



State of California

# BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Gavin Newsom, Governor  
Lourdes M. Castro Ramírez, Secretary

**TO:** California Renters, Landlords, Homeowners, Homeowner Groups, Renters Groups and Stakeholders

**FROM:** California Business, Consumer Services and Housing Agency

**DATE:** September 1, 2020

**SUBJECT:** Information for Renters, Landlords and Homeowners About Their Rights, Responsibilities and Protections Under the Tenant, Homeowner and Small Landlord Relief and Stabilization Act of 2020

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Californians have been struggling to pay their rent or make mortgage payments because of the COVID-19 pandemic. People have lost their jobs or are working fewer hours. Some have had to take time off to care for children who are out of school, or to attend to a loved one who is sick. The loss of income has made it difficult to keep up with rent or mortgage payments. Without additional supplemental unemployment and with no additional federal assistance to date, the situation has become dire for many Californians.

Landlords, too, have struggled as rental income has decreased, making it difficult for them to pay their mortgages and cover other expenses for their properties. Without additional protections, there is a real risk of destabilizing rental markets and California communities.

On August 31, 2020 the Tenant, Homeowner and Small Landlord Relief and Stabilization Act of 2020 (Act) was passed by the Legislature and signed into law by Governor Gavin Newsom and protections are now in effect.

The Act protects renters, small landlords and homeowners who are unable to pay their rents or mortgages because of the COVID-19 pandemic.

## NEW PROTECTIONS AND GUIDELINES FOR TENANTS

For tenants who cannot pay their full rent during the period between March 1, 2020 and January 31, 2021 because of COVID-19, there are protections against eviction

915 Capitol Mall, Suite 350A, Sacramento, California 95814 (916) 653-4090 [www.bcsb.ca.gov](http://www.bcsb.ca.gov)

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available. These protections apply to all residential tenants, including mobile home tenants, regardless of immigration status.

***For tenants unable to pay all or some of their rent between March 1, 2020 and August 31, 2020***

Tenants who receive a “pay or quit” (vacate) notice for any rent that was unpaid between March 1, 2020 and August 31, 2020 cannot be evicted IF they return a declaration of COVID-19 related financial distress to their landlords, signed under penalty of perjury, within 15 business days of receiving a “pay or quit” notice given to them on or after September 1, 2020.

(A “pay or quit” notice is a notice from a landlord that gives a tenant a certain amount of time to pay the outstanding rent they owe or vacate their home.)

When a landlord gives a tenant a notice to “pay or quit” (vacate), they must provide the tenant with two documents:

- 1) A notification which explains the tenant’s rights and obligations under the Act.
- 2) A declaration of COVID-19 related financial distress in the language of the tenant’s rental agreement.

Tenants must provide the signed declaration to the landlord within 15 business days, or an eviction proceeding may be filed against them in court.

There is an additional requirement for higher-income tenants. For tenants whose household income is more than 130 percent of the [median household income in their county](#) and over \$100,000, landlords may demand that proof of tenants’ COVID-19 related distress be provided to support their declaration. Any form of verifiable documentation such as a tax return, pay stubs, and employer statements, among other items, can be used to satisfy this requirement. Tenants who are in high-income households must provide proof of financial distress if their landlords request it.

Tenants who are unable to provide the declaration of COVID-19 related financial distress within 15 business days may still submit the declaration to the court for similar protections if they have a “good reason” for not being able to provide the declaration during that time. Tenants are considered to have a “good reason” if their failure to return the declaration within 15 business days was the result of mistake, inadvertence, surprise, or excusable neglect, as those terms have been interpreted under the California [Code of Civil Procedure Section 473 \(b\)](#).

Samples of the notification explaining tenants’ rights and obligations in English as well as the top five foreign languages spoken in California (Spanish, Chinese, Tagalog, Vietnamese and Korean) can be found at <https://landlordtenant.dre.ca.gov/landlord/forms.html>.

Samples of the required Declaration of COVID-19 Related Financial Distress in English as well as the top five foreign languages spoken in California (Spanish, Chinese, Tagalog, Vietnamese and Korean) are available at <https://landlordtenant.dre.ca.gov/tenant/forms.html>

**For tenants who are unable to pay all or some of their rent between September 1, 2020 and January 31, 2021**

The same rights and obligations above apply to tenants who receive a “pay or quit” notice for any rent that is unpaid between September 1, 2020 and January 31, 2021, except that by January 31, 2021, tenants must pay at least 25 percent of the rent due during the period of September 1, 2020 through January 31, 2021 to avoid an unlawful detainer (eviction) action being filed against them on or after February 1, 2021.

Tenants may do this by paying 25 percent of their rent each month, by paying a lump sum equaling 25 percent of the September through January rent by January 31, 2021, or by some other means, as long as they have paid at least 25 percent of the September through January rent by January 31, 2021.

***Rent is still due, and evictions can still occur***

It is important to remember that despite the protections under the Act, tenants still owe any remaining rent that is due. Landlords can take tenants to small claims court to recover unpaid rent beginning March 1, 2021, regardless of how much the tenant owes.

It is also important to remember that tenants can still be evicted for other reasons, such as for health and safety reasons.

***Other protections for tenants***

Until February 1, 2021, landlords must give at least 15 days’ notice, not including weekends or judicial holidays, to pay rent or be evicted.

Until February 1, 2021, the Act limits public disclosure by the courts of eviction cases involving nonpayment of rent between March 1, 2020 and January 31, 2021.

The Act provides protections for tenants if landlords claim to evict them for “just cause” when in fact they are evicting a tenant for nonpayment of rent that was due between the covered period of March 1, 2020 through January 31, 2021.

The Act adds a new penalty of between \$1,000 and \$2,500 against landlords who do such things as locking tenants out, throwing personal property out onto the curb, and shutting off utilities to evict a tenant, rather than going through the required court process. These penalties are in effect until February 1, 2021.

Existing local government ordinances generally may remain in place until they expire, so long as the repayment of unpaid rent begins no later than March 1, 2021.

### ***Additional resources***

Tenants who believe they have been unlawfully evicted or who need legal advice should consult with an attorney. Tenants who need low- or no-cost legal help can visit [www.lahelpca.org](http://www.lahelpca.org) and/or <https://landlordtenant.dre.ca.gov/resources/tenant.html> for additional resources.

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## **NEW PROTECTIONS AND GUIDELINES FOR HOMEOWNERS AND SMALL LANDLORDS**

Homeowners or small landlords who have four (4) or fewer properties, whether they are owner occupied or not, and who have had difficulty making mortgage payments because of COVID-19, have protections under the Act.

### ***Federal mortgages***

Homeowners or small landlords who have federally backed mortgages can request forbearance pursuant to the federal CARES Act (Coronavirus Aid, Relief, and Economic Security) to help avoid a foreclosure timeline. They should contact their mortgage servicer – the company they send their mortgage payment to – for more information and to see if their loan is federally backed.

If no forbearance is offered, the lender must provide a detailed description explaining why the forbearance request was denied, stating the exact reasons for the denial.

Federally backed mortgages are mortgages backed by Federal Housing Administration (FHA), [Fannie Mae](#), [Freddie Mac](#), the Veterans Administration (VA) and the U.S. Department of Agriculture (USDA).

### ***Non-federal mortgages***

Homeowners or small landlords who have non-federally backed mortgages can contact their servicers requesting forbearance. A non-federally backed mortgage is one that is owned by a private lender, such as a bank. If no forbearance is offered, the lender must provide a detailed description explaining why the forbearance request was denied, stating the exact reasons for the denial.

If the lender's explanation identifies missing information or errors in the request, a homeowner or small landlord then has 21 days to update and correct these issues.

Additional homeowner protections and lender requirements before a bank can file a notice of default on your mortgage include:

- The ability for homeowners and small landlords to contest either the 30-day contact or the forbearance denial notice. (The 30-day contact refers to the minimum 30 days a lender must wait after contacting a borrower to seek payment before filing a Notice of Default.)
- A requirement for lenders to file the forbearance denial notice along with the required declaration of borrower contact when recording a notice of default.
- The right for homeowners or small landlords to file a cause of action (lawsuit) if their lender harms them by violating the law.

***Additional Information***

Beginning September 2, 2020, people who would like additional information and resources, can visit <https://landlordtenant.dre.ca.gov>.

*Please note: The information in this document does not, and is not intended to, constitute legal advice. Readers of this document should contact their attorney to obtain advice with respect to any legal matter, including whether the information contained herein is applicable or appropriate to their particular situation.*