

Extended Eviction Moratorium for Borrowers Affected by COVID-19

1. Background and Purpose. On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), Public Law 116-136. The CARES Act protects borrowers with Federally backed mortgage loans who are experiencing financial hardship due to the COVID-19 national emergency. The purpose of this Circular is to extend the eviction moratorium.

2. Moratorium on Eviction. The CARES Act prohibited any filing with the court of jurisdiction to initiate a legal action to recover possession of the dwelling for a 120-day period beginning March 18, 2020. Department of Veterans Affairs (VA) then extended the eviction moratorium through August 31, 2020. Per Executive Order 13945, Section 2, of August 8, 2020, it is the policy of the United States to minimize, to the greatest extent possible, residential evictions and foreclosures during the ongoing COVID-19 national emergency. In light of the ongoing COVID-19 national emergency, and its impact on Veteran borrowers, properties secured by VA-guaranteed loans, including those loans currently in VA's Real Estate Owned (REO) portfolio are subject to a moratorium on evictions through December 31, 2020.

3. Executive Order 13891 Disclosure: The contents of this document are part of the guaranty contract and therefore are intended to have the force and effect of law and are meant to bind the public.

4. Rescission: This Circular is rescinded April 1, 2021.

By Direction of the Under Secretary for Benefits

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SS (26A1) FLD: VBAFS, 1 each (Reproduce and distribute based on RPC 2024)