

US Needs Strategy On Unwinding Eviction Moratorium

By **Jonathan Carson and Eric Kurtzman** (November 23, 2021, 5:11 PM EST)

When the federal eviction moratorium met its expected demise at the hands of the U.S. Supreme Court in August, it set the stage for millions of American men, women and children to be kicked out of their homes even as COVID-19 cases were hitting new peaks around the country and the delta variant surged.



Jonathan Carson

This was unquestionably a serious **development**, and one that raised the specter of a longer, more painful economic recovery and fight against the pandemic. But the government has turned the situation into the equivalent of an unmitigated and unnecessary train wreck by repeatedly failing to provide renters and landlords with a cohesive plan to address their unpaid back rent.

As a result, it's more likely than ever that we will see a wave of bankruptcies as Americans who are kicked out of their homes unnecessarily face dire financial straits.



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It didn't have to be this way. The national eviction moratorium, put in place by the Centers for Disease Control and Prevention, was one of the biggest federal policy successes of the pandemic.

It gave families across the country stability, providing people already facing the economic repercussions of pandemic-fueled job losses and school closures with the confidence that they would keep their residences during the worst health crisis in a century.

The moratorium also helped mitigate the further spread of COVID-19 by reducing the need for individuals and families to move in with relatives or friends or to seek temporary relief in homeless shelters. But as with most successes, this came at a cost.

You cannot simply allow renters to stop paying without a negative consequence for their landlords, and the time is coming for owed monies to be settled up.

Critics of the moratorium claim that it has resulted in more than \$13 billion in unpaid rent per month; that means Americans likely already owe well over \$100 billion in back rent that will eventually need to be repaid or permanently assign as an arbitrary burden on landlords.

Despite the massive success of the moratorium on many levels, the federal government has failed to address one of the biggest challenges facing tens of millions of Americans over a year and a half into this pandemic: the threat of eventual eviction once the moratorium is over.

The failure to have any plan in place for moving into a post-moratorium era — despite every indication the moratorium would be thrown out by the U.S. Supreme Court — threatens to turn this policy win into a new source of misery.

Absent a plan, we can expect an onslaught of eviction actions and bankruptcy filings, which will inundate the courts and give rise to society draining elements — legal fees, wasted

time, economic uncertainty and of course, home uncertainty.

Society is already feeling the effects: Billions of dollars in rental aid slated to help aren't making it into the hands of landlords and renters, and what help there has been was already too late for some tenants.

This doesn't have to continue. The train doesn't have to crash into the termination wall.

The time is now for the Biden administration to build an off ramp, to deliver a cohesive, national plan that outlines what happens next.

How will billions in unpaid back rent be dealt with? How can rental aid that's already been approved move more quickly into the hands of renters and landlords? What orderly process will the government put in place to make all of this possible?

Implementing half measures, relying on half-baked legal arguments, and using the bully pulpit of the White House podium to urge more action from state and local governments only breeds more uncertainty and increases the risk of chaos.

Abdicating the unwinding of a national eviction moratorium to the discretion of each individual state gives rise to risks not worth taking. Already, individual states have demonstrated drastically different viewpoints to COVID-19 relief, with some states ending federal supplemental unemployment benefits early, and others providing more aid to their citizens.

The Biden administration needs to outline specific rules for all renters, landlords, and local governments in order to stave off the crisis that the patchwork approach has inspired today.

A national set of rules will help prevent uneven responses and unequal recovery throughout the country. Of course, nothing should prevent states from enacting more localized rules, but the federal government built this train, and extended the tracks, and needs to provide the basis for the off ramp.

A specific, detailed national approach that considers the needs of both renters and landlords will provide much needed, and currently absent, stability. Critically, any such plan needs to be announced and implemented with enough lead time for opponents to engage the inevitable legal machinations to try to invalidate the program. The Biden administration should expect this process and construct a plan that will survive such challenges.

Crafting the plan correctly will be as difficult as it is important. Families need to know how that repayment process will work — how much time they will have to repay, what limits will there be on landlords trying to accelerate repayments, and how can families avoid missteps that would drive them toward eviction and other negative economic results, such as having to file for bankruptcy.

All parties need information and the ability to access federal, state, and local programs to help navigate the repayment process so that landlords and renters alike can successfully navigate this transition period without further economic dislocation.

The eviction moratorium is rightfully hailed a major success in helping reduce the spread of COVID-19 transmission by providing a safe harbor to families who would otherwise not have housing throughout the pandemic. A cogent, well-designed and empathetic off ramp that allows them to successfully repay their back rent is just as critical as the moratorium itself.

In recent weeks, we've started to see an uptick in Chapter 13 bankruptcy filings in certain regions, which may be an indication that the economic distress facing many renters has become insurmountable. As more Americans may be inching closer to the brink of filing bankruptcy, the need for solutions will only become more urgent.

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