

May 18, 2021

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C, 20220

Dear Secretary Yellen:

Approximately eight million households have faced difficulties paying rent since the onset of the COVID-19 pandemic. According to the Urban Institute, as of February 2021, the total debt related to late rental payments is estimated to range from \$8.4 billion to \$52.6 billion.¹ It is clear, whatever the figure, there are millions of American households hurting as they wait to receive assistance from the Emergency Rental Assistance (ERA) program funded by Congress last December.

As you know, the ERA program, which was established by the 2021 Consolidated Appropriations Act, created a \$25 billion fund at the Treasury Department to assist low-income households who found themselves in arrears on their rent payments due to the COVID-19 pandemic. Congress provided an additional \$21.55 billion for the program in March 2021. Yet, despite more than \$46 billion made available to help these renters now, the U.S. Census Bureau found one in seven renters report they are behind on payments.² The *New York Times* further reports “only a small portion [of ERA relief funds] has reached landlords and tenants, and in many places it is impossible even to file an application.”³

The reasons for the program’s slow start appear to vary by state. Some states took several months to establish their rental assistance programs. Some are still unable to accept applications.⁴ Further delays arose when the Biden administration revised program guidelines on March 26, 2021, three months after the program was established.⁵

¹ Laurie Goodman and Kathryn Reynolds, *Many People are Behind on Rent. How Much Do They Owe?*, Urban Institute Blog, Feb. 24, 2021, <https://www.urban.org/urban-wire/many-people-are-behind-rent-how-much-do-they-owe>.

² U.S. Census Bureau, Household Pulse Survey, Mar. 17 – 29, 2021, <https://www.census.gov/data/tables/2021/demo/hhp/hhp27.html>.

³ Jason DeParle, *Federal Aid to Renters Moves Slowly, Leaving Many at Risk*, N.Y. TIMES, Apr. 25, 2021, <https://www.nytimes.com/2021/04/25/us/politics/rental-assistance-pandemic.html>.

⁴ *Id.*

⁵ *Id.*

The absence of accurate state-level data to show how much of the \$46 billion in ERA funds has reached tenants further complicates the effort to determine whether the program is being administered effectively, and places the burden on the Department to track whether grantees are disbursing money. Moreover, unlike the bipartisan CARES Act, the American Rescue Plan Act did not provide dedicated funds for the office of inspector general (OIG) at the Treasury Department to track ERA spending, among other things.

On March 23, 2021, when you appeared before the Committee, I asked how the Department will “ensure that the funds are actually prioritized for individuals and families who are in rental arrears.”⁶ In response, you testified:

[I]t is Treasury’s job to establish guard rails, and we’ve done that by issuing a set of frequently answered questions that are essentially guidance about how the money needs to be used. It clarifies that grantees have flexibility, but also that there are requirements of the statute and that we will follow up to make sure that the payments are going to eligible households and that the guidelines of the program are being followed.⁷

The Department’s task recently became more urgent. On May 5, 2021, the U.S. District Court for the District of Columbia vacated a nationwide eviction moratorium order issued by the Centers for Disease Control and Prevention (CDC). The moratorium, which has been in effect since September 4, 2020, may have protected millions of tenants from eviction. The District Court’s ruling has been stayed pending appeal, but regardless of the outcome of that case, the moratorium is set to expire on June 30, 2021. These variables—including the imminent expiration of the federal eviction moratorium, shifting program guidance, and varying levels of effectiveness at the grantee level—combine to create an atmosphere of uncertainty for renters who are counting on the relief that Congress appropriated late last year.

To assist the Committee in its oversight responsibilities, particularly as it relates to overseeing the effectiveness of the ERA program in reaching tenants who need assistance, we request that you provide the following documents and information as soon as possible but no later than May 26, 2021:

1. For the \$25 billion provided via the Consolidated Appropriations Act, 2021 (ERA1), and the \$21.55 billion under the American Rescue Plan Act of 2021 (ERA2), provide:
 - a. The total amount of ERA funds that Treasury has distributed to eligible grantees to date.
 - b. The amount not yet disbursed.

⁶ *Oversight of the Treasury Department’s and Federal Reserve’s Pandemic Response*, Hearing before the H. Comm. on Fin. Services, 117th Cong., Mar. 23, 2021 (question from Hon. Patrick McHenry, Ranking Member).

⁷ *Id.* (statement by Hon. Janet Yellen, Secretary of the Treasury).

- c. Documents sufficient to show which grantees have awarded funds to eligible recipients, and which grantees have not started to make disbursements to eligible recipients.
 - d. The amount of funds disbursed by eligible grantees for purposes other than rental assistance.
2. Documents and communications referring or relating to the Administration's decision to change the previous Administration's guidance to eligible grantees on the use of funds, including, but not limited to, those referring or relating to whether changing guidance would slow or otherwise affect the program.

These funds are critical for households who are facing hardships, including rental arrearages, as a result of the pandemic. The documents and information described above will help Congress better understand how these funds are being used and what changes may be necessary to ensure they are getting to those Americans who need them most.

Please contact Ed Skala at edward.skala@mail.house.gov or Connor Dunn at connor.dunn@mail.house.gov to make arrangements to produce the requested materials or with any questions. Thank you for your attention to this important matter.

Sincerely,



Patrick McHenry
Ranking Member

cc: Hon. Maxine Waters, Chairwoman