



April 5, 2021

**Rural Development**

Chad Parker  
Acting Administrator

Rural Housing Service  
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TO: All RHS MFH National Office Directors  
Rural Development

ATTN: Multifamily Housing Regional Directors  
Rural Development

FROM: Chad Parker /s/ **Chad Parker**  
Acting Administrator  
Rural Housing Service

SUBJECT: The American Rescue Plan Act of 2021 Emergency Rental  
Assistance for Rural Housing

**PURPOSE**

This Unnumbered Letter serves as guidance for Multifamily Field Operations Division staff (FOD) on the eligibility and selection criteria for the distribution of Rental Assistance (RA) made available through the American Rescue Plan Act of 2021.

**BACKGROUND**

The American Rescue Plan Act of 2021, SEC. 3203. EMERGENCY ASSISTANCE FOR RURAL HOUSING provides that:

*In addition to amounts otherwise available, there is appropriated to the Secretary of Agriculture for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, \$100,000,000, to remain available until September 30, 2022, to provide grants under section 521(a)(2) of the Housing Act of 1949 or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, for temporary adjustment of income losses for residents of housing financed or assisted under section 514, 515, or 516 of the Housing Act of 1949 who have experienced income loss but are not currently receiving Federal rental assistance.*

EXPIRATION DATE:  
April 30, 2022

FILING INSTRUCTIONS:  
Housing Programs

## **IMPLEMENTATION**

Over the coming weeks, RD staff will identify units eligible for RA and contact owners to verify eligibility. These RA units will be assigned to properties and units with current Rural Development tenants that are rent overburdened, paying more than 30% of their income for rent. Tenants must also not be currently receiving, or scheduled in the future to receive, any federal housing assistance that would duplicate assistance provided by this RA per the April 1, 2021 official project worksheet. This includes the Department of Treasury's Emergency Rental Assistance program future rent payments. Priority will be given to tenants currently paying more than 50% of their income toward rent.

The Borrower and project must be eligible to receive Rental Assistance, based on 7 CFR 3560.254, which includes housing projects that operate under an Interest Credit Plan II RA agreement, or housing projects financed with an Agency off-farm labor housing loan or grant. Properties assisted by HUD's Project based Section 8 program are not eligible to receive Rental Assistance.

In anticipation of this funding, Agency staff will analyze current data, including project worksheets and tenant certifications, and work closely with owners and managers to ensure that all tenants have been identified, including assignment of the correct tenant subsidy code. All unused RA currently available at the property must first be assigned to any/all overburdened tenants prior to a property receiving any additional RA unit(s).

If follow-up is required for a given project, the Servicing Official will contact the project Borrower & Management Agent to explain what is required and establish a deadline to complete the actions.

The Servicing Official will notify the Borrower and Management Agent of the property, in writing, to indicate which eligible tenants are residing at the property. The letter will request the Borrower's acceptance of the RA units and certification that no other duplicative federal housing assistance is being received on the tenant's behalf.

The RA funds obligated on behalf of the selected tenant will expire automatically upon total disbursement or credit of rental assistance to the borrower's account, unless earlier suspended, transferred or terminated according to the Rental Assistance Agreement, or up to 12 months, whichever comes first. If funding is insufficient for the full 12 months, then additional funding may be available. Renewals after September 30, 2022 are subject to availability of appropriations.

If you have any questions regarding the guidance in this UL, please contact Julie Felhofer, Policy & Budget Branch, MFH Asset Management Division.