



MORTGAGE BANKERS ASSOCIATION

CREF Selected Highlights The American Rescue Plan Act of 2021

The \$1.9 trillion COVID-19 stimulus bill, the American Rescue Plan Act of 2021, has passed the Senate and House of Representatives and is expected to be signed into law by President Biden.

Highlights of the legislation that affect the commercial and multifamily industry include:

- Direct rental assistance,
- Targeted business assistance (including PPP and help for restaurants and shuttered venues),
- Unemployment insurance,
- Direct assistance to individuals, and
- State and federal assistance (including assistance that may be used for rental and other COVID-related assistance and for critical infrastructure projects).

We summarize these and other key provisions below and, for the convenience of readers, we include page-number references.

The full text of the legislation is available [here](#).

TARGETED ASSISTANCE FOR AFFECTED HOMEOWNERS AND RENTERS

- **Sec. 3201. Emergency Rental Assistance (ERA)** (p. 123). \$21.55 billion to Treasury for ERA to cover rent, rent arrearages, utilities, home energy costs, arrearages for utilities and energy costs, as well as other expenses related to housing.

Each state will receive a minimum of \$152 million, and \$2.5 billion is set aside for high need areas. “High need” will be determined by Treasury based on “the number of very low-income renter households 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.”

- **Sec. 3202. Emergency Housing Vouchers** (p. 134). \$5 billion for emergency Housing Choice Vouchers.
- **Sec. 3203. Emergency Assistance for Rural Housing** (p. 139). \$100 million for rent support for households living in U.S. Department of Agriculture (USDA)-subsidized properties.
- **Sec. 3204. Housing Counseling** (p. 139). \$100 million for housing counseling services through [NeighborWorks](#) to households facing instability, such as eviction, default, foreclosure, loss of income, or homelessness.
- **Sec. 3206. Homeowners Assistance Fund (HAF)** (p. 146). Approximately \$10 billion to provide direct assistance through state housing finance agencies to help

homeowners with COVID-19 hardships by supporting mortgage payments; providing funding for deeper loan modifications; assisting with utility payments, property tax and insurance payments, and homeowner association dues; and offering other support to prevent the loss of home equity, mortgage delinquency, default, or foreclosure.

Eligible loans cannot be above the conforming loan limit at the time of origination. At least 60% of funds must go to homeowners with income at or below 100% of AMI (or the national median income).

- **Sec. 11003. Housing Assistance for Native Americans** (p. 620). \$750 million to support Native American Housing Block Grants, Native Hawaiian Housing Block Grants, and Indian Community Development Block Grants.

TARGETED ASSISTANCE FOR AFFECTED BUSINESSES

- **Sec. 5001. Modifications to Paycheck Protection Program** (p. 195). \$7.25 billion in PPP funding and extending eligibility to certain non-profits and other organizations.
- **Sec. 5002. Targeted Economic Injury Disaster Loans (EIDL)** (p. 205). \$15 billion for SBA's EIDL program for the purpose of ensuring that qualified small businesses can obtain the full \$10,000 EIDL Advance Grant as defined by CARES Act.
- **Sec. 5003. Support for Restaurants** (p. 206). \$25 billion for a Small Business Administration (SBA) grant program to target food and food service-related businesses, which would provide up to \$10 million per entity and \$5 million per location.
- **Sec. 5004. Community Navigator Pilot Program** (p. 217). \$175 million for the newly created SBA Community Navigator Program to increase awareness of, and participation in, COVID-19- related assistance programs available to small businesses.
- **Sec. 5005. Shuttered Venues Grant** (p. 222). \$1.25 billion in additional funding for the SBA's shuttered venues grant program.

OTHER PROVISIONS OF NOTE

EXTENSION OF CARES ACT UNEMPLOYMENT PROVISIONS

- **Sec. 9011. Extension of Pandemic Unemployment Assistance** (p. 290). Temporary federal unemployment and benefits extension of \$300 per week through September 6, 2021. The first \$10,200 of unemployment insurance is exempt from taxation for individuals earning up to \$150,000.

2021 RECOVERY REBATES TO INDIVIDUALS.

- **Sec. 9601. 2021 Recovery Rebates to Individuals** (p. 342). Direct payments of \$1,400 per qualified individual. Phase out begins at \$75,000 for single filers and ends at \$80,000; for joint filers, phase out begins at \$150,000 and ends at \$160,000.

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

- **Sec. 9901. Coronavirus State and Local Fiscal Recovery Funds** (p. 569).
Appropriation of \$219.8 billion, including:
 - **Coronavirus state and local fiscal recovery funds** (p. 571). Reservation of \$195.3 billion of the \$219.8 billion appropriation for state and local relief for local economic recovery efforts: “(A) to respond to the public health emergency with respect to the Coronavirus Disease or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (B) for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to such emergency; (C) to make necessary investments in water, sewer, or broadband infrastructure.”
 - **Coronavirus Capital Projects (critical infrastructure projects)** (p. 602)
New \$10 billion Critical Infrastructure Projects program to help States, territories, and Tribal governments carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to COVID-19.