

U.S. Department of the Treasury
Emergency Rental Assistance (ERA2)
Under the American Rescue Plan Act of 2021
Notice Regarding Update to ERA FAQ 46
March 5, 2024

Today, the U.S. Department of the Treasury (Treasury) is [announcing updates](#) to the ERA [FAQs](#), which provide guidance regarding the ERA1 program established by section 501 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020) and the ERA2 program established by section 3201 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (March 11, 2021).

Specifically, Treasury has updated [FAQ 46](#) to clarify the use of ERA2 funds for affordable rental housing, eviction prevention, and housing stability purposes. This updated guidance specifies that, in addition to the existing affordable rental housing purposes outlined in the FAQ, grantees may also use ERA2 award funds for:

- the acquisition of real property for the purpose of constructing, rehabilitating, or preserving affordable rental housing projects serving very low-income families; and
- predevelopment activities that enable the construction, rehabilitation, or preservation of affordable rental housing projects serving very low-income families, including architectural and engineering design, planning, permitting, surveys, appraisals, and environmental review associated with an eligible project.

This update was made in response to feedback from ERA2 grantees and is intended to support grantees' efforts to increase the availability of affordable rental housing by using their ERA2 award funds. Grantees should be sure to review the language and definitions specified in [FAQ 46](#) before obligating funds for the affordable rental housing purposes described in the FAQ, including the statutory requirement that the grantee must have previously obligated at least 75 percent of its total ERA2 award for financial assistance to eligible households, eligible costs for housing stability services, and eligible administrative costs.

As with all ERA activities, grantees must comply with the ERA2 Financial Assistance Agreement, including the requirements of the Uniform Guidance at 2 CFR Part 200, and other applicable federal statutes and regulations. When grantees are using ERA2 award funds for acquisition of real property for the purpose of constructing, rehabilitating, or preserving affordable rental housing projects serving very low-income families, grantees must comply with the requirements set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) at 42 U.S.C. 4601 et seq. and its implementing regulations at 49 CFR Part 24, including the standard for appraisals for real property being acquired with federal financial assistance at 49 CFR § 24.2(a)(3). As required by the ERA2 award terms, grantees must maintain all records and documentation related to their ERA2 award for five years after the period of performance ends, including the documentation that establishes the time of acquisition of the real property, the price of the real property, evidence of title and ownership, and proof that the project for which the real property acquisition costs were incurred furthers an eligible affordable rental housing purpose as described in [FAQ 46](#). This may include, but is not limited

to, purchase agreements, recorded deeds of trust or other conveyance documents, pre-purchase appraisals that meet URA requirements, assurance of no displacement statement per the URA, environmental reports, settlement statements, project plans/proposals, and signed award agreements for other funding sources for the ERA2-funded affordable rental housing project.

In addition, grantees will be required to report to Treasury on the status of real property acquired or improved, or both, with ERA2 award funds pursuant to 2 CFR 200.330.