

U.S. Department of the Treasury
Emergency Rental Assistance Under the Consolidated Appropriations Act, 2021
Notice Regarding Unobligated ERA1 Funds
September 13, 2022

This Notice communicates important upcoming deadlines for the Emergency Rental Assistance (ERA1) program authorized by section 501 of the [Consolidated Appropriations Act, 2021](#) (the Act). It also identifies certain options available to states, local governments, territories, Tribal governments or their Tribally designated housing entity, and the Department of Hawaiian Home Lands (collectively, Grantees) participating in the ERA1 program that anticipate holding unobligated ERA1 funds at the end of the program's period of performance. In summary:

- Grantees are strongly encouraged to voluntarily return by September 26, 2022, ERA1 funds that they do not expect to obligate for eligible purposes, so that Treasury may reallocate those funds to communities able to use them prior to the applicable deadline. Grantees may also apply for reallocated funds by this deadline.
- Under certain circumstances, a Grantee may recharacterize program expenditures as falling under its ERA1 award that were initially allocated to its award issued under the Emergency Rental Assistance (ERA2) program authorized by section 3201 of the American Rescue Plan Act of 2021 (ARPA).

Deadlines for Obligating ERA1 Award Funds

Under the ERA1 program's authorizing statute, award funds received pursuant to each Grantee's initial allocation will remain available through September 30, 2022. Act § 501(e) & (l) (as amended by § 3201(h) of ARPA). Pursuant to its statutory authority, Treasury has also granted, and anticipates granting with additional reallocations, a 90-day extension of the availability of ERA1 award funds received through reallocation. Reallocated ERA1 award funds will remain available to Grantees through December 29, 2022.¹

ERA1 award funds that have not been obligated for an eligible purpose by the relevant statutory deadline must be returned to Treasury. Thus, each Grantee must return to Treasury funds from its initial ERA1 allocation (i.e., funds not received through reallocation) that are not obligated or expended by **September 30, 2022**.

Further, Grantees should expect that they may obligate and expend ERA1 award funds received through reallocation through **December 29, 2022**. Any reallocated ERA1 award funds not obligated or expended by December 29, 2022 must be returned to Treasury.

¹ On July 29, 2022, Treasury approved all 90-day extension requests pending as of that date. The Request for Reallocated Funds submitted by all Grantees seeking additional funds—either via the initial electronic form or the current application portal—includes language requesting an extension. Accordingly, any Grantee that received reallocated ERA1 award funds as of July 29, 2022 requested, and received, an extension. Treasury anticipates likewise granting 90-days extensions to Grantees that may receive ERA1 award funds through reallocation after that date. No further action is required from Grantees that have received or requested funds through reallocation to obtain an extension with respect to those funds.

Treasury cannot provide flexibility on these deadlines, as they are set by statute.

Information for Grantees Anticipating Unobligated Funds at Obligation Deadlines

Some Grantees anticipate that they will have unobligated ERA1 award funds as of the September 30, 2022 and December 29, 2022 obligation deadlines. Treasury urges Grantees to maintain strong ERA1 programs that offer financial assistance to renters in their communities until their available funds are fully obligated or until the end of the ERA1 award period of performance. However, as a supplement to their existing ERA1 programs, Grantees may consider pursuing one or more of the following approaches to reduce the amount of unobligated funds they have at the end of the award period of performance.

Note that Treasury does not require Grantees to use the following approaches to minimize the amount of unobligated funds they have by the end of the ERA1 award period of performance, nor will Treasury penalize Grantees that decline to pursue them.

1. Voluntarily Return Funds to Treasury Before Final ERA1 Reallocation

Treasury strongly encourages Grantees that do not anticipate obligating their ERA1 award funds by the obligation deadlines to voluntarily return those funds to Treasury by September 26, 2022. By returning funds that may otherwise expire, Grantees permit Treasury to reallocate those funds to other Grantees to support communities in need of additional funds for rental assistance and housing stability services.

As Treasury has done in prior rounds of reallocation, Treasury intends to prioritize reallocating returned funds to other Grantees within the same state as the Grantee returning the award funds, consistent with jurisdictional needs.

To initiate a return, please contact us by email at emergencyrentalassistance@treasury.gov for instructions. Include the Grantee's ERA1 Grantee number and the exact amount of ERA1 award funds that the Grantee wishes to return.

Grantees with the capacity to expend additional reallocated funds may apply to receive funds by September 26, 2022. Grantees should apply through Treasury's online portal by submitting a Request for Reallocated Funds. Treasury anticipates disbursing reallocated funds by early October 2022.

2. Recharacterize Expenditures

In certain circumstances, a Grantee may recharacterize as falling under its ERA1 award expenditures that were initially allocated to its ERA2 award. While such recharacterization is not prohibited, Grantees must ensure it complies with all applicable legal and programmatic requirements, including the ERA1 Award Terms and ERA2 Award Terms.

Whether to characterize an eligible expenditure as drawing on funds from a Grantee's ERA1 award or ERA2 award is generally determined by the Grantee and must be in accordance with requirements set forth below. If a Grantee decides to recharacterize its expenditures initially reported under one award as ultimately being funded by the other, the Grantee must update all

relevant award reports that the Grantee has previously submitted to Treasury to reflect the recharacterization. When preparing their quarterly reports via Treasury's portal, Grantees may edit and update previously submitted data under the following sections:

- Subrecipients, Contractors, and Beneficiaries
- Recipient Subawards, Contracts and Direct Payments
- Expenditures

Grantees should consult the User Guide for Treasury's portal for additional information on how to update their reports.

Grantees that choose to recharacterize expenditures between their ERA1 and ERA2 awards must comply with the applicable requirements set forth in the ERA1 and ERA2 statutes; the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* in 2 CFR Part 200 (particularly 2 CFR §§ 200.302, 200.303, and 200.403-200.405); the ERA1 and ERA2 Award Terms; Treasury's ERA program guidance; and other applicable requirements, including the Grantee's own internal accounting policies and internal controls. Grantees should note that the statutes authorizing ERA1 and ERA2 have differing requirements, including with respect to the permissible uses of program funds; any funds recharacterized from ERA2 to ERA1 must have been used in compliance with all applicable ERA1 requirements.

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If you have any questions, please contact us by email at emergencyrentalassistance@treasury.gov and include your ERA1 Grantee number.