



Housing Funding in the American Rescue Plan Act of 2021

Updated May 13, 2021

According to Census data from late February 2021, [nearly 19% of renters](#) and [more than 10% of homeowners with a mortgage](#) reported having fallen behind in their housing payments during the Coronavirus Disease 2019 (COVID-19) pandemic. In response, the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2), enacted in mid-March 2021, included nearly \$43 billion in mandatory funding for housing-related programs intended to assist people experiencing housing instability and homelessness. (In addition to funding housing programs, ARPA provided cash to individuals [e.g., individual relief payments, refundable tax credits, and enhanced unemployment benefits] that may also help families pay their housing costs.)

ARPA appropriated funding to multiple federal agencies to provide housing assistance: the Department of the Treasury, the Department of Housing and Urban Development (HUD), the Department of Agriculture (USDA), the Bureau of Indian Affairs (BIA) at the Department of the Interior, and NeighborWorks America, a government-chartered nonprofit organization.

Funded programs include those developed specifically to respond to the COVID-19 pandemic (e.g., the Emergency Rental Assistance program and Homeowner Assistance Fund), as well as existing programs. In some cases, ARPA directed that funding provided through existing programs be used in new ways to serve people experiencing homelessness (e.g., Emergency Housing Vouchers and HOME funds); in other cases, the funds are to be used to respond to the pandemic largely within existing program parameters (e.g., Native American and rural housing programs).

This Insight includes a funding table followed by a list of each program funded and a brief description of how funds can be used.

Table I. Funding for Federal Housing Programs in ARPA

Agency	Section of P.L. 117-2	Funding (\$ in billions)
Treasury	§3201 Emergency Rental Assistance	21.550

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Agency	Section of P.L. 117-2	Funding (\$ in billions)
Treasury	§3206 Homeowner Assistance Fund	9.961
HUD	§3202 Emergency Housing Vouchers	5.000
HUD	§3205 Homelessness Assistance and Supportive Services Program	5.000
HUD	§11003 Housing Assistance and Supportive Services Programs for Native Americans	0.750
HUD	§3208 Fair Housing Activities	0.020
USDA	§3203 Emergency Assistance for Rural Housing	0.100
USDA	§3207 Relief Measures for Section 502 and 504 Direct Loan Borrowers	0.039
NeighborWorks America	§3204 Housing Counseling	0.100
BIA	§11002 Bureau of Indian Affairs	0.100

Source: The American Rescue Plan Act (P.L. 117-2).

- Emergency Rental Assistance (ERA) (\$21.55 billion):** The ERA program was initially established and funded in the FY2021 Consolidated Appropriations Act (P.L. 116-260), which provided \$25 billion primarily to help renters pay for rent and utility costs (including arrears), with funds administered by the Treasury Department and distributed to states and counties based on population. Of the ARPA funding, \$19 billion will be distributed based on population, but \$2.5 billion is available to “high-need” grantees, as determined by the Treasury Secretary.
- Homeowner Assistance Fund (\$9.96 billion):** ARPA establishes a new Homeowner Assistance Fund through which Treasury will allocate funds by formula to states, territories, and tribes to assist homeowners experiencing financial hardship during the pandemic. Eligible uses of the funds include assistance with mortgage payments and related expenses, such as utilities or homeowners insurance. At least 60% of funds must assist homeowners with incomes no higher than 100% of area median income or 100% of U.S. median income, whichever is greater. Remaining funds are to be prioritized to socially disadvantaged individuals.
- Emergency Housing Vouchers (\$5 billion):** Funds are appropriated to provide rental subsidies through the Housing Choice Vouchers (HCV) program for people experiencing homelessness, at risk of homelessness, and fleeing domestic violence; and to cover related administrative expenses. The vouchers are to be distributed to local public housing authorities, as determined by the HUD Secretary, and, unlike regular HCVs, after FY2023 they cannot be reissued when families leave the program.
- Homelessness Assistance and Supportive Services Program (\$5 billion):** Funds are appropriated for HUD’s HOME program and distributed via the HOME formula, but with certain changes to HOME program requirements that would otherwise apply. Funds are primarily to benefit individuals and families who are homeless, at risk of

homelessness, and fleeing domestic violence. Eligible activities include those that are generally eligible under the HOME program as well as certain additional activities, including supportive services. ARPA also specifies that grantees may use funds to acquire non-congregate shelter units with the option to convert them to permanent housing.

- **Housing Assistance and Supportive Services Programs for Native Americans (\$750 million):** Funds are provided for the Native American Housing Block Grant (\$450 million), [allocated](#) via that program’s formula; the Native Hawaiian Housing Block Grant (\$5 million); and the Indian Community Development Block Grant (\$280 million). The funds are to be used to “prevent, prepare for, and respond to coronavirus” through activities authorized under these programs. (Remaining funds are for technical assistance and administrative costs.)
- **Fair Housing Initiatives Program (FHIP) (\$20 million):** Funds are provided for HUD’s FHIP grantees to address fair housing complaints, conduct investigations, engage in education and outreach, and account for increased program delivery costs.
- **Emergency Assistance for Rural Housing (\$100 million):** Funds are to be used to support rental assistance for residents of rural rental properties (subsidized via the Section 515 or Section 514/516 programs) and to cover unpaid rent for unassisted tenants in those properties.
- **Relief Measures for Section 502 and 504 Direct Loan Borrowers (\$39 million):** Funds are provided for certain single-family direct loan programs administered by USDA’s Rural Housing Service; namely, Section 502 Direct Home Loans and Section 504 Housing Repair Loans.
- **Housing Counseling (\$100 million):** Funds are provided to NeighborWorks America to provide competitive grants to eligible housing counseling organizations for housing counseling services. At least 40% of funds must be provided to counseling organizations that target services to minority and low-income populations or serving neighborhoods with high concentrations of minority and low-income populations.
- **Bureau of Indian Affairs (\$100 million):** Section 11002 includes, among other things, \$100 million for the BIA’s Housing Improvement Program, which assists eligible members of federally recognized tribes in approved tribal service areas with repairs or replacement of substandard housing.

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