



DOES THE CARES ACT APPLY TO MY PROPERTY?

This document was created by Grace Property Management with the assistance of our legal counsel, Tschetter Sulzer. It is not meant to be legal advice and an attorney should be consulted before any legal action is initiated based on any of the information provided below.

In May 2023 the Colorado Supreme Court ruled that the notice provision of the Coronavirus Aid, Relief, and Economic Security (CARES Act), passed in 2020, still applies to landlords in Colorado.

This is a landmark ruling and appears to be the first of its kind from any state Supreme Court.

The basic overview of this ruling means that landlords in Colorado must provide tenants with a 30-day notice before initiating a legal eviction process. This 30-day notice only applies to tenants and properties that are receiving federally supported financial assistance.

If the property or the tenant receive any type of federal financial assistance, then the property is considered to be "covered".

Important Points:

1. Landlords can only determine CARES applicability by knowing with certainty, program types and mortgage types.
2. Neither Grace Property Management, nor our legal counsel have any way of knowing this information. Further, if we are asked to give an opinion, we would require written documentation of program type or mortgage.

INFORMATION THAT YOU CAN UTILIZE TO DETERMINE WHETHER CARES APPLIES TO YOUR PROPERTY.

What is the CARES Act?

- CARES is the Coronavirus Aid Relief & Economic Security Act. CARES was signed into law by President Trump on March 27, 2020
- In Summary CARES applies to Covered Properties. A Covered Property is:

- a. A property that participates in a covered program (as defined by Section 41411(a) of the Violence Against Women Act of 1994 (34 USC 12491(a))) (See Definitions Below)
 - b. Participates in the rural housing voucher program 42 USC 1490r
 - c. Has a Federally backed mortgage loan; or Has a Federally backed multifamily mortgage loan (See Definitions Below)
- CARES imposes a 120 Day Moratorium on Evictions (the “120 Day Period”) on all Covered Properties
 - a. The 120 Days Expired on July 25, 2020

DETAILED EXPLANATION AND DEFINITION OF CARES TERMS THAT DETERMINE COVERED PROGRAMS AND PROPERTIES

- Federally Backed Mortgage Loan
- Federally Backed Multifamily Mortgage Loan
- Covered Properties (Properties that participates in a covered program (as defined by Section 41411(a) of the Violence Against Women Act of 1994 (34 USC 12491(a)))
- Covered Housing Programs

FEDERALLY BACKED MORTGAGE LOAN

-any loan other than temporary financing that is:

- a. Secured by a lien on residential property, and
- b. is made, insured, guaranteed, supplemented, or assisted in any way, by an officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the HUD or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation (Freddie Mac) or the Federal National Mortgage Association (Fannie Mae)

FEDERALLY BACKED MULTIFAMILY MORTGAGE LOAN

- any loan other than temporary financing that is:

- a. Secured by a lien on residential multifamily real property, and
- b. Is made, insured, guaranteed, supplemented, or assisted in any way, by an

officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the HUD or a housing or related program administered by any other such officer or agency, or is purchased or securitized by the Federal Home Loan Mortgage Corporation (Freddie Mac) or the Federal National Mortgage Association (Fannie Mae)

COVERED PROGRAMS:

CARES states that any property that participates in a covered program (as defined by Section 41411(a) of the Violence Against Women Act of 1994 (34 USC 12491(a))) is a covered property.

34 USC §12491(a) defines covered programs as:

- Department of Housing and Urban Development (HUD)
 - a. Public housing (42 U.S.C. § 1437d)
 - b. Section 8 Housing Choice Voucher program (42 U.S.C. § 1437f)
 - c. Section 8 project-based housing (42 U.S.C. § 1437f)
 - d. Section 202 housing for the elderly (12 U.S.C. § 1701q)
 - e. Section 811 housing for people with disabilities (42 U.S.C. § 8013)
 - f. Section 236 multifamily rental housing (12 U.S.C. § 1715z-1)
 - g. Section 221(d)(3) Below Market Interest Rate (BMIR) housing (12 U.S.C. § 17151(d))
 - h. HOME (42 U.S.C. § 12741 et seq.)
 - i. Housing Opportunities for Persons with AIDS (HOPWA) (42 U.S.C. § 12901, et seq.)
- McKinney-Vento Act homelessness programs (42 U.S.C. § 11360, et seq.)
 - Department of Agriculture
 - a. Section 515 Rural Rental Housing (42 U.S.C. § 1485)
 - b. Sections 514 and 516 Farm Labor Housing (42 U.S.C. §§ 1484, 1486)
 - c. Section 533 Housing Preservation Grants (42 U.S.C. § 1490m)
 - d. Section 538 multifamily rental housing (42 U.S.C. § 1490p-2)
- Department of Treasury
 - a. Low-Income Housing Tax Credit (LIHTC) (26 U.S.C. § 42)

For more information on property management contact Grace Property Management at www.RentGrace.com or 303-255-1990