



Freddie Mac Multifamily Examines the Impact of the End of Eviction Moratoriums on Renters

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MCLEAN, Va., June 30, 2021 (GLOBE NEWSWIRE) -- A new [white paper](#) from [Freddie Mac](#) (OTCQB: FMCC) Multifamily studies the impact of the end of eviction moratoriums and role of rental assistance as the nation recovers from the economic impact of COVID-19. As eviction moratoriums and renter protections lapse, Freddie Mac is encouraging renters and property owners to proactively understand and seek available rental assistance to help mitigate the remaining economic challenges as the country emerges from the pandemic.

"While the steady return to normal pre-pandemic routines brings a sense of optimism, the economic impact of COVID-19 will have a lingering effect, particularly on renters who owe back rent and were protected by eviction moratoriums," said Corey Aber, Senior Director, Mission, Policy and Strategy. "We found that there is likely enough rental assistance available, and the deployment and accessibility of these funds is vital to supporting renters and property owners in need as the country transitions to a post-pandemic normal."

In this paper, Freddie Mac discusses the public policy actions taken to protect renters from eviction during the COVID-19 pandemic. The CARES Act eviction moratorium, which ended July 25, 2020, mandated that property owners could not file notices to vacate for non-payment of rent during the moratorium. Thereafter, property owners are required to provide at least 30 days' notice to vacate.

The CDC eviction moratorium took effect September 4, 2020; and the CDC announced June 24 that it would be extended through July 31, 2021. Under the terms of the moratorium, eviction filings are allowed, but the property owner cannot evict if the renter provides a declaration certifying that the renter is making best efforts to obtain government assistance, among other items.

The paper outlines several key findings:

- **Eviction moratoriums prevented eviction crisis during pandemic:** Policy actions taken in response to the COVID-19 pandemic led to a record low number of nationwide eviction filings in 2020 and the first quarter of 2021. In ordinary circumstances, the disruption of renter employment could have led to a substantial eviction crisis. In the states and cities tracked by [Eviction Lab at Princeton](#), eviction filings are down 58% from March 2020 through May 2021 versus the historical yearly average.
- **Potential back rent owed is concerning factor going forward:** While the moratoriums prevented evictions, renters are still responsible for paying rent. Depending on the state, unpaid rent can lead to an eviction, making the deployment of rental assistance funding critical in preventing evictions into the coming months.
- **Adequate funding for renter support is available, but deployment critical:** The federal government has allocated funding of approximately \$47 billion to states for Emergency Rental Assistance. When viewed in the aggregate, it appears that there is adequate renter support in place to cover the need through the transition for both renters and property owners. However, access to and distribution of the allocated funds are vital to continue the eviction protection that renters received during the pandemic.

Since the beginning of the COVID-19 crisis, Freddie Mac has taken [numerous actions](#) to help struggling homeowners and renters with financial hardships related to COVID-19. You can also visit the Freddie Mac consumer education website, [My Home[®] by Freddie Mac](#) for rental assistance resources. For COVID-19 updates and resources for our Multifamily Business, [follow this link](#).

Download the [white paper](#) to learn more about our findings.

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Historically, more than 90% of the eligible rental units we fund are affordable to families with low-to-moderate incomes earning up to 120% of area median income. Freddie Mac securitizes about 90% of the multifamily loans it purchases, thus transferring the majority of the expected credit risk from taxpayers to private investors.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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