

Insights: Legal Alert

CARES Act | Temporary Moratorium on Eviction Filings

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Please note: The below information may require updating, including additional clarification, as the COVID-19 pandemic continues to develop. Please monitor our main [COVID-19 Task Force page](#) and/or your email for updates.

The federal CARES Act contains several provisions that prevent the eviction of residential tenants of a certain buildings secured by Federally backed mortgage loans under several federal programs for a 120-day period. A copy of the current legislation can be found [here](#) – the provisions are located in Subtitle A, Title IV – Coronavirus Economic Stabilization Act of 2020. The key provisions include the following:

- The CARES Act provides that for a 120-day period beginning on March 27, 2020 (the “Moratorium Period”), the landlord of a “covered dwelling” cannot (A) make, or cause to be made, any filing to initiate a legal action to recover possession of the covered dwelling from the tenant for nonpayment of rent; and (B) impose any fees, penalties or other charges on a tenant for late payment of rent.
- The CARES Act further provides that during the Moratorium Period the landlord of a covered dwelling cannot: (A) require a tenant to vacate a dwelling unit located in the applicable property before the date that is 30 days after the date the tenant is provided a notice to vacate; and (B) may not issue a notice to vacate until after the expiration of the Moratorium Period.
- **Key Terms:**
 - The CARES Act defines “covered property” as any property that participates in (A) a covered housing program as defined in Section 41411(a) of the Violence Against Women Act of 1994; or (B) the rural housing voucher program under section 542 of the Housing Act of 1949; or (C) has a Federally backed mortgage loan or a Federally backed multifamily mortgage loan.
 - The CARES Act defines “covered dwelling” as (A) a dwelling that is occupied by tenant pursuant to a residential lease or without a lease or with a lease that is terminable under State law and (B) is in or on a covered property.
 - The CARES Act defines “dwelling” by reference to Section 802 and 803(b) of the Fair Housing Act as apartment buildings (generally meaning buildings of more than four units), nursing homes, group homes, seasonal facilities, residential facilities, mobile homes, trailer parks, condominiums and certain single family homes.
 - The CARES Act defines a “Federally backed mortgage loan” as any loan that is secured by a first or subordinate lien on real property (including individual units of condominiums or cooperatives)

designed principally for the occupancy of from one to four families that is (A) insured by the Federal Housing Administration or the National Housing Act, (B) guaranteed under Housing and Community Development Act, the Department of Veterans Affairs, or the Department of Agriculture, (C) made by the Department of Agriculture or (D) purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

- o The CARES Act defines “Federally backed multi-family mortgage loan” as any loan (other than temporary financing such as a construction loan) that is secured by a first or subordinate lien on residential multifamily real property designed principally for the occupancy of five or more families that is made, insured, guaranteed or assisted in any way by any officer or agency of the Federal Government.
- o The CARES Act defines “applicable property” as the residential multifamily property against which secures a Federally backed multifamily mortgage loan.
- o The CARES Act defines “covered period” as the period commencing on March 27, 2020 and ending on the first to occur of (A) the termination date of the national emergency concerning the coronavirus disease outbreak declared by the President on March 13, 2020 and (B) December 31, 2020.

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