

116TH CONGRESS
2D SESSION

H. R. 6768

To authorize the Secretary of Housing and Urban Development to award grants for landlord-tenant mediation programs.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 2020

Mr. TED LIEU of California introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To authorize the Secretary of Housing and Urban Development to award grants for landlord-tenant mediation programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prevent Evictions Act
5 of 2020”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) COVERED GRANT.—The term “covered
9 grant” means an implementation grant or program
10 expansion grant.

1 (2) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means a State or a court thereof, a political sub-
3 division of a State or a court thereof, a Tribal gov-
4 ernment, or any other appropriate public or non-
5 profit entity as determined by the Secretary, that is
6 formulating or carrying out a program that pri-
7 marily involves mediation between landlords and
8 tenants.

9 (3) IMPLEMENTATION GRANT.—The term “im-
10 plementation grant” means a grant awarded under
11 section 5(b).

12 (4) PROGRAM EXPANSION GRANT.—The term
13 “program expansion grant” means a grant awarded
14 under section 5(c).

15 (5) SECRETARY.—The term “Secretary” means
16 the Secretary of Housing and Urban Development.

17 (6) SMALL-DOLLAR EVICTION.—The term
18 “small-dollar eviction” means an eviction resulting
19 from an eviction case brought against a tenant for
20 nonpayment of rent in which the unpaid amount is
21 less than 1 month’s rent.

22 **SEC. 3. FINDINGS.**

23 Congress finds the following:

24 (1) Landlords often make their largest profit
25 margins in low-income neighborhoods. This is in

1 part due to the difference between the perceived risk
2 of low-income tenants defaulting on their rent and
3 the actual risk.

4 (2) A significant proportion of eviction money
5 judgments—in some jurisdictions, potentially more
6 than 40 percent—are for less than 1 month’s rent,
7 based on median rent per census tract.

8 (3) According to the book “Evicted: Poverty
9 and Profit in the American City” by Matthew
10 Desmond, families and individuals who are evicted
11 are more likely to experience a decline in mental and
12 physical health, have poor attendance in school, and
13 have more trouble holding a job.

14 **SEC. 4. SENSE OF CONGRESS.**

15 It is the sense of Congress that—

16 (1) landlord-tenant mediation is a valuable and
17 cost-effective way to keep tenants in their homes,
18 and more investment in that type of mediation is
19 warranted;

20 (2) there is a lack of research on the potential
21 for certain types of insurance to be cost-effective
22 interventions that keep tenants in their homes,
23 which warrants future study;

24 (3) eviction should be a last resort; and

1 (4) reducing the number of small-dollar evic-
2 tions will produce a substantial return on investment
3 for individuals and families and for society as a
4 whole.

5 **SEC. 5. LANDLORD-TENANT MEDIATION COMPETITIVE**
6 **GRANT PROGRAM.**

7 (a) IN GENERAL.—The Secretary shall award com-
8 petitive grants under subsections (b) and (c) to eligible
9 entities to assist those entities in establishing and admin-
10 istering, or continuing, landlord-tenant mediation pro-
11 grams.

12 (b) IMPLEMENTATION GRANTS.—

13 (1) IN GENERAL.—The Secretary shall award
14 competitive grants to eligible entities to assist the
15 entities in establishing and administering landlord-
16 tenant mediation programs.

17 (2) TERM.—The term of an implementation
18 grant shall be 2 years.

19 (3) AMOUNT.—The amount of an implementa-
20 tion grant shall be not more than \$1,500,000.

21 (4) USE OF FUNDS.—An eligible entity may use
22 an implementation grant to establish—

23 (A) a statewide mediation program; or

24 (B) a mediation program in a political sub-
25 division of a State or in the jurisdiction of an

1 Indian Tribe that demonstrates a high need for
2 such a program due to—

3 (i) the rate of evictions in the political
4 subdivision or Tribal jurisdiction; or

5 (ii) other characteristics of the polit-
6 ical subdivision or Indian Tribe that con-
7 tribute to the rate of evictions in the polit-
8 ical subdivision or Tribal jurisdiction.

9 (5) FEDERAL SHARE.—The Federal share of
10 the cost of a mediation program established using an
11 implementation grant may not exceed 50 percent.

12 (c) PROGRAM EXPANSION GRANTS.—

13 (1) IN GENERAL.—The Secretary shall award
14 competitive grants to eligible entities to assist the
15 entities in continuing activities related to landlord-
16 tenant mediation.

17 (2) TERM.—The term of a program expansion
18 grant shall be 3 years.

19 (3) AMOUNT.—The amount of a program ex-
20 pansion grant shall be not more than \$1,000,000.

21 (4) MAINTENANCE OF EFFORT.—

22 (A) IN GENERAL.—Subject to subpara-
23 graph (B), amounts made available to an eligi-
24 ble entity under a program expansion grant
25 shall be used to supplement, and not supplant,

1 contributions made by the eligible entity for ex-
2 isting landlord-tenant mediation activities.

3 (B) REDUCTION OF EXISTING FUNDING.—

4 To the extent that amounts from a program ex-
5 pansion grant are used to replace funding for
6 existing landlord-tenant mediation activities
7 that is reduced for reasons beyond the control
8 of the eligible entity, such use shall not be con-
9 sidered supplanting of amounts contributed by
10 the eligible entity for purposes of subparagraph
11 (A).

12 (d) GENERAL RULES FOR COVERED GRANTS.—

13 (1) USE OF FUNDS.—An eligible entity may use
14 a covered grant to pay for operating costs, staff sal-
15 aries, mediator compensation, information tech-
16 nology, interpreters, outreach services, and recruit-
17 ment.

18 (2) GOOD FAITH PARTICIPATION.—An eligible
19 entity that receives a covered grant shall encourage
20 each party participating in the landlord-tenant medi-
21 ation program funded by the grant to make a good
22 faith effort to discuss potential resolutions.

23 (3) GEOGRAPHIC AND POPULATION DIVER-
24 SITY.—The Secretary shall ensure, to the maximum

1 extent practicable, that recipients of covered grants
2 represent—

3 (A) diverse geographical areas of the
4 United States; and

5 (B) States, political subdivisions of States,
6 and Indian Tribes of varying population sizes.

7 (4) FREE TO TENANTS.—A tenant may not be
8 charged for participating in landlord-tenant medi-
9 ation funded by a covered grant.

10 (e) OVERSIGHT REQUIREMENTS.—For each year of
11 a covered grant received by an eligible entity, the eligible
12 entity shall submit to the Secretary a report that—

13 (1) describes how the eligible entity used the
14 grant funds during that year; and

15 (2) includes any performance data, relating to
16 programs funded by the covered grant, that the eli-
17 gible entity submitted to a State or political subdivi-
18 sion thereof, if applicable.

19 (f) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out this section
21 such sums as may be necessary for fiscal year 2020 and
22 each fiscal year thereafter.

1 **SEC. 6. STUDY AND DEMONSTRATION OF EVICTION-PRE-**
2 **VENTING INSURANCE MODELS.**

3 (a) IN GENERAL.—Not later than 18 months after
4 the date of enactment of this Act, the Secretary shall
5 study, and submit to Congress a report on—

6 (1) insurance models designed to reduce evic-
7 tions or expand access to rental opportunities for
8 tenants, such as rental payment insurance;

9 (2) the cost of various insurance models de-
10 scribed in paragraph (1); and

11 (3) the effects of various insurance models de-
12 scribed in paragraph (1) on tenants, landlords, and
13 housing markets.

14 (b) OBJECTIVES.—In conducting the study under
15 subsection (a), the Secretary shall seek to—

16 (1) better understand insurance models de-
17 scribed in that subsection that are not widely avail-
18 able in the United States;

19 (2) assess the viability of the insurance models
20 in United States markets and how the insurance
21 models could be implemented through private, pub-
22 lic, or subsidized programs;

23 (3) determine whether insurance models in
24 which the insurance policy is purchased by the ten-
25 ant, the landlord, or a public entity would be most

1 effective in achieving the objectives under this sub-
2 section;

3 (4) study any existing relevant insurance pro-
4 grams and the effectiveness of those programs, both
5 domestically and internationally;

6 (5) study how Federal mortgage insurance pro-
7 grams could help inform the structure or breadth of
8 the insurance models;

9 (6) study how the insurance models could be
10 structured in order to best prevent evictions, par-
11 ticularly small-dollar evictions;

12 (7) study how to structure the insurance models
13 in order to prevent moral hazard;

14 (8) study the potential for the insurance models
15 to serve as a bridge for tenants between—

16 (A) participating in more cost-intensive,
17 longer-term housing programs, such as public
18 housing under the United States Housing Act
19 of 1937 (42 U.S.C. 1437 et seq.) or rental as-
20 sistance under section 8 of that Act (42 U.S.C.
21 1437f); and

22 (B) leaving the programs described in sub-
23 paragraph (A) entirely;

(9) study how the insurance models could be tailored to target or benefit lower-income families or vulnerable renters; and

(10) study the extent to which the insurance models could be paired with landlord-tenant mediation efforts.

(c) RESULTS OF STUDY.—

(1) REPORT.—The Secretary shall include in the report under subsection (a)—

(A) a description of any insurance models that—

(i) have the strongest potential to achieve the objectives under subsection (b); and

(ii) could be tested through a demonstration project; and

(B) a proposal for a demonstration project to test the most promising insurance model described in subparagraph (A).

(2) DEMONSTRATION PROJECT PRIORITY FOR GRANT RECIPIENTS.—In selecting the jurisdiction in which to conduct the demonstration project proposed under paragraph (1)(B), the Secretary shall give priority to jurisdictions served by a recipient of a covered grant.

1 (3) BUDGET REQUEST.—After submitting the
2 report under subsection (a), the Secretary shall in-
3 clude in the first annual budget request that the
4 Secretary submits to Congress under section 1105 of
5 title 31, United States Code, a request for funds for
6 the demonstration proposal described in paragraph
7 (1)(B).

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