

RESPECT STATE HOUSING LAWS ACT

JULY 30, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MCHENRY, from the Committee on Financial Services, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 802]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 802) to amend the CARES Act to remove a requirement on lessors to provide notice to vacate, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Respect State Housing Laws Act”.

SEC. 2. CLARIFICATION.

Section 4024 of the CARES Act (15 U.S.C. 9058) is amended by striking subsection (c).

PURPOSE AND SUMMARY

Introduced on February 2, 2023, by Representative Barry Loudermilk, H.R. 802, the *Respect State Housing Laws Act*, would remove a drafting error in Section 4024 of the CARES Act (P.L. 116–136) relating to the expired temporary 30-day eviction notice requirement in federally assisted or federally backed housing.

BACKGROUND AND NEED FOR LEGISLATION

Passed in March 2020 during the height of the pandemic, Section 4024 of the CARES Act provides “a temporary eviction moratorium on eviction filings.” Subsection (b) of Section 4024 established a temporary 120-day federal moratorium on evictions as well as a moratorium on any associated fees, penalties, or other charges resulting from the nonpayment of rent for federally backed or assisted housing units. Additionally, subsection (c) of Section 4024 included a temporary 30-day eviction notice requirement. Under this provision, landlords were prohibited from being able to evict a tenant “until after the expiration of the [120-day] period plus an additional 30 days after notice is given.” Both provisions of Section 4024 expired on July 24, 2020.

Despite their expiration, trial attorneys and various tenant advocates have attempted to exploit a drafting error in this provision to effectively create a permanent nationwide 30-day eviction notification requirement. As a result, property owners and landlords have been subjected to frivolous lawsuits disputing the legitimacy of an eviction based on the assertion the expired 30-day federal notice requirement was not followed. Rep. Loudermilk introduced H.R. 802 to eliminate this alleged ambiguity and return jurisdiction over eviction laws back to the states and localities. H.R. 802 strikes the text of the expired subsection (c) from Section 4024 to make clear that this provision was intended to be a temporary tool during the pandemic and not a permanent nationwide eviction notice requirement beyond the mandate of local law enforcement.

H.R. 802 is supported by the Council for Affordable and Rural Housing Institute of Real Estate Management, Manufactured Housing Institute, National Affordable Housing Management Association, National Apartment Association, National Association of Home Builders, National Association of Housing Cooperatives, National Association of Realtors, National Association of Residential Property Managers, National Leased Housing Association, and the National Multifamily Housing Council.

HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop H.R. 802: The Subcommittee on Housing and In-

surance of the Committee on Financial Services held a hearing on December 6, 2023, titled “Housing Affordability: Governmental Barriers and Market-Based Solutions.”

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on April 17, 2024, and ordered H.R. 802 to be reported favorably to the House as amended by a recorded vote of 29 ayes to 21 nays (Record vote no. FC-128, a quorum being present. Before the question was called to order the bill favorably reported, the Committee adopted an amendment in the nature of a substitute offered by Mr. Loudermilk by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the order to report legislation and amendments thereto. H.R. 802 was ordered reported favorably to the House as amended by a recorded vote of 29 ayes to 21 nays (Record vote no. FC-128), a quorum being present.

An amendment offered by Ms. Waters, no. 2, was not agreed to by a recorded vote of 21 ayes to 29 nays (Record vote no. FC-127), a quorum being present.

Record vote no. FC- 128

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	X	—	—	Ms. Waters	—	X	—
Mr. Hill	X	—	—	Mrs. Velázquez	—	—	—
Mr. Lucas	X	—	—	Mr. Sherman	—	X	—
Mr. Sessions	X	—	—	Mr. Meeks	—	X	—
Mr. Posey	X	—	—	Mr. Scott	—	X	—
Mr. Luetkemeyer	—	—	—	Mr. Lynch	—	X	—
Mr. Huelskamp	X	—	—	Mr. Green	—	X	—
Mrs. Wagner	X	—	—	Mr. Cleaver	—	X	—
Mr. Barr	X	—	—	Mr. Himes	—	X	—
Mr. Williams (TX)	X	—	—	Mr. Foster	—	X	—
Mr. Emmer	X	—	—	Mrs. Beatty	—	X	—
Mr. Loudermilk	X	—	—	Mr. Vargas	—	X	—
Mr. Mooney	X	—	—	Mr. Gottheimer	—	X	—
Mr. Davidson	X	—	—	Mr. Gonzalez	X	—	—
Mr. Rose	X	—	—	Mr. Casten	—	X	—
Mr. Steil	X	—	—	Ms. Pressley	—	X	—
Mr. Timmons	X	—	—	Mr. Horsford	—	X	—
Mr. Norman	X	—	—	Ms. Tlaib	—	X	—
Mr. Meuser	X	—	—	Mr. Torres	—	X	—
Mr. Fitzgerald	X	—	—	Ms. Garcia	—	X	—
Mr. Garbarino	X	—	—	Ms. Williams (GA)	—	X	—
Mrs. Kim	X	—	—	Mr. Nickel	—	X	—
Mr. Donalds	X	—	—	Ms. Pettersen	—	X	—
Mr. Flood	X	—	—				
Mr. Lawler	X	—	—				
Mr. Nunn	X	—	—				
Ms. De La Cruz	X	—	—				
Mrs. Houchan	X	—	—				
Mr. Ogles	X	—	—				

Record vote no. FC- 127

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	—	X	—	Ms. Waters	X	—	—
Mr. Hill	—	X	—	Mrs. Velázquez	—	—	—
Mr. Lucas	—	X	—	Mr. Sherman	X	—	—
Mr. Sessions	—	X	—	Mr. Meeks	X	—	—
Mr. Posey	—	X	—	Mr. Scott	X	—	—
Mr. Luetkemeyer	—	—	—	Mr. Lynch	X	—	—
Mr. Huizenga	—	X	—	Mr. Green	X	—	—
Mrs. Wagner	—	X	—	Mr. Cleaver	X	—	—
Mr. Barr	—	X	—	Mr. Himes	X	—	—
Mr. Williams (TX)	—	X	—	Mr. Foster	X	—	—
Mr. Emmer	—	X	—	Mrs. Beatty	X	—	—
Mr. Loudermilk	—	X	—	Mr. Vargas	X	—	—
Mr. Mooney	—	X	—	Mr. Gottheimer	X	—	—
Mr. Davidson	—	X	—	Mr. Gonzalez	—	X	—
Mr. Rose	—	X	—	Mr. Casten	X	—	—
Mr. Steil	—	X	—	Ms. Pressley	X	—	—
Mr. Timmons	—	X	—	Mr. Horsford	X	—	—
Mr. Norman	—	X	—	Ms. Tlaib	X	—	—
Mr. Meuser	—	X	—	Mr. Torres	X	—	—
Mr. Fitzgerald	—	X	—	Ms. Garcia	X	—	—
Mr. Garbarino	—	X	—	Ms. Williams (GA)	X	—	—
Mrs. Kim	—	X	—	Mr. Nickel	X	—	—
Mr. Donalds	—	X	—	Ms. Petersen	X	—	—
Mr. Flood	—	X	—				
Mr. Lawler	—	X	—				
Mr. Nunn	—	X	—				
Ms. De La Cruz	—	X	—				
Mrs. Houchin	—	X	—				
Mr. Ogles	—	X	—				

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 802 is to remove a drafting error in Section 4024 of the CARES Act (P.L. 116–136) relating to the expired temporary 30-day eviction notice requirement in federally assisted or federally backed housing.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 802, Respect State Housing Laws Act			
As ordered reported by the House Committee on Financial Services on April 17, 2024			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply? No	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Mandate Effects	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 802 would repeal the federal requirement that landlords provide tenants with a 30-day notice to vacate a unit in federally assisted or backed housing as required by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Using information from the Department of Housing and Urban Development, CBO estimates that implementing H.R. 802 would cost less than \$500,000. Any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Zunara Naeem. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1973.

FEDERAL MANDATES STATEMENT

Pursuant to section 423 of the Unfunded Mandates Reform Act, the Committee adopts as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Sets the short title of the bill as the “Respect State Housing Laws Act.”

Section 2. Repeals the expired Subsection (c) 30-day prior notice requirement of Section 4024 of the CARES Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets and existing law in which no change is proposed is shown in roman):

CARES ACT

* * * * *

**DIVISION A—KEEPING WORKERS PAID
AND EMPLOYED, HEALTH CARE SYS-
TEM ENHANCEMENTS, AND ECO-
NOMIC STABILIZATION**

* * * * *

**TITLE IV—ECONOMIC STABILIZATION
AND ASSISTANCE TO SEVERELY DIS-
TRESSED SECTORS OF THE UNITED
STATES ECONOMY**

**Subtitle A—Coronavirus Economic
Stabilization Act of 2020**

* * * * *

SEC. 4024. TEMPORARY MORATORIUM ON EVICTION FILINGS.

(a) DEFINITIONS.—In this section:

(1) COVERED DWELLING.—The term “covered dwelling” means a dwelling that—

(A) is occupied by a tenant—

(i) pursuant to a residential lease; or

(ii) without a lease or with a lease terminable under State law; and

(B) is on or in a covered property.

(2) COVERED PROPERTY.—The term “covered property” means any property that—

(A) participates in—

(i) a covered housing program (as defined in section 41411(a) of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a))); or

(ii) the rural housing voucher program under section 542 of the Housing Act of 1949 (42 U.S.C. 1490r); or

(B) has a—

(i) Federally backed mortgage loan; or

(ii) Federally backed multifamily mortgage loan.

(3) DWELLING.—The term “dwelling”—

(A) has the meaning given the term in section 802 of the Fair Housing Act (42 U.S.C. 3602); and

(B) includes houses and dwellings described in section 803(b) of such Act (42 U.S.C. 3603(b)).

(4) FEDERALLY BACKED MORTGAGE LOAN.—The term “Federally backed mortgage loan” includes any loan (other than temporary financing such as a construction loan) that—

(A) is secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occu-

pancy of from 1 to 4 families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property; and

(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by any officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(5) **FEDERALLY BACKED MULTIFAMILY MORTGAGE LOAN.**—The term “Federally backed multifamily mortgage loan” includes any loan (other than temporary financing such as a construction loan) that—

(A) is secured by a first or subordinate lien on residential multifamily real property designed principally for the occupancy of 5 or more families, including any such secured loan, the proceeds of which are used to prepay or pay off an existing loan secured by the same property; and

(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by any officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

(b) **MORATORIUM.**—During the 120-day period beginning on the date of enactment of this Act, the lessor of a covered dwelling may not—

(1) make, or cause to be made, any filing with the court of jurisdiction to initiate a legal action to recover possession of the covered dwelling from the tenant for nonpayment of rent or other fees or charges; or

(2) charge fees, penalties, or other charges to the tenant related to such nonpayment of rent.

[(c) **NOTICE.**—The lessor of a covered dwelling unit—

[(1) may not require the tenant to vacate the covered dwelling unit before the date that is 30 days after the date on which the lessor provides the tenant with a notice to vacate; and

[(2) may not issue a notice to vacate under paragraph (1) until after the expiration of the period described in subsection (b).]

* * * * *

MINORITY VIEWS

H.R. 802 would strike a provision in the CARES Act that requires landlords and Public Housing Authorities (PHAs) to provide renters living in certain housing receiving federal assistance or financed through federally backed and insured mortgages, with a minimum of 30 days notice prior to requiring a tenant to vacate due to an eviction. Some courts have ruled that this notice requirement is permanent while other courts have ruled that it expired along with the temporary eviction moratorium in CARES. The minimum 30-day eviction notice requirement that passed into law via the CARES Act is codified in federal statute at 15 U.S.C. § 9058(c).

The minimum 30-day eviction notice requirement in the CARES Act, which passed on a bipartisan basis, helped protect millions of families who were on the brink of eviction due to no fault of their own during the pandemic. Now, Republicans are trying to strip this critical tenant protection despite countless families who may still be on the brink of eviction due to no fault of their own. While other provisions in the CARES Act have explicit sunsets or expiration dates, this minimum eviction notice requirement in the CARES Act does not have any mention of a sunset or expiration. Moreover, HUD,¹ FHFA,² and the CFPB³ have all issued guidance or notice affirming that this provision is still in effect, protecting renters who continue to face housing inflation and ongoing economic fallout from the pandemic. While Republicans suggest this is a drafting error, they have no basis for this claim and no rationale to explain why they are stripping this protection from families now.

This bill would lead to more evictions and increase homelessness. Widely recognized as a best practice in the housing field, 30-day eviction notices help reduce evictions, promote housing stability, and offset homelessness by providing renters with adequate notice and information about the reason for eviction.⁴ In fact, HUD estimates that 30-day notices of eviction for non-payment of rent alone reduce the level of evictions by between 1,600 and 4,900 annually.⁵ Additionally, a recent study found that increased rates of sheltered homelessness were positively correlated with eviction filings, signaling the utility of eviction prevention measures, such as 30-day notices, to help families remain stably housed.⁶

¹ HUD Office of Multifamily Housing Programs, “Questions and Answers for Office of Multifamily Housing Stakeholders” at 18 (Q. 25), last Updated Aug. 9, 2021; HUD PIH, Notice 2021–29, Oct. 7, 2021.

² FHFA, *Tenant Protections for Enterprise-Backed Rental Properties in Response to COVID–19*, Sept. 14, 2021.

³ CFPB, “Protections for renters in multi-family housing or federally subsidized housing”.

⁴ The White House, *Blueprint for A Renters Bill of Rights* (Jan. 2023).

⁵ HUD, *30-Day Notification Requirement Prior to Termination of Lease for Nonpayment of Rent*, 88 FR 83877 (Dec. 1, 2023) (proposed rule).

⁶ Dan Treglia et al., *Quantifying the Impact of Evictions and Eviction Filings on Homelessness Rates in the United States* (Mar. 31, 2023).

The provision of 30-days written notice of eviction not only provides tenants with additional time to avoid eviction, but also reduces the time and cost burdens on landlords and PHAs that are associated with evictions. Eviction notices may also prompt renters to seek legal representation, remedy arrears and other potential lease violations, and learn about alternative forms of assistance through HUD administrative flexibilities and local eviction diversion and prevention programs. The CARES Act notice requirement also aligns with the Biden Administration's Blueprint for a Renters' Bill of Rights, which supports 30-day eviction notices for all renters.⁷

This bill is opposed by the following groups: National Low Income Housing Coalition, National Housing Law Project, Americans for Financial Reform, National Alliance to End Homelessness, and National Consumer Law Center (on behalf of its low-income clients).

For these reasons, we oppose H.R. 802.

Sincerely,

MAXINE WATERS,
Ranking Member.
 NYDIA M. VELÁZQUEZ,
 BRAD SHERMAN,
 GREGORY W. MEEKS,
 DAVID SCOTT,
 STEPHEN F. LYNCH,
 AL GREEN,
 EMANUEL CLEAVER II,
 BILL FOSTER,
 JOYCE BEATTY,
 AYANNA PRESSLEY,
 RASHIDA TLAIB,
 SYLVIA R. GARCIA,
 NIKEMA WILLIAMS,
Members of Congress.

○

⁷*Supra note 5.*