

## RD Will Not Terminate RD Vouchers of Residents Evicted for Nonpayment of Rent

In response to a National Housing Law Project (NHLP) request, Rural Development (RD) announced on July 23, that RD voucher holders who are terminated for non-payment of rent during the pandemic will not also have their vouchers terminated. Instead of a voucher termination notice RD will send them a standard move package that will allow them to relocate to other housing and continue to receive the voucher subsidy.

RD vouchers are issued to a relatively small group of households who lived in RD Section 515 developments that were prepaid or foreclosed upon. Unlike HUD Housing Choice Vouchers, the subsidy received by RD voucher holders is set at the time that the Section 515 loan was prepaid or foreclosed upon and does not change as rents increase or household income decreases. Moreover, under a 2017 Federal Register Notice governing the operation of the RD voucher program, 82 Fed. Reg. 21972 (May 11, 2017), vouchers are terminated whenever households are evicted for any reason. This leaves voucher assisted households, most of whom are very low income and elderly, without any rental subsidy.

Earlier this month NHLP asked RD to waive the voucher termination policy for nonpayment of rent during the COVID-19 pandemic so that voucher holders who have the capacity to again make rent payments can move to other, possibly less costly, housing. On July 23, RD responded to NHLP stating that it has waived the requirement and has instructed its staff to stop sending voucher termination notices to households whose lease was terminated for nonpayment of rent. Instead, it will send them a move package that will allow them to move to other housing using the RD voucher.

This action is likely to be most beneficial to households who had a temporary or partial loss of income and who asked for a moratorium on rent payments under the CARES Act rent payment moratorium provisions. In many instances, these households are not able to repay the accrued rent and will face eviction for non-payment of rent. Unfortunately, these households will still need to come up with new rent and security deposits and may have to deal with credit or other reports showing that they have been evicted for nonpayment of rent.