

**DEPARTMENT OF THE TREASURY****ASSISTANCE LISTING 21.023 EMERGENCY RENTAL ASSISTANCE PROGRAM****I. PROGRAM OBJECTIVES**

Two laws authorized funding for Emergency Rental Assistance. The authorizations include some different legal requirements. Therefore, this Compliance Supplement addresses the requirements as “ERA 1” and “ERA 2.” ERA 1 was authorized by Division N, Title V, Section 501 of the Consolidated Appropriations Act, 2021 (the Act), Pub. L. No. 116-260 (December 27, 2020), codified at 15 USC 9058a. ERA 2 was authorized by Title III, Subtitle B, Section 3201 of the American Rescue Plan Act (ARPA), 2021, Pub. L. No. 117-2 (March 11, 2021), codified at 15 USC 9058c. Both ERA 1 and ERA 2 funding is defined as “other financial assistance” in the Uniform Guidance and both ERA 1 and ERA 2 are administered by the Department of the Treasury (Treasury) as direct payments for specified use.

The purpose of ERA is to provide direct payments to eligible grantees to assist eligible households with financial assistance and to provide housing stability services and, in the case of ERA 2 as applicable, to cover the costs for other affordable rental housing and eviction prevention activities. ERA grantees may provide assistance directly to eligible landlords and utility providers on behalf of an eligible household or directly to an eligible household (See 15 USC 9058a(c)(2)(C)(i) and FAQ 12 for more detail on landlords and utility provider participation in the program). Financial assistance for eligible households may include payment of rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing. ERA grantees may also use funds to provide housing stability services as authorized by the respective statutes.

**II. PROGRAM PROCEDURES****A. Overview**

ERA 1 provided \$25 billion for Treasury to make payments to States (defined to include the District of Columbia), US territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), Indian tribes or their tribally designated housing entities, as applicable, the Department of Hawaiian Home Lands, and certain local governments with more than 200,000 residents. These entities are collectively referred to as “eligible grantees” or “ERA 1 grantees.” ERA 1 award funds may be used to provide financial assistance and housing stability services to eligible households. All ERA 1 grantees that submitted the requested documentation to Treasury and executed a financial assistance agreement received their total ERA 1 award funds in one payment. The period of performance for the initial allocation of ERA1 awards and reallocated funds expired on September 30, 2022, and December 29, 2022, respectively. Therefore, grantees’ fiscal year 2025 financial reporting should not include any expenditures for audit for their ERA 1 award.

ERA 2 provided \$21.55 billion for Treasury to make payments to States (defined to include the District of Columbia), US Territories (Puerto Rico, US Virgin Islands, Guam, Northern Mariana Islands, and American Samoa), and local governments with more than 200,000 residents. These entities are collectively referred to as “eligible grantees” or “ERA 2 grantees.” ERA 2 award funds may be used to assist eligible households with financial assistance and to provide housing stability services and, as applicable, to cover the costs for other affordable rental housing and eviction prevention activities.

Pursuant to 15 USC 9058c(c)(1), Treasury made initial payments of 40 percent of an eligible grantee’s total award amount to each grantee under ERA 2 that submitted the required documentation and executed the financial assistance agreement. Through February 2022, Treasury made payments of the remaining 60 percent of ERA 2 grantees’ award funds after they certified that at least 75 percent of the initial ERA 2 payment had been obligated pursuant to 15 USC 9058c(c)(2). Beginning in February 2022, Treasury altered its ERA 2 payment tranche policy to allow grantees to receive the remainder of their ERA 2 award funds in two payments (half of the remaining balance, followed by the remaining balance), subject to potential reductions resulting from the implementation of a statutory reallocation requirement with each tranche payment only made after grantees certified that they have obligated at least 75 percent of the funds already disbursed pursuant to 15 USC 9058c(c)(2). [The period of performance for ERA2 awards ends on September 30, 2025.]

Additional information on statutory differences between ERA 1 and ERA 2 are described in the Emergency Rental Assistance Frequently Asked Questions (FAQs) posted at: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/faqs>.

15 USC 9058a(b)(1)(A) directs Treasury to use US Census Bureau data for the most recent year for which data is available for population calculations for determining the populations of state and local governments. Funds are distributed via a per capita formula allocation detailed on Treasury.gov that considers the minimum allocation of \$200 million for states and the District of Columbia. Allocation amounts can be found via the following link: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/allocations-and-payments>.

## **Source of Governing Requirements**

Emergency Rental Assistance (“ERA 1”), Division N, Title V, Section 501 of the Consolidated appropriations Act, 2021 codified as 15 USC9058a.

Emergency Rental Assistance (“ERA 2”), Title III, Subtitle B, Section 3201 of the American Rescue Plan Act, 2021,) codified as 15 USC 9058c.

Section 15011 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. No. 116-136), codified by 15 USC 9058a, as amended by Title VIII, Section 801(b) of

the Consolidated Appropriations Act, 2021 at 15 USC 9058c, on December 27, 2020.

Treasury's Frequently Asked Questions (FAQs) and related guidance available on Treasury.gov, including important version changes over time that can be found on the ERA website.

### **Availability of Other Program Information**

General information for ERA is available on Treasury's website at <https://www.treasury.gov/ERA>. Information includes the following documents:

ERA 1 authorizing statute: <https://www.govinfo.gov/content/pkg/PLAW-116publ260/pdf/PLAW-116publ260.pdf> (See pages 889 - 899)

This document details information that is contained in the authorizing statute including funds appropriated for ERA 1.

ERA 2 authorizing statute: <https://www.govinfo.gov/content/pkg/PLAW-117publ2/pdf/PLAW-117publ2.pdf> (See pages 52 - 56)

This document details information that is contained in the authorizing statute including funds appropriated for ERA 2.

15 USC 9058a(g)(1) regarding ERA 1 reporting: <https://www.govinfo.gov/content/pkg/PLAW-116publ136/pdf/PLAW-116publ136.pdf> (See pages 260 - 262)

This document provides information on grantee reporting the use of funds.

ERA 2 Award Terms template: [https://home.treasury.gov/system/files/136/ERA2\\_Granttee\\_Award\\_Terms\\_572021.pdf](https://home.treasury.gov/system/files/136/ERA2_Granttee_Award_Terms_572021.pdf) (See pages 1 - 5)

This document provides award terms as a condition to the receipt of payment from Treasury for ERA 2.

Treasury's ERA Frequently Asked Questions (FAQs) and guidance are available at: <https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf> (See pages 1-23)

Treasury released FAQs as guidance regarding ERA 1 and ERA 2 except where differences are specifically noted.

Treasury's ERA 2 Reallocation guidance: <https://home.treasury.gov/system/files/136/ERA2-Reallocation-Guidance-March-30-2022.pdf> (See pages 1 - 6)

The ERA 2 statute requires Treasury to identify funds for reallocation from amounts allocated to eligible Grantees, but not yet paid out to them.

ERA Compliance and Reporting guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting> (See web page)

Treasury instituted a webpage that provides information and guidance on quarterly reporting and compliance.

Guidance from the Treasury Office of Inspector General (OIG) related to the reporting of ERA fraud, waste, and abuse and any future monitoring of funds requirements (where applicable): <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/fraud> (See web page)

Treasury OIG provided guidance to grantees on what to do if they suspect fraud, waste, and abuse.

ERA Promising Practices guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/promising-practices> (See web page)

This webpage describes examples of promising practices for ERA that identify program strategies that promise to speed up program implementation, more efficiently deliver program benefits, enhance program integrity, and improve tenant and landlord access to programs.

ERA Program and Service Design guidance: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/service-design>

### III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	N	Y	Y	N	N	Y	Y	N

## A. Activities Allowed or Unallowed

### 1. *Activities Allowed*

## B. Allowable Costs / Cost Principles

The cost principles in 2 CFR Part 200, Subpart E (Cost Principles) except for 2 CFR 200.418 and 2 CFR 200.419 apply to ERA 2. Thus, if a grantee made ineligible payments with ERA1 funds, the grantee may remove the ineligible payment from ERA1 and may pursue allowable recharacterization for eligible payments made from ERA2 funds during the ERA1 period of performance. Repayment to Treasury may not be required. See ERA1 Closeout Resource Footnote 3.

## E. Eligibility

### 1. Eligibility for Individuals

To ensure eligibility requirements are met, household eligibility should be tested to focus on whether grantees established and adhered to reasonable policies for evaluating household applications within Treasury's framework providing for the use of self-attestation, categorical eligibility, and fact-specific proxies in qualifying circumstances. Specific eligibility requirement can be found in ERA FAQ 1.at: <https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf>.

This approach to eligibility was implemented in accordance with 15 USC 9058a, for ERA 1 in 15 USC 9058a(c)(2)(C)(ii) concerning documentation of payments to households, 15 USC 9058a(f)(2)(A) and (B) concerning signature requirements for applications and documentation required for tenants, 15 USC 9058a(k)(1) concerning area median income determinations, and 15 USC 9058a(k)(3)(A)(I) and (II) concerning eligible household determinations and attestation requirements. This treatment is further explained in the ERA FAQs; 15 USC 9058a; and Treasury, Department of Justice, and Department of Housing and Urban Development's joint letter issued August 27, 2021 that can be accessed at: <https://home.treasury.gov/system/files/136/Eviction-Moratorium-Joint-Letter.pdf>.

To the extent that a grantee has established and consistently followed its own reasonable procedures for implementing an eligibility determination process, consistent with Treasury's guidance, it is not Treasury's expectation that grantees should seek additional documentation from a beneficiary after the initial determination of eligibility has been completed, including for those determined to be eligible using self-attestation, categorical eligibility, or fact-specific proxies in qualifying circumstances. Testing of individual household eligibility-related documentation should be limited to material already collected by the grantee during application as much as possible to avoid imposing undue burden on households that remain at risk of housing instability.

Treasury guidance related to determining where an applicant lives and the amount that they owe can be found in FAQ 5 at:

<https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf>. Grantees must obtain, if available, a current lease, signed by the applicant and the landlord or sublessor, that identifies the unit where the applicant resides and establishes the rental payment amount. If a household does not have a signed lease, documentation of residence may include evidence of paying utilities for the residential unit, an attestation by a landlord who can be identified as the verified owner or management agent of the unit, or other reasonable documentation as determined by the grantee. In the absence of a signed lease, evidence of the amount of a rental payment may include bank statements, check stubs, or other documentation that reasonably establishes a pattern of paying rent, a written attestation by a landlord who can be verified as the legitimate owner or management agent of the unit, or other reasonable documentation as defined by the grantee in its policies and procedures.

Additional Treasury guidance related to income determination can be found in FAQ 4 and related guidance at: <https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf>. ERA 2 builds on the eligibility criteria in ERA 1 and permits additional flexibilities.

The ERA FAQs document the full eligibility considerations for grantees to extend emergency assistance to vulnerable populations without imposing undue documentation burdens. As described, given the challenges presented by the COVID-19 pandemic, grantees may be flexible as to the particular form of documentation they require, including by permitting photocopies or digital photographs of documents, e-mails, or attestations from employers, landlords, caseworkers, or others with knowledge of the household's circumstances. Grantees must require all applications for assistance to include an attestation from the applicant household that all information included is correct and complete. In all cases, grantees must document their policies and procedures for determining household eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations.

Grantees may rely on a written attestation without further documentation of household income from the applicant under three approaches.:

- a. Self-attestation Alone – In order to provide assistance rapidly during the public health emergency related to COVID-19, the grantee may rely on a self-attestation of household income, financial hardship, and/or risk of homelessness and housing instability without further verification if the applicant confirms in their application or other document that they are unable to provide documentation, provided the other requirements detailed in Treasury guidance are satisfied. If an applicant is able to provide satisfactory evidence of residence but is unable to present adequate documentation of the amount of the rental obligation, grantees may accept a written attestation from the applicant to support the payment of assistance up to a monthly maximum of 100 percent of the greater of the Fair Market Rent or the Small Area Fair Market Rent for the area in which the applicant resides, as most recently determined by HUD and made available at: <https://www.huduser.gov/portal/datasets/fmr.html>. In accordance with FAQ# 1, grantees must specify in their policies and procedures under what circumstances they will accept written attestations from the applicant without further documentation to determine any aspect of eligibility or the amount of assistance, and in such cases, grantees must have in place reasonable validation or fraud-prevention procedures to prevent abuse;
- b. Categorical Eligibility – If an applicant household has been verified as a low-income family as defined in Section 3(b) of the United States Housing Act of 1937 (42 USC 1437a(b)) (for ERA 2) in connection with another local, state, or federal government assistance program, grantees are permitted to rely on a determination letter from the government agency that verified the applicant’s household income or status as a low-income family, provided that the determination for such program was made on or after January 1, 2020; and/or
- c. Fact-specific proxy – A grantee may rely on a written attestation from the applicant household as to household income if the grantee also uses any reasonable fact-specific proxy for household income, such as reliance on data regarding average incomes in the household’s geographic area. Grantees also have discretion to provide waivers or exceptions to this documentation requirement to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant’s household income and documenting that determination.

Grantees have discretion to provide waivers or exceptions to certain documentation requirements to accommodate disabilities, extenuating

circumstances related to the pandemic, or a lack of technological access. In these cases, the grantee is still responsible for making the required determination regarding the applicant's household income and documenting that determination. Pursuant to 15 USC 9058a(k)(3)(B), and the factors regarding the allowability of costs in the Uniform Guidance, when providing ERA 1 assistance, the grantee must review the household's income and sources of assistance to confirm that the ERA 1 assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs. Grantees may rely on an attestation from the applicant regarding non-duplication with other government assistance, and the duplication requirement does not apply to ERA 2; however, to maximize program efficacy, Treasury encourages grantees to minimize the provision of duplicative assistance.

Treasury strongly encourages grantees to rely on the self-certification of applicants with regard to whether their financial hardship meet statutory eligibility requirements. Similarly, with respect to determining whether one or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability, Treasury indicates that a grantee may rely on a past due utility or rent notice or eviction notice, evidence of unsafe or unhealthy living conditions (which may include overcrowding) or any other evidence of risk, as determined by the grantee. Treasury clearly indicates that a grantee may rely on an applicant's self-certification identifying the applicable risk factor or factors, without further documentation, if other documentation is not immediately available.

Beginning October 1, 2022, grantees that have obligated 75 percent of their ERA2 awards, including funds received through reallocation, may choose to use up to 25 percent of their ERA2 award for, "other affordable rental housing and eviction prevention purposes, as defined by the Secretary, serving very low-income families." Treasury released guidance for these additional uses at FAQ 46 in July 2022. See page 20 of <https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf>.

In summary, eviction prevention purposes are those previously defined as housing stability uses. For affordable housing, the eligible uses include operation or development of affordable housing that utilizes another federal grant program for affordable housing development and has a 20-year affordability covenant.

**2. Eligibility for Groups of Individuals or Area of Service Delivery**

Not Applicable

**3. Eligibility for Subrecipients**

Not Applicable

**G. Matching, Level of Effort, Earmarking****1. Matching**

Not Applicable

**2. Level of Effort**

Not Applicable

**3. Earmarking**

Under ERA 2, a grantee may use up to 15 percent of the total award amount for direct and indirect administrative costs and 10 percent of the total award amount for housing stability services. See FAQ 29 at:

<https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf>.

**ERA Funds Reallocation**

Pursuant to 15 USC 9058c(e), Treasury has the authority to reallocate ERA 2 award funds that have not yet been disbursed to a grantee. Treasury's ERA 2 reallocation guidance on Treasury.gov and previewed [here](#) describes the voluntary reallocation process through which a grantee may request that Treasury reallocate its ERA 2 award funds to other ERA 2 grantees in the same state or to Treasury's general pool of reallocated funds. Grantees' eligibility for reallocated funds can be verified by their expenditure reports demonstrating they have met the statutory requirement that at least 50 percent of the total funds allocated to a grantee have been obligated to be eligible for reallocated funds. The grantees are also required to certify that they meet this obligation requirement on the form they submit to Treasury to request the reallocated funds. Unlike with ERA1, Treasury did not recapture any ERA2 funds paid out to a grantee; only undisbursed ERA2 funds were subject to reallocation. Guidance for ERA 2 reallocation can be found on this site at <https://home.treasury.gov/system/files/136/ERA2-Reallocation-Guidance-March-30-2022.pdf> (See pages 1 - 6).

Updated information regarding ERA 2 reallocation was posted as an update to Reallocation Guidance in March 2022. Treasury does not plan on conducting any additional "involuntary" reallocations for ERA2.

**H. Period of Performance**

Under 15 USC 9058c(g), the period of performance for ERA 2 awards begins on the date that Treasury and the grantee executed the ERA 2 Award Terms and ends on September 30, 2025. All award funds not obligated or expended by the end of the period of performance date for ERA 2 awards must be returned to Treasury as part of the award closeout process pursuant to the Uniform Guidance closeout requirements, including amounts distributed through redirection and reallocation.

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**L. Reporting****1. Financial Reporting**

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Not Applicable

**Note:** ERA recipients do not submit SF-425 Reports. They provide a subset of the data collected via the SF-425 in the ERA2 Compliance Report in the Federal Financial Reporting section of the report via Treasury's portal.

**2. Performance Reporting**

- a. Title of Report: ERA Compliance Report  
PRA Number: 1505-0270 (ERA 2)  
Reporting Cycle: Quarterly  
Authoritative Requirement: 15 USC 9058c; 2 CFR 200.328 (Financial report); and 2 CFR 200.329 (Performance report)  
Blank Copy of the Report:  
<https://home.treasury.gov/system/files/136/ERA2-Portal-Users-Guide.pdf>  
(see figures 3-7 for screenshots of user guide)  
Report Instructions: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting>

Report Corrections: ERA2 recipients that submit a report prior to the due date may recall a previously submitted report, make any edits, and resubmit the report by the due date. In addition, when authorized by Treasury staff, ERA2 recipients may revise submitted reports for the current quarter to address issues identified by Treasury's initial data quality/consistency validations. After the revision period ends, the submitted report is final within Treasury's reporting portal. Where the ERA2 recipient identifies an issue for revision after the revision period, recipients are required to ensure the revised information is incorporated into the next quarterly report.

**Key Line Items-**

*Administrative Costs Ratio-* Quantifiable Objective Criteria: Total obligations and/or expenditures for administrative costs does not exceed the relevant threshold of total allocation (15% for ERA 2 across the prime and all subrecipients), and the amounts reported for administrative costs are accurate. (See [ERA Reporting Guidance](#), Appendix 7, Applicable

Limitations on Administrative Expenses, page 54 and for ERA2 see [ERA 2 Reporting Guidance](#), Appendix 7, Applicable Limitations on Administrative Expenses, page 43)

1. *Housing Stability Services Ratio*- Quantifiable Objective Criteria: Total obligations and/or expenditures for housing stability services is not greater than 10% of the total amount allocated (see [ERA2 Reporting Guidance](#), Appendix 7, Applicable Limitations on Administrative Expenses, page 43). Examples of these services can be found in [FAQ 23](#) on page 12 of the March 5, 2024 FAQs located at: <https://home.treasury.gov/system/files/136/ERA-FAQs03052024.pdf>.

2. *System for Prioritizing Assistance*- Quantifiable Objective Criteria: The number of households with less than 50% Area Median Income (AMI) receiving financial assistance is greater than the number of households with greater than 50% AMI receiving assistance (For ERA1 see [ERA Reporting Guidance](#), Section E, Number of Unique Participant Households at Certain Income Levels, page 29 and for ERA2 see [ERA2 Reporting Guidance](#), Section E, *Cumulative Number of Unique Participant Households at Certain Income Levels*, page 23)

*Participant Households at Certain Income Levels Eligibility*- Quantifiable Objective Criteria: The total households receiving assistance is not greater than the sum of Area Median Income (AMI) banded eligible households with a 5 to 10% margin of error to avoid false positives for medium to large recipients. Treasury is aware of some limited temporary income data availability and reporting lag due to waterfall distribution models required within the statutory design framework and related administrative processing delays, as well as the use of fact-based proxies or assistance based on participation in other programs. Does not apply to tribal recipients exempt from income reporting according to Treasury guidance and policy (For ERA1 see [ERA Reporting Guidance](#), Section E, *Number of Unique Participant Households at Certain Income Levels*, page 29 and for ERA2 see [ERA2 Reporting Guidance](#), Section E, *Cumulative Number of Unique Participant Households at Certain Income Levels*, page 23)

### 3. **Special Reporting**

Not applicable

### 4. **Special Reporting for Federal Funding Accountability and Transparency Act**

Although reporting on subaward information is applicable to ERA grantees pursuant to the award term set forth in Appendix A to 2 CFR Part 170, which is incorporated by reference in the ERA2 Award Terms, ERA grantees' compliance with these reporting requirements is not subject to audit.

**M. Subrecipient Monitoring**

See Part 3, Section M, “Subrecipient Monitoring” for a general description of the compliance requirements, the related audit objectives, and suggested audit procedures.