a tiered system for priority for such payments based on assets, revenues, disclosure requirements, and profit status with respect to lessors. Such system shall provide priority for making payments to eligible lessors that are nonprofit organizations or entities and lessors having the fewest available amount of assets.

(f) RECAPTURE.—If a lessor violates any requirement with respect to a covered rental dwelling unit under any certification or agreement entered into pursuant to subsection (c)(2), the Secretary shall recapture from the lessor an amount equal to the entire amount of assistance provided under this section that is attributable to such dwelling unit and cover such amount recaptured into the Fund.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Landlord Relief Fund established pursuant to this section such sums as may be necessary to reimburse all lessors for all rent payments suspended pursuant to section 2(a).
SEC. 5. LENDER RELIEF FUND.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish and manage a Lender Relief Fund (in this section referred to as the “Fund”), to provide mortgagees payments under this section to reimburse such mortgagees for mortgage payments suspended pursuant to section 2(b).

(b) APPLICATION.—The Secretary shall provide for mortgagees under covered residential mortgage loans to apply for reimbursement payments from the Fund, which applications shall include the certifications and binding agreements required pursuant to subsection (c). The Secretary shall provide that an eligible mortgagee may apply for assistance from the Fund only once with respect to any covered residential mortgage loan.

(c) ELIGIBILITY.—The Secretary may provide a payment under this section only with respect to covered residential mortgage loans that meet all of the following requirements:

(1) FAIR AND INCLUSIVE LENDING REQUIREMENTS.—The mortgagee for the mortgage loan has made such certifications to, and entered into such binding agreements with, the Secretary as the Secretary considers necessary to ensure that during the 5-year period beginning upon initial receipt by such mortgagee of payment under this section for such
mortgage loan, such mortgagee shall be subject to
the following requirements:

(A) Reporting on Lending.—The mort-
gagee shall report annually to the Secretary
such detailed information regarding residential
mortgage loans made by such mortgagee as the
Secretary shall require, including the race, eth-
icity, age, and credit score of mortgagors, the
zip codes of properties for which mortgages
were made, and the interest rates and other
loan pricing features of such mortgage loans.

(B) Reporting on Lender.—The mort-
gagee shall report annually to the Secretary
such detailed information regarding the mort-
gagee as the Secretary shall require, including
the location of the offices of the mortgagee, and
practices and systems for outreach to and referr-
al of borrowers.

(2) Prohibition on Duplication of Assistance.—Assistance may not be provided under this
section with respect to any dwelling unit subject to
a covered residential mortgage loan for which assist-
ance is provided pursuant to section 4.

(d) Amount.—
(1) IN GENERAL.—Subject to paragraph (2), the amount of a payment under this section with respect to a covered residential mortgage may not exceed the aggregate amount of mortgage payments under the mortgage suspended pursuant to section 2(b).

(2) REIMBURSEMENT FOR MORTGAGE PAYMENTS MADE BY MORTGAGORS.—In making payments under this section with respect to any covered residential mortgage loan for which the mortgagor made a mortgage payment during the COVID-19 suspension period, the Secretary shall—

(A) reduce the amount of the payment to the mortgagee under paragraph (1) by the amount of any such mortgage payments paid; and

(B) make a payment to the mortgagor in the amount of any such mortgages payments paid.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Lender Relief Fund established pursuant to this section such sums as may be necessary to reimburse all lessors for all rent payments suspended pursuant to section 2(b).
SEC. 6. AFFORDABLE HOUSING ACQUISITION FUND.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish and manage an Affordable Housing Acquisition Fund (in this section referred to as the “Fund”), to fund the acquisition of multifamily housing projects by eligible purchasers to—

(1) ensure that tenants have access to safe and habitable housing conditions regardless of their landlords’ ability to pay for repairs and maintenance during and after the COVID-19 pandemic;

(2) prevent financial hardship for rental property owners; and

(3) prevent a mass exit in the rental housing market that results in massive corporate purchases similar to the 2008 economic crisis.

(b) FIRST RIGHT OF PURCHASE.—

(1) NOTICE TO SECRETARY.—During the 5-year period beginning upon the date of the enactment of this Act, the owner of a multifamily housing property may not sell or transfer ownership of such property unless—

(A) the owner has notified the Secretary, in accordance with such requirements as the Secretary shall establish, of the owner’s intent to sell or transfer the property;
(B) a period of 60 days, beginning upon
provision of such notice to the Secretary, has
elapsed; and

(C) if during such 60-day period any eligi-
ble purchaser under paragraph (3) applies to
the Secretary for purchase assistance under
subsection (c) with respect to such property, the
Secretary has approved or denied such applica-
tion and, if approved, the eligible purchaser has
made a bona fide offer to the owner to purchase
such project in the amount determined under
subsection (c)(3)(A).

(2) NOTICE TO ELIGIBLE PURCHASERS.—Upon
provision to the Secretary of notice under paragraph
(1)(A) regarding a multifamily housing project, the
Secretary shall take such actions as may be nec-
essary to provide notice to eligible purchasers of the
owner’s intent to sell or transfer the property.

(3) ELIGIBLE PURCHASERS.—For purposes of
this section, an eligible purchaser under this para-
graph shall be a nonprofit organization, a public
housing agency, a cooperative housing association, a
community land trust, or a State or unit of local
government or an agency thereof, as such terms are
defined by the Secretary.
(c) PURCHASE ASSISTANCE.—

(1) APPLICATION.—The Secretary shall provide for eligible purchasers to apply for assistance from the Fund to cover the cost of acquisition of a multifamily housing project for which notice has been submitted pursuant to subsection (1)(A).

(2) CRITERIA.—The Secretary shall establish such criteria and preferences as the Secretary considers appropriate to select an eligible purchaser for assistance under this section in cases in which more than one approvable application for such assistance is submitted with respect to a single multifamily housing project.

(3) AMOUNT.—Pursuant to an application submitted under paragraph (1) with respect to a multifamily housing project, the Secretary may provide assistance from the Fund on behalf of eligible purchaser submitting such application, in an amount equal to the purchase price for the project agreed to under subparagraph (A) of this paragraph, but only if the Secretary determines that—

(A) such eligible purchaser and the owner of such multifamily housing project have voluntarily agreed to a sale of such project to the eligible purchaser for an amount not exceeding
the fair market value of the project as of the
time of provision of assistance from the Fund
for purchase of the project, as determined by
the Secretary; and

(B) the eligible purchaser has made the
certifications and entered into the agreements
required under subsection (d) with respect to
the project.

(d) Affordable Housing Restrictions.—The
certifications and agreements required under this sub-
section with respect to a multifamily housing project are
such certifications to, and binding agreements with, the
Secretary as the Secretary considers necessary to ensure
that during the useful life of the project the project will
comply with the following requirements:

(1) Affordable Housing.—The project shall
comply with the requirements under section 215(a)
of the Cranston-Gonzalez National Affordable Hous-
ing Act (42 U.S.C. 12745(a)) necessary to qualify
under such section as affordable housing.

(2) Just-Cause Evictions.—A tenant of the
project may be evicted only for just cause and only
pursuant to advance written notice to the tenant of
such just cause.
(3) **Source of income discrimination.**—A prospective tenant household of the project may not be refused rental of a dwelling unit in the project, and a prospective tenant household or tenant household may not be discriminated against in the renting of a dwelling unit in the project, based on the source of income of such household, including income under the program under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) or any similar tenant-based rental assistance program.

(4) **Admissions restrictions.**—Tenancy of dwelling units in the project may not be restricted on the basis of sexual identity or orientation, gender identity or expression, conviction or arrest record, credit history, or immigration status.

(5) **Supportive services.**—Residents of the project shall be provided with free, voluntary supportive services that help address the needs of those experiencing chronic homelessness or housing instability, including access to healthcare, employment or education assistance, childcare, financial literacy education, and other community-based support services, as the Secretary shall require.

(6) **Democratic control.**—Tenants of the project shall have control of living and operating
conditions in the project through a democratically elected resident board or council.

(c) Recapture.—If an eligible purchaser violates any requirement with respect to a multifamily housing project purchased with assistance provided from the Fund under any certification or agreement entered into pursuant to subsection (d), the Secretary shall recapture from the eligible purchase an amount equal to the amount of such assistance provided and shall cover such amount recaptured into the Fund.

(f) Authorization of Appropriations.—There is authorized to be appropriated for the Affordable Housing Acquisition Fund established pursuant to this section such sums as may be necessary—

(1) for assistance under this section to fund acquisition of multifamily housing projects by eligible purchasers; and

(2) for each fiscal year, for assistance for the operation and maintenance of eligible properties purchased with assistance provided from the Fund.

SEC. 7. Definitions.

For purposes of this Act, the following definitions shall apply:
(1) **Covered Rental Dwelling Unit.**—The term “covered rental dwelling unit” means a dwelling that is occupied by a tenant—

(A) as a primary residence; and

(B)(i) pursuant to a residential lease; or

(ii) without a lease or with a lease terminable at will under State law.

Such term includes such a dwelling unit in multifamily housing, single-family housing, a condominium unit, a unit in cooperative housing, a dwelling unit that is occupied pursuant to a sublease, a single-room occupancy unit, and a manufactured housing dwelling unit and the lot on which it is located.

(2) **Covered Residential Mortgage Loan.**—The term “covered residential mortgage loan” means any consumer credit transaction that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on residence consisting of a single dwelling unit that is occupied by the mortgagor as a primary residence.

(3) **COVID-19 Suspension Period.**—The term “COVID-19 suspension period” means the period beginning on April 1, 2020, and ending upon the expiration of the 30-day period that begins upon the
date of the termination by the Federal Emergency Management Agency of the emergency declared on March 13, 2020, by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 4121 et seq.) relating to the Coronavirus Disease 2019 (COVID–19) pandemic.

(4) MULTIFAMILY HOUSING PROJECT.—The term “multifamily housing project” means a residential structure consisting of 5 or more dwelling units.

(5) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

SEC. 8. REGULATIONS.

The Secretary may issue any regulations necessary to carry out this Act.