

Summary of HB 4401

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New Landlord Compensation Program (Section 2)

To help prevent evictions and stabilize the most impacted landlords, the proposal establishes a landlord-based compensation fund. This is a more efficient way to distribute dollars, for the state and landlords, and is the product of a joint landlord and tenant workgroup that examined programs in Washington and Colorado.

- Landlords may apply for rent assistance through OHCS on behalf of all their tenants who owe rent payments.
- Payments go directly to Landlords.
- Smaller landlords, and landlords with a higher percentage of unpaid rent will be prioritized.
- The agency will process the application, and local public housing authorities will issue the assistance checks directly to landlords.
- The program will pay back rent only. Payments will be for 80% of arrears owed at time of application, and landlords forgive 20% of past due rent.
- The program is voluntary, and landlords may apply more than once.
- Requires Department to expedite administration of the program.
- **This program is funded at \$150 million (see section 4 of SB 5731)**

Expedited Distribution of Funds to Current Rent Assistance Program via Tenant Application (Section 3)

Section 3 specifies prompt distribution of new funds to programs currently administering the individual tenant application-based rent assistance program.

- Payments go directly to the landlord, but this program is accessed thru individual tenant applications.
- **This program is funded at \$50 million (see section 4 of SB 5731)**

Eviction Moratorium Extension (Sections 6-17)

The bill extends a revised version of the eviction moratorium through June 30, 2021, with additional protections and considerations for both landlords and tenants.

- Tenants must document that they have experienced financial hardship impacting their ability to pay rent after March 16, 2020, the date of the Governor's Stay Home, Save Lives orders due to COVID-19. Documentation is done via a signed declaration.
 - Qualifying tenants must pay all rent back by July 1, 2021, to avoid eviction after that date.
 - For non-qualifying tenants, protections from eviction for non-payment will end after December 31, 2020. (The HB 4213 grace period for arrears prior to October continues until March 31, 2021.)
- If a landlord intends to move forward with an eviction notice due to non-payment, they must provide their tenant with the declaration form and inform them of their rights. Landlords may not move forward in the eviction process if the tenant has provided this declaration.
- The timeframe within which a tenant must respond to an eviction notice for non-payment in order to avoid an eviction filing is **temporarily** extended from 72 hours to 10 days, to allow the tenant time to seek assistance, download translated forms if necessary, and return the form to the landlord.
- If an eviction is filed and a tenant returns the form at or before the First Appearance, the tenant is protected.
- The prohibition on late fees and reporting a tenant's nonpayment balance as delinquent to any consumer credit reporting agency during they moratorium, as well as other protections, are extended.
- During the extended moratorium, no-cause evictions are not allowed.
- After the first year of occupancy, landlord-based causes are allowed if a landlord intends to sell the unit to someone who will occupy it, demolish or convert the unit, undertake major repairs/renovations when the home is or will be unsafe to occupy, or move themselves or a family member into the unit.

- The “first year of occupancy” is extended until August 31st, 2021, so as to allow landlords to use no-cause notices after the moratorium ends.
- Specifies that a landlord may send a “you still owe rent” reminder, that may include a voluntary payment plan offer, at any time. Landlord to include a notice of rights and a declaration form when sending this reminder.
- Clarifies that a landlord may deduct past due rent from a security deposit if a tenancy ends during the moratorium.
- **Temporarily** increases the damages for violation of the prohibition against retaliation from 2 months’ rent/actual damages to 3 months’ rent/actual damages.
- Clarifies that a tenant who is protected by the moratorium is not legally “in default” of rent while the protection is in place, for purposes of retaliation and discrimination provisions.
- Clarifies that while the protection is in place for qualifying tenants, a landlord may not sue a tenant for non-payment.

Eviction Moratorium Sunset

The eviction moratorium sunsets, and provisions revert back to current law, on July 1, 2021.

- Sections 18 and 22 provide the sunset for the changes to retaliation damages increase.
- Section 19 and Section 22 provide the sunset for the extension of the notice of non-payment.
- Sections 20-22 provide the sunset for the changes to the FED forms required to implement the bill.
- Section 23 repeals the moratorium extension on July 1, 2021.