



Education in Personal Money Management

Coronavirus - Covid-19: Stimulus for Renters

How to pay rent: The stimulus provides enhanced unemployment insurance benefits to furloughed or laid-off workers that includes a \$600 weekly supplement on top of the average \$300 to \$400 check from the state for up to 39 weeks. **(In our list of Resources,** read our article titled “Stimulus for Unemployment.”) If you are eligible, file for unemployment as soon as possible.

Most Americans will also receive tax rebates of up to \$1,200 in coming weeks. The hope is that these benefits help most affected workers pay their monthly bills. **(In our list of Resources,** read our article titled: “Stimulus Checks)

A tool that can help: in our list of Resources, click on the PDF link for “Prioritize Bills.” As you look at your various expenses, think about which ones you may be able to reduce a bit and which ones you can completely eliminate. This may be difficult but must be done by many, at least until the Stimulus check and unemployment checks start coming in.

Stimulus help for some renters: The bill puts a temporary, nationwide eviction moratorium in place for any renters whose landlords have mortgages backed or owned by **Fannie Mae, Freddie Mac and other federal entities.** This will last for 120 days after the bill passed, and landlords also can’t charge any fees or penalties for nonpayment of rent.

But many tenants rent from mom and pop owners and others who are not tied to these federal entities. And 12 states have taken no steps to halt evictions, leaving some renters vulnerable. Some are calling for a national eviction moratorium which means the rent is deferred...paid at a later time. That can leave tenants with several months of back payments due when the emergency is over.

Some tenant advocacy groups are calling for the cancellation of rent payments during the crisis. This is probably not likely to happen. So, when the crisis ends landlords and tenants must come to agreements that could include full or reduced payments and some further aid from the government.

Stimulus help from Freddie Mac: March 24, 2020 announced, in coordination with the Federal Housing Finance Agency (FHFA), a nationwide relief plan for its Multifamily borrowers and residents of their apartment properties. Under the Freddie Mac program, **multifamily landlords whose properties are financed with a Freddie Mac Multifamily fully performing loan can defer their loan payments for 90 days** by showing hardship because of COVID-19 and by gaining lender approval.

In turn, Freddie Mac is requiring landlords not to evict any tenant based solely on non-payment of rent during the forbearance period. Through partnership with its network of Optigo® lenders and investors, Freddie Mac anticipates that the program can provide relief for up to 4.2 million U.S. renters across more than 27,000 properties. (Go to www.freddiemac.com to read the entire press release and to learn more about what they do.)

About Freddie Mac: it makes homeownership and rental housing more accessible and affordable. Operating in the secondary mortgage market, they keep mortgage capital flowing by purchasing mortgage loans from lenders so they in turn can provide more loans to qualified borrowers. Their mission is to provide liquidity, stability, and affordability to the U.S. housing market in all economic conditions and extends to all communities from coast to coast.

This recap is only meant to be a summary. More information will come out as time goes on and we will try to keep you updated.

Source: Many sources and Financial Awareness Institute

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