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For Immediate Release

## **Significant revision made to CARES relief programs to boost participation**

*Goal is to help more people with housing during the final weeks of both programs*

HARRISBURG – The Pennsylvania Housing Finance Agency has modified its original interpretation of the statutory meaning of a provision in Act 24 of 2020 in response to discussions seeking broader participation in the renter and homeowner assistance programs.

During implementation of the Governor’s Executive Order extending the original Sept. 30 deadline to Nov. 4, there was also discussion regarding broadening program participation based on legislative intent expressed by the legislature that supported the effort for broader program participation by lenders and landlords.

The original statutory interpretation of Act 24 was read in a manner that required the release of remaining claims by landlords and lenders for any remaining amounts due for a month in which PHFA makes an assistance payment.

In response to these efforts seeking broader landlord and lender participation, the assistance programs are being modified. Participant releases will only cover the amount of money paid by PHFA; any remaining amount will still be owed by tenants. The same will also be true for remaining claims by lenders against homeowners who receive assistance through the Pandemic Mortgage Assistance Program. Both CARES programs are being administered by PHFA.

This revision to the guidelines for both CARES assistance programs will go into effect on Oct. 17 when it is posted in the Pennsylvania Bulletin.

“A barrier to broader participation in the CARES programs has been the financial shortfall some landlords and lenders would experience, especially in metro areas where housing costs are higher,” said PHFA Executive Director and CEO Robin Wiessmann. “We’re hopeful this change to these two programs will ensure more renters and homeowners participate so they can maintain their housing during the pandemic.”

The CARES programs for renters and homeowners had originally stopped taking applications on Oct. 1, following guidelines in the state’s CARES legislation. However, on Oct. 5, Governor Tom Wolf, by executive order, reopened both programs, and they are now accepting applications through Nov. 4. The governor’s order is available at: <https://www.phfa.org/forms/pacares/executiveorder/mortgage-rental-assistance-program-order.pdf>.

The Federal Coronavirus Aid, Relief and Economic Security (CARES) Act, passed in March, provided \$3.9 billion for Pennsylvania and is intended to help people hurt economically during the pandemic. In late May, the General Assembly directed \$175 million of these CARES dollars to PHFA to provide assistance for struggling renters and homeowners. The portion for rent assistance is at least \$150 million, and \$25 million was set aside for mortgage assistance. The CARES funding for renters and homeowners must be completely distributed by Nov. 30, 2020.

More background information about both CARES programs is available in 2020 press releases in PHFA’s News Center at: <https://www.phfa.org/news/pressreleases.aspx>.

**About PHFA**

The Pennsylvania Housing Finance Agency works to provide affordable homeownership and rental housing options for older adults, low- and moderate-income families, and people with special housing needs. Through its carefully managed mortgage programs and investments in multifamily housing developments, PHFA also promotes economic development across the state. Since its creation by the legislature in 1972, it has generated nearly \$15 billion of funding for more than 180,750 single-family home mortgage loans, helped fund the construction of 138,000 rental units, distributed more than \$121 million to support local housing initiatives, and saved the homes of nearly 50,400 families from foreclosure. PHFA programs and operations are funded primarily by the sale of securities and from fees paid by program users, not by public tax dollars. The agency is governed by a 14-member board.

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