

Measures to Protect Homeowners, Tenants and Landlords During Covid-19 Outbreak

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Federal, State and local governments have enacted measures to protect homeowners, tenants and landlords during the coronavirus/COVID-19 crisis. Below is a summary of some, with links to additional information.

Federal Government

For homeowners, on March 18th President Trump ordered the Department of Housing and Urban Development (HUD) to suspend any new or currently in process evictions and foreclosures for the next 60 days. The order applies to homeowners with mortgages insured by the Federal Housing Administration (FHA) only. In addition, the Federal Housing Finance Agency (FHFA), which oversees Fannie Mae, Freddie Mac, and the Federal Home Loan banks, is providing payment forbearance to borrowers impacted by the coronavirus for up to 12 months due to hardship. Click [HERE](#) for the HUD press release and [HERE](#) for the FHFA press release.

On March 23rd the FHFA announced that Fannie Mae and Freddie Mac “will offer multifamily property owners mortgage forbearance with the condition that they suspend all evictions for renters unable to pay rent due to the impact of coronavirus.” The FHFA has directed Fannie and Freddie to work with mortgage servicers to ensure that these programs are implemented immediately. Click [HERE](#) to read more.

State of California – On March 16th Governor Gavin Newsom issued an executive order authorizing local governments to halt evictions for renters and homeowners, to slow foreclosures, and to protect against utility shut offs for Californians affected by COVID 19. This executive order authorizes local governments, not the State, to act. The order does relieve a tenant’s obligation to pay rent or prevent a landlord from ultimately collecting rent. [HERE](#) is a link to Governor’s the press release.

[According to Governor Gavin Newsom](#), Wells Fargo, Citi, JPMorgan and US Bank, along with more than 200 of the state’s charter banks and credit unions, have agreed to “waive” mortgage payments for 90 days for Californians affected by COVID-19. Bank of America will “waive” mortgage payments for 30 days, according to the announcement. No specific guidance or other clarification has been provided. We will update as more information becomes available.

City of San Jose – On March 17th the City of San Jose enacted an urgency ordinance temporarily suspending evictions for 30 days due to nonpayment of rent for residential tenants where the failure to pay rent results from wage loss due to the novel coronavirus. The City Council may extend this moratorium. The ordinance does not relieve the tenant’s obligation to pay rent or inhibit the landlord’s right to collect rent. According to the City’s website, “the Council also approved including in the Ordinance a repayment period to be declared in a future Council resolution once the moratorium on evictions for non-payment of rent related to COVID-19 has been lifted.” [HERE](#) is a link to the City of San Jose webpage describing the moratorium.

APRIL 7 UPDATE – The San Jose City Council adopted an ordinance to match one recently passed by Santa Clara County, which halts evictions of small businesses during the coronavirus crisis. The county’s commercial eviction moratorium, which will now be applied to any business in San Jose, protects business owners from eviction who cannot pay rent due to the current outbreak.

Conversely, the San Jose City Council struck down a proposal to suspend rent for three months for families who are struggling to make rent due to coronavirus. City attorney Rick Doyle said that such an ordinance could potentially violate the Constitution, and that the City could be responsible to reimburse property owners for lost rent. Instead, next week the council will consider a policy that would temporarily freeze rent increases, similar to policies recently enacted in Oakland and Los Angeles.

Santa Clara County – On March 24, 2020 the Santa Clara County Board of Supervisors adopted Urgency Ordinance No. NS-9.287 establishing a temporary moratorium on residential and commercial evictions for non-payment of rent through May 31, 2020 due to the coronavirus emergency within Santa Clara County. This Urgency Order follows Governor Gavin Newsom’s March 16th Executive Order (see above) which suspends the state law restricting the County’s authority to suspend the evictions. If a city in the County enacts an ordinance that is more protective of tenants, the city` ordinance will apply. Nothing in the Urgency Ordinance relieves a tenant of the obligation to pay rent or restricts a landlord’s ability to recover rent due. The measure does, however, prevent evictions from occurring during this crisis. [HERE](#) is a link to the County of Santa Clara webpage describing the moratorium.

Santa Cruz County – On March 24th the Santa Cruz County Board of Supervisors unanimously approved a moratorium on evictions of both residential and commercial tenants. The moratorium ends on May 31, 2020. Tenants are required to adhere to the terms of their leases and pay the deferred rent once the moratorium is lifted. This is a very recent development.

Have questions? Let us help. Contact us for more information or assistance at (408) 287-7911.