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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4541

04/14/2020 Authored by Hausman and Howard
The bill was read for the first time and referred to the Housing Finance and Policy Division

1.1 A bill for an act
1.2 relating to housing; providing eviction and mortgage foreclosure protection and
1.3 emergency housing assistance during a public health emergency; requiring a report;
1.4 prescribing penalties for false statements; appropriating money.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. EVICTION NOTICE AND LATE FEES; STATE OF EMERGENCY.

1.7 (a) In the event of a public health emergency, as defined in paragraph (d), the following
1.8 actions are prohibited for 90 days after March 24, 2020, within the jurisdiction of the public
1.9 health emergency:

1.10 (1) charging of late fees for the late payment of rent; and

1.11 (2) the termination of a rental agreement.

1.12 (b) Upon the end of a public health emergency, as defined in paragraph (d), a landlord
1.13 may not begin the process for an eviction against a tenant except on 30 days' notice, which
1.14 may not be given until after the moratorium period has expired.

1.15 (c) Nothing in this section reduces the rent owed by the tenant to the landlord, prevents
1.16 the landlord from collecting rent owed, reduces arrears owed by a tenant for rent, or alters
1.17 the terms of the lease between the landlord and tenant.

1.18 (d) For the purposes of this section, "public health emergency" means the peacetime
1.19 emergency declared by the governor on March 13, 2020, in Executive Order 20-01 in
1.20 response to COVID-19 or any other peacetime emergency declared by the governor by an
1.21 executive order issued within 30 days of Executive Order 20-01 that relates to the infectious
1.22 disease COVID-19.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.2 Sec. 2. **FORECLOSURE; STATE OF EMERGENCY.**

2.3 No request for notice of a mortgage foreclosure by advertisement may be recorded and
2.4 no action may commence under Minnesota Statutes, chapter 580 or 581, for 90 days after
2.5 the declaration of a public health emergency if the residence mortgaged is located in the
2.6 jurisdiction where the public health emergency has been called, except for an action necessary
2.7 to protect holders of bonds issued under Minnesota Statutes, chapter 462A. Nothing in this
2.8 section alters the mortgage payments owed, any other obligations under the mortgage, or
2.9 the pledge made by the state to holders of bonds issued under chapter 462A. For the purposes
2.10 of this section, "public health emergency" has the meaning given in section 1, paragraph
2.11 (d). This section applies to actions taken the day following final enactment.

2.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.13 Sec. 3. **ASSISTANCE FRAUD.**

2.14 Any person who, with the intent to defraud, presents a claim under section 4 or applies
2.15 for protection under section 1, 2, or 4, which is false in whole or in part, is guilty of an
2.16 attempt to commit theft of public or private funds and may be sentenced accordingly.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.18 Sec. 4. **APPROPRIATION; 2020 EMERGENCY HOUSING ASSISTANCE GRANTS.**

2.19 (a) \$100,000,000 in fiscal year 2020 is appropriated from the general fund to the
2.20 commissioner of the Minnesota Housing Finance Agency for transfer to the housing
2.21 development fund for the family homeless prevention and assistance program under
2.22 Minnesota Statutes, section 462A.204. The agency may use grantees of the family homeless
2.23 prevention and assistance program, under Minnesota Statutes, section 462A.204, and the
2.24 grantees are preapproved to distribute money under this section. Notwithstanding the
2.25 requirements of Minnesota Statutes, sections 16C.06 and 462A.204, the commissioner of
2.26 the Minnesota Housing Finance Agency shall allocate these resources to existing grantees
2.27 and contract with other entities that are not current grantees based on homelessness prevention
2.28 needs. Entities may include counties, cities, nonprofit organizations, tribes, or other entities
2.29 the agency identifies. For purposes of this emergency appropriation, nonprofits do not need
2.30 to obtain sponsoring resolutions from counties as required under Minnesota Statutes, section
2.31 462A.204, subdivision 3. This appropriation is onetime and available until February 1, 2021.
2.32 Funds not committed or expended by February 1, 2021, shall cancel to the general fund.

3.1 (b) Funding under this section shall be for individuals, families, and homeowners in
3.2 Minnesota to prevent homelessness and help maintain homeownership during
3.3 public-health-related emergencies consistent with the requirements of this section. The
3.4 commissioner may contract with county agencies, local governments, tribes, or nonprofit
3.5 organizations to provide funding and support services to process applications for funding
3.6 under this program. To be eligible for funding, applicants must:

3.7 (1) have a public-health-related emergency as defined in this section;

3.8 (2) have a rent payment, mortgage payment, homeowner association dues, lot rent due
3.9 to a manufactured home park, contract for deed payment, homeowner insurance payment,
3.10 property tax payment, or utility payment with a due date of March 1, 2020, or later, that is
3.11 past due;

3.12 (3) be unable to pay the money owed because of the public health emergency; and

3.13 (4) be a household, with a current gross income at or below 300 percent of the federal
3.14 poverty guidelines at the time of application or as averaged over the previous 12 months,
3.15 whichever is lower.

3.16 (c) If an applicant applies for relief from sources other than the 2020 emergency housing
3.17 assistance grants and receives aid for the purposes of paying for housing, the applicant must
3.18 immediately notify the granting agency. Applicants may receive funding for rent, a mortgage,
3.19 homeowner association dues, contract for deed payment owed to a seller, homeowner
3.20 insurance or property tax payment owed for their home, rent due for a manufactured home,
3.21 or utility payment owed with a due date of March 1, 2020, or later, that is due within 14
3.22 days of the application or which are up to 45 days past due at the time of application.

3.23 (d) Once an application is approved, the assistance file may remain open to allow for
3.24 consideration of additional future assistance needs under this funding program resulting
3.25 from the public health emergency. The financial assistance provided for any individual or
3.26 family must not exceed the minimum payments owed.

3.27 (e) Funding under this section must be paid directly to:

3.28 (1) the landlord or leasing agent for a rental unit;

3.29 (2) the financial service for a mortgage or the entity who owns the mortgage for a
3.30 homeowner;

3.31 (3) the contract for deed vendor or seller;

3.32 (4) the purchase-money mortgagor;

- 4.1 (5) the manufactured home park cooperative, manufactured home owner, or park owner;
- 4.2 (6) the utility company; or
- 4.3 (7) any other identified entity to whom payment is owed.
- 4.4 (f) The commissioner may develop applications for the program and a process to oversee
- 4.5 grantees.
- 4.6 (g) Data submitted from benefits by an applicant to establish eligibility under this section
- 4.7 is subject to Minnesota Statutes, section 13.462.
- 4.8 (h) By October 15, 2021, the Minnesota Housing Finance Agency must submit a report
- 4.9 to the chairs and ranking minority members of the legislative committees with jurisdiction
- 4.10 over housing finance with a summary of the performance of this program. To the extent
- 4.11 practicable, the report must contain the following information:
- 4.12 (1) the total number of applications received by grantees and the number of individuals
- 4.13 who would be assisted under this program;
- 4.14 (2) the total number of grants awarded to grantees and the number of individuals assisted
- 4.15 under this program;
- 4.16 (3) the total amount of grant funding awarded to grantees and individuals assisted under
- 4.17 this program;
- 4.18 (4) the mean and median grant amounts awarded to grantees and individuals assisted
- 4.19 under this program;
- 4.20 (5) a summary of the geographic distribution of grants awarded under this program; and
- 4.21 (6) a list of all entities contracted with to process applications under this program.
- 4.22 (i) For the purposes of this section, "public-health-related emergency" means:
- 4.23 (1) an illness, either of an individual or an individual's relative or household member,
- 4.24 related to COVID-19 that prevents the individual from maintaining employment temporarily
- 4.25 or permanently;
- 4.26 (2) the household is at or below 200 percent of the federal poverty guidelines and has
- 4.27 experienced a reduction in income or temporary or permanent unemployment due to local,
- 4.28 state, or federal actions related to COVID-19; or
- 4.29 (3) the household is at or below 300 percent of the federal poverty guidelines and has
- 4.30 experienced a reduction in income by 25 percent or more, or temporary or permanent
- 4.31 unemployment due to local, state, or federal actions related to COVID-19.

5.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.