Research Brief: CARES Act 30-Day Eviction Notice Requirement

Congress passed the Coronavirus Aid, Relief, and Economic Security Act (hereinafter "CARES Act") in March 2020 to stem the pandemic eviction crisis and support housing stability beyond the public health emergency. The law included two distinct eviction-related provisions: 1) a temporary 120-day moratorium on all evictions for nonpayment of rent, which sunset in July 2020; and 2) a permanent 30-day eviction notice requirement (hereinafter "notice requirement"), which is still in effect today. (*15 U.S.C. § 9058*)

Which housing is covered under the law?

- **The CARES Act only applies to tenants living in federally-assisted housing and in properties with federally-backed mortgages.** The law includes properties covered under the Violence Against Women Act (VAWA), the rural housing voucher program, and properties with a federally-backed mortgage loan or a federally-backed multifamily mortgage loan. For a full list of covered programs, see *NHLP's Enforcing the 30-Day Notice Requirement* (pg 3).
- **The CARES Act covers between 28.1%–45.6% of currently occupied rental units across the United States**, or approximately 12.6–20.5 million occupied units. (*Federal Reserve Bank of Atlanta; Statista: Renter Occupied Housing Units from 1975–2023*)

Who lives in federally assisted housing?

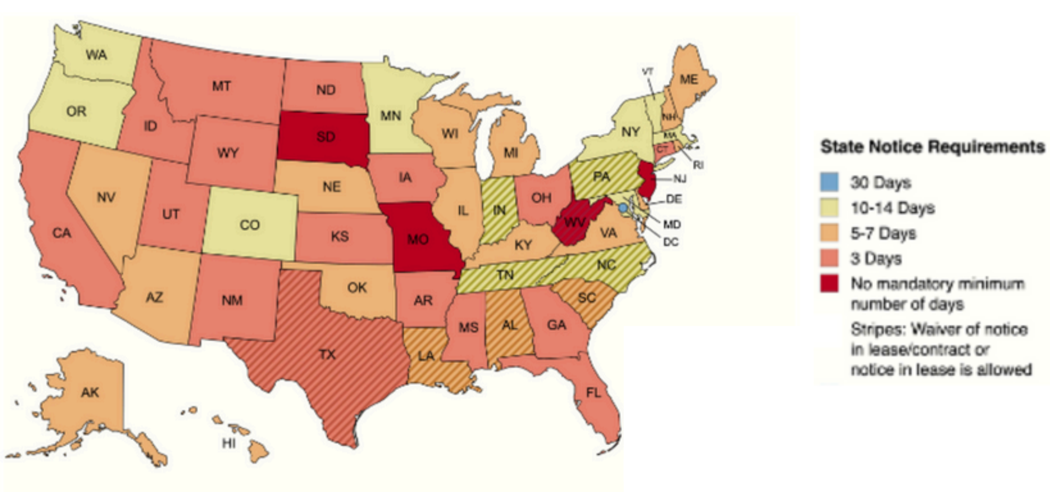
- **Senior citizens, families with children, people with disabilities, and veterans live in federally-assisted housing.** 10 million people in over 5 million low-income households received some form of federal housing assistance, including 2.1 million seniors, 2.6 million people with disabilities, and 5.6 million people living with children. (*Center on Budget and Policy Priorities*; *Graphic on demographic breakdown*)
- **Most households receiving federal housing assistance are very-low income.** Most households participating in public housing or project-based programs have annual incomes under $16,000. In comparison, the median rent for an apartment is $1,410/month and has increased 23% since 2001, while wages only increased by 5%. (*Center on Budget and Policy Priorities; Federal Registry; HUD Assisted Housing*)

Why is the 30-day notice requirement crucial to housing stability?

- **The requirement gives tenants the critical time needed to address the notice and stay in their homes.** The time provided by the 30-day notice requirement allows tenants to recover from financial shocks, find legal representation, recertify after a change in income, pay past-due rent, and negotiate with their housing provider. (*24 C.F.R. § 5.628*; *HUD's Occupancy Requirements*)
- **Public Housing Authorities need time to process a tenant's change in income.** Rent in federally-assisted housing is based on income, and residents can recertify their income or apply for a hardship extension if their financial situation changes. HUD estimates that a recertification request takes approximately 4 weeks, making 30-days notice necessary to prevent tenants from being evicted while their request is processed.
- **Late rent payments are temporary problems that are easily cured with a longer notice period.** Late rent payments often result from temporary financial challenges, such as an unexpected medical bill or misaligned pay schedule, which tenants can typically resolve within a few weeks. (*Journal of Poverty Law and Policy; Social Forces*)
- **A longer notice period fosters better outcomes for housing providers and tenants.** Housing providers are often more willing to negotiate and address small debts when there is a longer notice period and the additional time allows tenants the ability to identify helpful resources and assistance. (*Federal Registry; Serial Filing: How Landlords Use the Threat of Eviction*)

What would happen if the 30-day notice requirement was repealed?

- **Without the 30-day notice requirement, eviction notice defaults to a patchwork of state housing laws, many of which allow less than 5 days notice.** 58% of states allow a housing provider to file for eviction after less than 5 days notice. (*Citations available*)
- **5 states allow tenants to be evicted without any (0 days) prior notice.** Missouri, New Jersey, South Carolina, South Dakota, and West Virginia have no notice requirement.
- **16 states require a 3 days notice and 10 states require as little as 5 day notice** prior to a housing provider being able to file for eviction.



Who faces eviction at the highest rates?

- **Children face the most extreme eviction rates and risk.** A study found that nearly 40% of the 7.6 million people facing eviction each year were children. Moreover, 52% of households with eviction filings have at least one child. (*PNAS, 2023*)
- **Black Americans are disproportionately affected by eviction.** Despite making up only 18.6% of all renters, Black Americans account for 51.1% of those affected by eviction filings and 43.4% of those evicted. Roughly one in five Black Americans living in a rented household is threatened with eviction annually. (*PNAS, 2023*)
- **True eviction rates are significantly higher than recorded data.** Nearly 3.6 million eviction cases are filed annually. But 1 out of every 3 renters who received an eviction notice vacated before the eviction was filed in court, suggesting that true eviction rates are significantly higher – some data suggests informal eviction rates to formal court-ordered evictions are as high as
- 5-to-1. (*PNAS 2022; Milwaukee Research Study, 2016*)

What are the consequences of eviction?

Devastating and Preventable Health Consequences

- **The mere threat (i.e. notice) of eviction increases the risk of death by 19%.** Receiving an actual eviction judgment is associated with a 40% increase in the risk of death. (*Social Science & Medicine Journal, 2024*)
- **Shorter life expectancy.** A person with unstable housing lives an average of 27.3 fewer years than a person with stable housing. (*ACP Journals, 2024*)
- **Evicted children are more likely to suffer long-term harm.** Children who are evicted are more likely to struggle with food insecurity, access to healthcare and childcare, and have lower cognitive scores than those not evicted. Additionally, eviction stress was associated with 12–35% increased odds of child depression and anxiety. (*Pediatrics, 2022; MedRxIV, Jamie L. Hanson, 2024; Social Science & Medicine, 2022*)
- **Increased physical and psychological risks for women.** Eviction increases psychological distress, depression, and stress for pregnant women leading to a higher rate of adverse birth outcomes. Eviction is also associated with higher rates of physical and sexual assault. (*Women's Health, 2016; American Journal of Epidemiology, 2024; Health Services Research, 2020; Social Forces Advance Access, 2015*)
- **Negative impact on the health of the entire community.** Research suggests that evictions result in community-level changes that could affect the health of non-evicted community members. (*Journal of Social Science & Medicine, 2024*)

Long-Lasting Consequences: The "Scarlet E"

- **Creates a permanent record and is used to deny future housing.** Even when an eviction filing does not lead to housing loss, it can create a public, permanent record (i.e., "Scarlet E"), which tenant screening companies and housing providers regularly treat as an automatic rejection from safe and affordable housing. (*American Progress Report*; *NY Times Article, 2021*)
- **Adversely impacts credit.** A tenant's credit report can reflect their eviction-related debt for up to 7 years, regardless of whether the debt has been paid. (*Equifax*)
- Eviction Screening Practices exclude Black renters. Eviction screening practices based on prior eviction history disproportionately excludes Black women and Black renters, in particular. (*Eviction Lab*)
- **Eviction of Housing Choice Voucher holders bars future housing.** A voucher holder evicted for non-payment might not be able move into another voucher unit until the pending amount is repaid. Renters who lose their housing voucher may have to wait up to 8 years or more on the waiting list with the average for households being 2.5 years to get another voucher. (*CBPP Housing Voucher; HUD Handbook*)

Pervasive Economic Consequences

- **Higher rates of job loss.** The likelihood of being laid off is 11–22% higher for workers who experienced an eviction. (*Social Problems, 2016*)
- **Loss of medical insurance coupled with an increase in medical spending and emergency room visits.** Eviction was linked to a 63% greater likelihood of losing Medicaid coverage, fewer prescription fills, and lower odds of spending on healthcare. However, evicted individuals who did incur healthcare costs spent, on average, 20% more. Additionally, emergency room visits increased by 70% within the two years after an eviction filing. (*American Journal of Preventive Medicine, 2022; The Quarterly Journal of Economics*)
- **Increased risk of homelessness.** Individuals who experience an eviction are 14%–19% more likely to apply to a homeless shelter. Eviction also increases the time spent in a homeless shelter by an average of 36 days in the years following the filing. (*NYU, Wagner School of Public Service, 2018*)

How does the 30-day notice requirement affect housing providers?

- **Property owners avoid the costs of eviction and increase guaranteed rental payments.** Generally, a single eviction costs property owners and housing providers between $3,500–$11,000. When a tenant is evicted for nonpayment, housing providers often struggle to recover the unpaid rent, resulting in financial loss that could have otherwise been collected with more time. The notice requirement gives tenants time to recertify their income, thereby increasing guaranteed payment to property owners and avoiding turnover. (*Landlord Credit Bureau; Journal of Affordable Housing & Community Development Law, 2023*)

- **When tenants have time to recertify income under the notice requirement, housing providers continue to receive HUD subsidies with adjustment when the tenant has a change in financial circumstances.** Accordingly, the notice requirement only costs housing providers approximately $0.55 per occupied unit per year in public housing and $1.14 in project-based rental assistance (PBRA) programs. (*TransUnion: Eviction*)
- **Avoiding the lengthy eviction timeline provides a cost-benefit to the property owner.** The eviction process lasts anywhere between 30 to 180 days causing a housing provider to lose $1,231–$7,386 based on the average rent. Housing providers who work with tenants are in a better position to gain unpaid rent than spending time and money on an eviction process which includes the cost of legal fees, eviction filing costs, and loss of rental money during the proceedings. (*ATS - Tenant Screen*)
- **Housing providers typically receive large subsidies from public housing authorities, which makes it easier to overlook small debts.** Housing providers are often more willing to overlook small debts and negotiate in exchange for the larger subsidies received from the public housing authorities. (*Federal Registry; Serial Filing*)

Who opposes the 30-day notice requirement?

- Repealing the CARES Act has been a top priority for organizations such as the National Apartment Association ("NAA") and National Multifamily Housing Council ("NMHC"). These organizations' multi-year advocacy efforts involved spending millions of dollars on the congressional campaigns of certain candidates. (*NAA Article*; *NMHC Newsletter*)
- Between the 2022 and 2024 election cycle, NAA and NMHC contributed over $6.3 million to congressional candidates. Of the 36 representatives that sponsored and cosponsored the bill to repeal the 30-day notice requirement, 30 received congressional contributions from NAA and 20 received contributions from NMHC.
- In 2023, NAA spent a total of $2.16 million to lobby for only 5 bills, 1 of which was the Respect State Housing Laws Act.
- In 2024, NAA spent $1.7 million to lobby for 6 bills, 2 of which are the Respect State Housing Laws Act in the House and Senate. (*Federal Election Commission; Open Secrets*)

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