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MEMORANDUM

Date: March 30, 2020

To: All Residential Landlord Clients

**Re: Landlord / Tenant Provisions in CARES Act
Lessors of Residential Properties Holding Federally Backed Mortgages
Eviction Filings for Nonpayment of Rent Only**

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among its many provisions with wide-ranging effects across the economy, we are highlighting some of the sections directly applicable to landlords of residential properties. First, the CARES Act imposes a **120-day moratorium on evictions and late fees** for all **lessors of residential properties with federally backed mortgages** (or those participating in covered federal programs). Second, multifamily borrowers with federally backed loans may request **forbearance** of their loans. During any forbearance period, lessors must also suspend evictions and late fees.

Section 4024 – 120-Day Moratorium on Eviction Filings

Under Section 4024 of the CARES Act, a temporary, **120-day moratorium on evictions based upon nonpayment of rent** (beginning effective March 27, 2020) applies to **any lessor of residential property with a federally backed mortgage loan or federally backed multifamily mortgage loan** (or that participates in the low-income housing tax credit program, rural housing voucher program, or other covered federal housing programs). Pursuant to Section 4024(b), during the 120-day moratorium, the lessor of any covered dwelling unit must not file any eviction action to recover possession of a unit based upon nonpayment of rent. Additionally, the lessor must not charge fees, penalties, or other charges to tenants during the 120-day moratorium. Also, pursuant to Section 4024(c), a lessor may not require a tenant to vacate a unit “before the date that is 30 days after the date on which the lessor provides the tenant with a notice to vacate.” No such notices to vacate may be issued during the moratorium.

Section 4023(d) – Renter Protections During Forbearance Period – Federally Backed Loans

Under Section 4023 of the CARES Act, a multifamily borrower with a federally backed multifamily mortgage loan may request a forbearance for up to three periods of thirty days each. A multifamily borrower receiving such forbearance may not: (1) evict or initiate the eviction of a tenant from a dwelling unit located at the property solely for nonpayment of rent or other charges; or (2) charge any late fees or other penalties to tenants for late payment of rent, during the forbearance period. Borrowers receiving such forbearance also may not issue notices to vacate to tenants until after the expiration of the forbearance.

Please let us know if you have any questions regarding the CARES Act or would like to discuss these matters further.

Sincerely,

Cary G. Schiff

Cary G. Schiff & Associates