



THE DEPUTY SECRETARY OF THE TREASURY  
WASHINGTON

October 25, 2021

Dear Emergency Rental Assistance Program Grantee:

I am writing to follow up on my October 4, 2021 [letter](#) outlining Treasury's guidance on the reallocation of Emergency Rental Assistance (ERA) funds. Today I am writing to provide additional information on the reallocation process and to highlight sources of federal funds beyond ERA that are available to state and local governments to support vulnerable households and prevent evictions.

As I wrote last month, this statutory reallocation process is a critical step towards ensuring additional funds are made available to grantees with a proven capacity to deliver ERA in jurisdictions where families remain at serious risk of eviction or housing instability. [Treasury will begin identifying excess funds for potential reallocation in mid-November](#). As funds become available for reallocation, they will be distributed in tranches and with ample advance notice — reallocation will not be a “first-come, first-served” process. The distribution of reallocated funds will be undertaken according to the following priorities:

1. Treasury will first prioritize requests from grantees serving jurisdictions in the same state where the excess funds were initially allocated.
2. When recaptured funds remain after accounting for same-state priority, Treasury will then prioritize grantees that are close to expending all their initial ERA1 funds and the funding authorized earlier this year by the American Rescue Plan Act of 2021 (ERA2). Treasury will prioritize grantees based on their *expenditures* of funds in order to keep money flowing to programs that are the most efficient in meeting the needs of American families. We encourage grantees with a significant backlog of obligations to take steps to speed the delivery of funds to households in need.
3. Funds that are not distributed based on the first two priorities will be available in a single pool for reallocation nationwide. As described in Treasury's reallocation guidance, the pool of funding available for reallocation nationally will be distributed proportionally to grantees based on their relative need.

As described in Treasury's reallocation guidance, Treasury will continue to assess grantees' expenditure ratios every two months to determine whether they have excess funds. Based on these assessments and the additional funding requests submitted by grantees, Treasury will periodically reallocate recaptured funds. Treasury will continue to recapture and reallocate excess funds as warranted, so additional funds will be made available over time.

We recognize that grantees that are rapidly depleting their current ERA resources may be concerned about near-term funding needs and the ability to continue operating while awaiting additional disbursements through the reallocation process. We want to remind grantees that, in addition to the funding from the ERA program, the American Rescue Plan's State and Local

Fiscal Recovery Fund (SLFRF) can also be used to help prevent evictions and help provide stable housing for vulnerable populations.

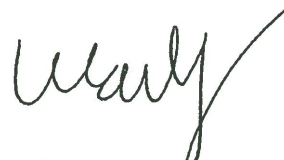
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The threat of eviction, exacerbated by the COVID-19 pandemic, remains a fact of life for too many households across the country. Today, we are urging ERA grantees to take advantage of all sources of funding available to them to ensure the continuity of their rental assistance programs. At the same time, we are continuing to work every day to get additional funds into the hands of grantees, landlords, and tenants who need them. We are grateful for your ongoing commitment to protecting renters at risk as we work toward the first stage of the reallocation process. To continue this effort, Treasury is now publishing the three standard forms referenced in the reallocation guidance:

- **Obligated Funds Certification**: allows grantees to report and certify the amount of ERA1 funds they have obligated.
- **Program Improvement Plan**: allows grantees to describe measures they will take to avoid an excess funds designation by improving their obligation rates and expenditure ratios.
- **Request for Reallocated Funds**: allows grantees to request ERA funds Treasury makes available for redistribution and to confirm needs in their jurisdiction.

Instructions for completing these forms are included with this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adewale O. Adeyemo', with a long, sweeping flourish extending to the right.

Adewale O. Adeyemo

## Instructions for the ERA1 Reallocation Process

All forms, along with any supporting documents related to the reallocation process, should be submitted to [emergencyrentalassistance@treasury.gov](mailto:emergencyrentalassistance@treasury.gov) with the subject lines noted below. Please see Treasury's ERA1 reallocation guidance for further information.

1. Grantees that obligated 65% or more of their ERA1 allocations as of September 30, 2021 should immediately complete an [Obligated Funds Certification form](#) and submit it with the subject line "65% Obligation Certification – [Name of Grantee]."
2. Grantees that did not obligate 65% or more of their ERA1 allocation as of September 30, 2021 should submit a [Program Improvement Plan](#) no later than November 15, 2021 with the subject line "Program Improvement Plan - [Name of Grantee]."
3. Grantees that had an expenditure ratio for their ERA1 allocation below 30% as of September 30, 2021 should also submit a Program Improvement Plan no later than November 15, 2021. Submission may mitigate any determination that the grantee has excess funds subject to recapture. The Program Improvement Plan form should be submitted with the subject line "Program Improvement Plan - [Name of Grantee]."
4. Grantees that want to request reallocated ERA1 funds as soon as they are made available should submit a [Request for Reallocated Funds form](#) by November 30, 2021. When completing the form, grantees should provide reasonable projections of future rental assistance expenditures that take into account both (i) the level of need in the grantee's jurisdiction and (ii) the grantee's actual capacity to deploy the requested funding. The first tranche of available reallocated ERA1 funds will be distributed based on information in requests received through November 30, 2021. Any requests received thereafter will be used for the distribution of the second tranche of reallocated ERA1 funds. The Request for Reallocated Funds form should be submitted with the subject line "Request for Reallocated Funds – [Name of Grantee]."
5. Any grantee that seeks to voluntarily reallocate funds should submit a letter from an authorized signatory documenting the grantee's willingness to voluntarily reallocate ERA1 funds. The letter must include the amount of funding that the grantee seeks to reallocate and may include recommendations about how that funding might be redistributed to other grantees in the same state. In addition, the grantee should review the voluntary reallocation procedures described in Section IV of the reallocation guidance. The Request for Reallocated Funds form should be submitted with the subject line: "Request for Reallocated Funds - [Name of Grantee]."

Treasury may release further instructions to guide grantees as the reallocation process continues to move forward.