

116TH CONGRESS
2D SESSION

H. R. 6515

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. SUSPENSION OF OBLIGATIONS TO MAKE RESIDEN-**
7 **TIAL MORTGAGE AND RENT PAYMENTS.**

8 (a) RENT PAYMENTS.—

1 (1) SUSPENSION.—Notwithstanding any other
2 provision of law, the obligation of each tenant house-
3 hold of a covered rental dwelling unit to pay rent for
4 occupancy in such dwelling unit shall be suspended
5 with respect to such occupancy during the COVID-
6 19 suspension period.

7 (2) PROHIBITIONS.—

8 (A) ON FINES.—No tenant or tenant
9 household may be charged a fine or fee for non-
10 payment of rent in accordance with paragraph
11 (1) and such nonpayment of rent shall not be
12 grounds for any termination of tenancy or evic-
13 tion.

14 (B) ON DEBT.—No tenant or tenant
15 household may be treated as accruing any debt
16 by reason of suspension of contribution of rent
17 under paragraph (1).

18 (C) ON REPAYMENT.—No tenant or tenant
19 household may be held liable for repayment of
20 any amount of rent contribution suspended
21 under paragraph (1).

22 (D) ON CREDIT SCORES.—The non-
23 payment of rent by a tenant or tenant house-
24 hold shall not be reported to a consumer report-
25 ing agency nor shall such nonpayment adversely

1 affect a tenant or member of a tenant house-
2 hold's credit score.

3 (b) MORTGAGE PAYMENTS.—

4 (1) SUSPENSION.—Notwithstanding any other
5 provision of law, the obligation of each mortgagor
6 under a covered residential mortgage loan to make
7 mortgage payments of principal and interest that be-
8 come due during the COVID-19 suspension period is
9 hereby suspended.

10 (2) REQUIREMENTS AND PROHIBITIONS.—

11 (A) ON DEBT.—No mortgagor under any
12 covered residential mortgage loan may be held
13 responsible for payment of mortgage payments
14 suspended under paragraph (1) or treated as
15 accruing any debt by reason of suspension
16 under such paragraph of the obligation to make
17 mortgage payments.

18 (B) ON FORECLOSURE.—A mortgagee
19 under a covered residential mortgage loan (or
20 servicer for such mortgagee) may not commence
21 or continue any judicial foreclosure action or
22 non-judicial foreclosure process or any action
23 for failure to make a payment due under such
24 mortgage that is suspended pursuant to para-
25 graph (1).

1 (C) ON FEES, PENALTIES, AND INTER-
2 EST.—No fees, penalties, or additional interest
3 beyond the amounts scheduled or calculated as
4 if the mortgagor made all contractual payments
5 on time and in full under the terms of the
6 mortgage contract in effect as of the commence-
7 ment of the COVID-19 suspension period shall
8 accrue.

9 (D) ON CREDIT SCORES.—The non-
10 payment of a mortgage payment by a mort-
11 gator pursuant to suspension under paragraph
12 (1) of the obligation to make such payment
13 shall not be reported to a consumer reporting
14 agency nor shall such nonpayment adversely af-
15 fect a mortgagor's credit score.

16 (c) NOTICE.—The Secretary of Housing and Urban
17 Development shall establish and carry out a system to no-
18 tify all tenants of covered rental dwelling units, including
19 tenants described in section 7(1)(B)(ii), and all mortga-
20 gors under covered residential mortgage loans, of the sus-
21 pensions under paragraph (1) of subsections (a) and (b)
22 of the obligations to make rental payments or mortgage
23 payments, respectively, and of their right to pursue legal
24 action pursuant to section 3.

1 **SEC. 3. CIVIL ACTION.**

2 (a) IN GENERAL.—Any individual aggrieved by an
3 adverse action taken by a lessor or mortgagee for exer-
4 cising rights under section 2 may commence a civil action
5 under this section against the lessor or mortgagee vio-
6 lating such section in an appropriate United States dis-
7 trict court or State court not later than 2 years after such
8 violation occurs for damages under subsection (b).

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

13 (1) to the individual aggrieved by such viola-
14 tion, for any actual damages as a result of such ad-
15 verse action; and

16 (2) for a fine in the amount of—

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

19 (B) \$10,000, in the case of violation that
20 is the second violation by such lessor or mort-
21 gagee; and

22 (C) \$50,000 or forfeiture of the property,
23 in the case of violation that is the third or sub-
24 sequent violation by such lessor or mortgagee.

25 (c) AUTHORITY OF COURT.—In an action brought
26 under this section, the court—

1 (1) may award preventative relief, including a
2 permanent or temporary injunction or other order,
3 to ensure the full rights granted by subsections (a)
4 and (b) of section 2; and

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

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

13 **SEC. 4. LANDLORD RELIEF FUND.**

14 (a) ESTABLISHMENT.—The Secretary of Housing
15 and Urban Development shall establish and manage a
16 Landlord Relief Fund (in this section referred to as the
17 “Fund”), to provide lessors payments under this section
18 to reimburse such lessors for payments under covered resi-
19 dential mortgage loans suspended pursuant to section
20 2(b).

21 (b) APPLICATION.—The Secretary shall provide for
22 lessors of covered rental dwelling units to apply for reim-
23 bursement payments from the Fund, which applications
24 shall include the certifications and binding agreements re-
25 quired pursuant to subsection (c).

1 (c) ELIGIBILITY.—The Secretary may provide a pay-
2 ment under this section only with respect to covered rental
3 dwelling units that meet all of the following requirements:

4 (1) FAIR RENTAL REQUIREMENTS.—The lessor
5 of the covered rental dwelling unit has made such
6 certifications to, and entered into such binding
7 agreements with, the Secretary as the Secretary con-
8 siders necessary to ensure that during the 5-year pe-
9 riod beginning upon initial receipt by such lessor of
10 payment under this section for such dwelling unit,
11 such dwelling unit shall be subject to the following
12 requirements:

13 (A) RENT FREEZE.—The monthly rent for
14 the dwelling unit may not be increased from the
15 amount of such rent charged as of the date of
16 the enactment of this Act.

17 (B) JUST-CAUSE EVICTIONS.—A tenant of
18 the dwelling unit may be evicted only for just
19 cause and only pursuant to advance written no-
20 tice to the tenant of such just cause.

21 (C) SOURCE OF INCOME DISCRIMINA-
22 TION.—The lessor may not refuse to rent the
23 dwelling unit, or discriminate in the renting of
24 the dwelling unit, to a household based on the
25 source of income of such household, including

1 income under the program under section 8(o) of
2 the United States Housing Act of 1937 (42
3 U.S.C. 1437f(o)) or any similar tenant-based
4 rental assistance program.

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

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

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

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

23 (H) DEBT COLLECTORS AND CREDIT RE-
24 PORTING AGENCIES.—The lessor may not re-
25 port the tenant of the dwelling unit to a debt

1 collector or provide any adverse information re-
2 garding the tenant to any credit reporting agen-
3 cy.

4 (2) PROHIBITION ON DUPLICATION OF ASSIST-
5 ANCE.—Assistance may not be provided under this
6 section with respect to any dwelling unit for which
7 assistance is provided pursuant to section 5.

8 (d) AMOUNT.—

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

18 (2) REIMBURSEMENT FOR RENT PAID BY TEN-
19 ANTS.—In making payments under this section with
20 respect to any covered dwelling unit for which tenant
21 made a payment of rent during the COVID-19 sus-
22 pension period, the Secretary shall—

23 (A) reduce the amount of the payment to
24 the lessor under paragraph (1) by the amount
25 of any such rent paid; and

1 (B) make a payment to such tenant in the
2 amount of any such rent paid.

3 (e) PRIORITY.—In making payments under this sec-
4 tion, the Secretary shall establish a tiered system for pri-
5 ority for such payments based on assets, revenues, disclo-
6 sure requirements, and profit status with respect to les-
7 sors. Such system shall provide priority for making pay-
8 ments to eligible lessors that are nonprofit organizations
9 or entities and lessors having the fewest available amount
10 of assets.

11 (f) RECAPTURE.—If a lessor violates any requirement
12 with respect to a covered rental dwelling unit under any
13 certification or agreement entered into pursuant to sub-
14 section (c)(2), the Secretary shall recapture from the les-
15 sor an amount equal to the entire amount of assistance
16 provided under this section that is attributable to such
17 dwelling unit and cover such amount recaptured into the
18 Fund.

19 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
20 authorized to be appropriated for the Landlord Relief
21 Fund established pursuant to this section such sums as
22 may be necessary to reimburse all lessors for all rent pay-
23 ments suspended pursuant to section 2(a).

1 **SEC. 5. LENDER RELIEF FUND.**

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

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

16 (c) ELIGIBILITY.—The Secretary may provide a pay-
17 ment under this section only with respect to covered resi-
18 dential mortgage loans that meet all of the following re-
19 quirements:

20 (1) FAIR AND INCLUSIVE LENDING REQUIRE-
21 MENTS.—The mortgagee for the mortgage loan has
22 made such certifications to, and entered into such
23 binding agreements with, the Secretary as the Sec-
24 retary considers necessary to ensure that during the
25 5-year period beginning upon initial receipt by such
26 mortgagee of payment under this section for such

1 mortgage loan, such mortgagee shall be subject to
2 the following requirements:

3 (A) REPORTING ON LENDING.—The mort-
4 gagee shall report annually to the Secretary
5 such detailed information regarding residential
6 mortgage loans made by such mortgagee as the
7 Secretary shall require, including the race, eth-
8 nicity, age, and credit score of mortgagors, the
9 zip codes of properties for which mortgages
10 were made, and the interest rates and other
11 loan pricing features of such mortgage loans.

12 (B) REPORTING ON LENDER.—The mort-
13 gagee shall report annually to the Secretary
14 such detailed information regarding the mort-
15 gagee as the Secretary shall require, including
16 the location of the offices of the mortgagee, and
17 practices and systems for outreach to and refer-
18 ral of borrowers.

19 (2) PROHIBITION ON DUPLICATION OF ASSIST-
20 ANCE.—Assistance may not be provided under this
21 section with respect to any dwelling unit subject to
22 a covered residential mortgage loan for which assist-
23 ance is provided pursuant to section 4.

24 (d) AMOUNT.—

1 (1) IN GENERAL.—Subject to paragraph (2),
2 the amount of a payment under this section with re-
3 spect to a covered residential mortgage may not ex-
4 ceed the aggregate amount of mortgage payments
5 under the mortgage suspended pursuant to section
6 2(b).

7 (2) REIMBURSEMENT FOR MORTGAGE PAY-
8 MENTS MADE BY MORTGAGORS.—In making pay-
9 ments under this section with respect to any covered
10 residential mortgage loan for which the mortgagor
11 made a mortgage payment during the COVID-19
12 suspension period, the Secretary shall—

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

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

20 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated for the Lender Relief Fund
22 established pursuant to this section such sums as may be
23 necessary to reimburse all lessors for all rent payments
24 suspended pursuant to section 2(b).

1 **SEC. 6. AFFORDABLE HOUSING ACQUISITION FUND.**

2 (a) ESTABLISHMENT.—The Secretary of Housing
3 and Urban Development shall establish and manage an
4 Affordable Housing Acquisition Fund (in this section re-
5 ferred to as the “Fund”), to fund the acquisition of multi-
6 family housing projects by eligible purchasers to—

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

11 (2) prevent financial hardship for rental prop-
12 erty owners; and

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

16 (b) FIRST RIGHT OF PURCHASE.—

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

22 (A) the owner has notified the Secretary,
23 in accordance with such requirements as the
24 Secretary shall establish, of the owner’s intent
25 to sell or transfer the property;

1 (B) a period of 60 days, beginning upon
2 provision of such notice to the Secretary, has
3 elapsed; and

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

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

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

1 (c) PURCHASE ASSISTANCE.—

2 (1) APPLICATION.—The Secretary shall provide
3 for eligible purchasers to apply for assistance from
4 the Fund to cover the cost of acquisition of a multi-
5 family housing project for which notice has been
6 submitted pursuant to subsection (1)(A).

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

14 (3) AMOUNT.—Pursuant to an application sub-
15 mitted under paragraph (1) with respect to a multi-
16 family housing project, the Secretary may provide
17 assistance from the Fund on behalf of eligible pur-
18 chaser submitting such application, in an amount
19 equal to the purchase price for the project agreed to
20 under subparagraph (A) of this paragraph, but only
21 if the Secretary determines that—

22 (A) such eligible purchaser and the owner
23 of such multifamily housing project have volun-
24 tarily agreed to a sale of such project to the eli-
25 gible purchaser for an amount not exceeding

1 the fair market value of the project as of the
2 time of provision of assistance from the Fund
3 for purchase of the project, as determined by
4 the Secretary; and

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

9 (d) AFFORDABLE HOUSING RESTRICTIONS.—The
10 certifications and agreements required under this sub-
11 section with respect to a multifamily housing project are
12 such certifications to, and binding agreements with, the
13 Secretary as the Secretary considers necessary to ensure
14 that during the useful life of the project the project will
15 comply with the following requirements:

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

21 (2) JUST-CAUSE EVICTIONS.—A tenant of the
22 project may be evicted only for just cause and only
23 pursuant to advance written notice to the tenant of
24 such just cause.

1 (3) SOURCE OF INCOME DISCRIMINATION.—A
2 prospective tenant household of the project may not
3 be refused rental of a dwelling unit in the project,
4 and a prospective tenant household or tenant house-
5 hold may not be discriminated against in the renting
6 of a dwelling unit in the project, based on the source
7 of income of such household, including income under
8 the program under section 8(o) of the United States
9 Housing Act of 1937 (42 U.S.C. 1437f(o)) or any
10 similar tenant-based rental assistance program.

11 (4) ADMISSIONS RESTRICTIONS.—Tenancy of
12 dwelling units in the project may not be restricted
13 on the basis of sexual identity or orientation, gender
14 identity or expression, conviction or arrest record,
15 credit history, or immigration status.

16 (5) SUPPORTIVE SERVICES.—Residents of the
17 project shall be provided with free, voluntary sup-
18 portive services that help address the needs of those
19 experiencing chronic homelessness or housing insta-
20 bility, including access to healthcare, employment or
21 education assistance, childcare, financial literacy
22 education, and other community-based support serv-
23 ices, as the Secretary shall require.

24 (6) DEMOCRATIC CONTROL.—Tenants of the
25 project shall have control of living and operating

1 conditions in the project through a democratically
2 elected resident board or council.

3 (e) RECAPTURE.—If an eligible purchaser violates
4 any requirement with respect to a multifamily housing
5 project purchased with assistance provided from the Fund
6 under any certification or agreement entered into pursu-
7 ant to subsection (d), the Secretary shall recapture from
8 the eligible purchase an amount equal to the amount of
9 such assistance provided and shall cover such amount re-
10 captured into the Fund.

11 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated for the Affordable Housing
13 Acquisition Fund established pursuant to this section such
14 sums as may be necessary—

15 (1) for assistance under this section to fund ac-
16 quisition of multifamily housing projects by eligible
17 purchasers; and

18 (2) for each fiscal year, for assistance for the
19 operation and maintenance of eligible properties pur-
20 chased with assistance provided from the Fund.

21 **SEC. 7. DEFINITIONS.**

22 For purposes of this Act, the following definitions
23 shall apply:

1 (1) COVERED RENTAL DWELLING UNIT.—The
2 term “covered rental dwelling unit” means a dwell-
3 ing that is occupied by a tenant—

4 (A) as a primary residence; and

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

6 (ii) without a lease or with a lease ter-
7 minable at will under State law.

8 Such term includes such a dwelling unit in multi-
9 family housing, single-family housing, a condo-
10 minium unit, a unit in cooperative housing, a dwell-
11 ing unit that is occupied pursuant to a sublease, a
12 single-room occupancy unit, and a manufactured
13 housing dwelling unit and the lot on which it is lo-
14 cated.

15 (2) COVERED RESIDENTIAL MORTGAGE
16 LOAN.—The term “covered residential mortgage
17 loan” means any consumer credit transaction that is
18 secured by a mortgage, deed of trust, or other equiv-
19 alent consensual security interest on residence con-
20 sisting of a single dwelling unit that is occupied by
21 the mortgagor as a primary residence.

22 (3) COVID-19 SUSPENSION PERIOD.—The term
23 “COVID-19 suspension period” means the period
24 beginning on April 1, 2020, and ending upon the ex-
25 piration of the 30-day period that begins upon the

1 date of the termination by the Federal Emergency
2 Management Agency of the emergency declared on
3 March 13, 2020, by the President under the Robert
4 T. Stafford Disaster Relief and Emergency Assist-
5 ance Act (42 U.S.C. 4121 et seq.) relating to the
6 Coronavirus Disease 2019 (COVID–19) pandemic.

7 (4) MULTIFAMILY HOUSING PROJECT.—The
8 term “multifamily housing project” means a residen-
9 tial structure consisting of 5 or more dwelling units.

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

12 **SEC. 8. REGULATIONS.**

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

○