

The Prevent Evictions Act

The United States is experiencing an eviction crisis. While some evictions involve a tenant who owes thousands of dollars to his or her landlord, a significant number of evictions occur when a tenant owes a couple hundred dollars or less. But the ramifications of an eviction can be worth many times that in terms of costs to the evicted person or family and to society.

The inability to pay a couple hundred dollars of rent often arises from an unexpected cost – such as a car repair – that a tenant would be able to make up the following month. And rent in low-income neighborhoods tends to be artificially high, as landlords seek to create a buffer for the perceived risk of a tenant being unable to pay his or her rent. But the actual risk of accepting a low-income tenant is often lower than the perceived risk, leading landlords to make some of their highest profits in low-income areas.

This legislation would seek to reduce the number of small-dollar evictions – and associated societal costs of these evictions – by creating a landlord-tenant mediation grant program and directing the Department of Housing and Urban Development (HUD) to study the potential for certain types of rent insurance to be cost-effective eviction mitigation tools. The bill has been endorsed by *Evicted* author and professor Matt Desmond and Housing Action New Hampshire.

The Prevent Evictions Act would create:

A landlord-tenant mediation grant program

- Mediation programs bring landlords and tenants to the table to find informal, mutually agreed upon solutions that keep tenants in their homes
- The bill would authorize grants to state, local, community, Tribal and non-profit entities to create or expand mediation programs
- The grant program would also allow for grant funds to go toward translators, ensuring that all individuals have the ability to participate

The Prevent Evictions Act would direct HUD to conduct:

An eviction prevention insurance study and demonstration

- In some jurisdictions, potentially more than 40 percent of eviction money judgements are for less than one month's rent
- There is a lack of research on the possibility that certain types of insurance could be cost-effective interventions that keep tenants in their homes, and federal agencies¹, academics², and think tanks³ have all recommended further study
- The bill would direct HUD to study the potential for certain rent insurance programs to be viable models for reducing evictions
- Such models are already used in other countries, in the private sector, and as city-run programs
- Upon completion of the study, HUD would propose a demonstration to test the most promising models found in the study

¹ https://www.huduser.gov/portal/pdf/Research_Roadmap.pdf#page=70

² https://www.huduser.gov/portal/periodicals/cityscape/vol13num2/Cityscape_July2011_rental_housing_3.pdf

³ <https://www.urban.org/sites/default/files/publication/22311/413031-A-Proposed-Demonstration-of-a-Flat-Rental-Subsidy-for-Very-Low-Income-Households.PDF#page=11>