CORONAVIRUS EXPLAINER | CONGRESSIONAL PROGRESSIVE CAUCUS CENTER

The Pandemic Continues But Relief Is Expiring

Last Updated: September 30, 2021

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The CPC Center thanks the following organizations for their contributions: *National Employment Law Project, National Fair Housing Alliance, and National Partnership for Women & Families*

As the public health crisis from the COVID-19 pandemic continues to unfold, several relief programs will end in the coming months without further action by Congress and the Administration. Allowing these programs to expire while we continue to combat one of the worst public health crises of the century will have devastating consequences for millions of Americans who have relied on these benefits for survival. People of color, who have been disproportionately impacted by the pandemic, remain particularly vulnerable to expiring relief provisions as job losses remain high among low-income workers of color.

With the highly infectious delta variant driving the latest wave of new cases and hospitalizations, communities need policymakers to extend critical relief and address underlying systemic problems through the Build Back Better package.

Existing COVID-19 Relief

In response to the ongoing pandemic, earlier this year President Joe Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law on March 11, 2021.

The 116th Congress established and expanded several economic relief stimulus measures through the following bills:

- Families First Act (FFCRA, H.R. 6201)
- CARES Act (H.R. 748)
- Consolidated Appropriations Act, 2021 (H.R. 133)

The Biden Administration has already extended certain expiring COVID-19 relief provisions through executive action.

Expiration Dates

Measures adopted in response to the pandemic will continue to expire this fall. The following table lists expiration dates for select coronavirus relief programs based on current law and recent executive actions. Relief provisions on housing, unemployment insurance, student loans, paid leave, and tax credits are explained in greater detail below.

Program	***Expiration date***	***Relevant law/action***
Enhanced Unemployment Insurance benefits	September 6, 2021	CARES Act, Sec. 2104; extended by ARP, Sec. 9014
Eviction and foreclosure moratorium for federally backed mortgages	September 30, 2021	CARES Act, Sec. 4022; extended by executive action[1]
Emergency paid family and medical leave and paid sick leave	September 30, 2021	FFCRA, Divisions C & E; extended by ARP, Sec. 9641
Eviction moratorium for properties receiving federal assistance	October 3, 2021	CARES Act, Sec. 4024; extended by executive action[2]
Child Tax Credit, Earned Income, and Child and Dependent Care Tax Credit enhancements	December 31, 2021	ARP, Sec. 9611, 9621, and 9631
Emergency Economic Injury Disaster Loan (EIDL) grants	December 31, 2021	CARES Act, Sec. 1110; extended by H.R. 133, Sec. 332
Employee Retention Tax Credit	December 31, 2021	CARES Act, Sec. 2301; extended by ARP, Sec. 9651[3]
Deferment of federal student loan payments, principal, and interest	January 31, 2022	CARES Act, Sec. 3513; extended by executive action[4]
Child nutrition waivers	June 30, 2022	FCCRA, Division B, Title II; extended by executive action[5]
SNAP waivers	Permanent	FCCRA, Division B, Title III; made permanent by executive action[6]

[1] HUD Mortgagee Letter, July 30, 2021
https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-19hsgml.pdf
[2] CDC Eviction Order, August 3, 2021
https://www.cdc.gov/coronavirus/2019-ncov/communication/Signed-CDC-Eviction-Order.pdf
[3] Sec. 80604 of the Infrastructure Investment and Jobs Act (Senate amendment to H.R. 3684) would accelerate the expiration of the Employee Retention Tax Credit to September 30, 2021.
[4] Dept. of Education Press Release, August 6, 2021
https://www.ed.gov/news/press-releases/biden-administration-extends-student-loan-pause-until-january-31-2022
[5] USDA Press Release, April 20, 2021
https://www.usda.gov/media/press-releases/2021/04/20/usda-issues-pandemic-flexibilities-schools-and-day-care-facilities
[6] Ibid.

Eviction Moratorium and Mortgage Forbearance

Over 10 million people—1 in 7 adult renters—remain behind on rent payments as of early July.[7]

After the expiration of the CARES Act eviction moratorium (in place since March 2020), the Centers for Disease Control and Prevention (CDC) extended a halt on evictions of tenants who participate in federal housing assistance programs. The latest declaration temporarily halted evictions until October 3, 2021, but the Supreme Court voted on August 26 to end this moratorium in a 6-3 decision. The Court cited that the CDC did not have the authority to extend a ban on evictions. Foreclosed properties owned by Fannie Mae, Freddie Mac, and other federally backed lenders still have until September 30 to request mortgage forbearance.

The revised moratorium ordered by the CDC was narrower in scope than previous moratoria, applying only to U.S. counties experiencing "substantial or high levels of community transmission levels" of COVID-19. Additionally, for foreclosed properties owned by Fannie Mae, Freddie Mac, and other federally backed lenders, the US Federal Housing Administration (FHA) announced they had until September 30 to request mortgage forbearance.

This latest moratorium was overturned by the Supreme Court on August 27th, 2021. The Court's opinion posited that any additional federal moratoria on evictions should be authorized specifically by Congress. Congresswoman Maxine Waters (D-CA), Chairwoman of the House Committee on Financial Services, pledged to introduce a legislative solution to the crisis that helps people facing eviction in areas where COVID-19 is surging.

To curtail a potential tsunami of evictions this fall, any new moratoria should extend through at least December 31, 2021 and require the Departments of Agriculture, Treasury, Veterans Affairs, and the Federal Housing Administration (FHA) to halt evictions for properties in their purview. The FHA could take similar action on foreclosed properties.

The looming housing crisis brings to light the broader issue of the lack of housing affordability in this country and the disparate impacts of COVID-19 that have exacerbated housing insecurity. States and municipalities have yet to fully distribute $46 billion in aid appropriated by Congress. The National Low Income Housing Coalition reports that 18 State Emergency Rental Assistance programs have dispersed less than 5 percent of their initial funding.[8] Administrative backlogs, cumbersome documentation burdens, and crashing online portals have in part led to the delay, prompting the Treasury Department to issue guidance to state and local governments to accelerate the delivery of rental assistance.

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[7] CBPP, August 9, 2021
https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and#_ftnref6

[8] NLIHC, ERA Spending Tracking, August 11, 2021
https://nlihc.org/resource/eighteen-state-emergency-rental-assistance-programs-have-disbursed-less-5-initial-funding

The [American Jobs Plan] proposes historic investments in the country's affordable housing infrastructure, with programs to help expand homeownership and access to affordable housing for low-income and Black, brown, and indigenous families.

Enhanced Unemployment Insurance (UI) Benefits

The CARES Act established four new federal unemployment aid programs:

- Pandemic Unemployment Assistance (PUA), which covers freelance and gig workers not traditionally eligible for aid;
- Pandemic Emergency Unemployment Compensation (PEUC), which extends aid to those who have exhausted their state unemployment benefits;
- Federal Pandemic Unemployment Compensation (FPUC), which provides a weekly boost to state unemployment benefits (initially $600 then reduced to $300 per week); and
- Mixed Earners Unemployment Compensation (MEUC) program, which provides $100 payments to workers with income from both W-2 workers and self-employment.

Despite the rise in the number of COVID-19 delta variant cases threatening economic recovery efforts, all four unemployment benefit programs are set to end on September 6. The Century Foundation estimates that the expiration of these benefits could result in 7.5 million workers losing their unemployment aid, the largest cutoff of unemployment benefits in our nation's history, without a plan to recover lost wages.[9] The Department of Treasury and the Department of Labor recently issued guidance allowing states to utilize remaining funds from the $350 billion State and Local Fiscal Relief Fund, which may allow some unemployed workers to receive enhanced UI benefits past the September 6 deadline.

Still, the impending unemployment cliff underscores the need for Congress to make comprehensive UI reform a top priority this year, as the COVID-19 pandemic exposed major inefficiencies within our current unemployment system. Structural reform beyond temporary relief efforts is needed—including enacting uniform national standards to address benefit adequacy, benefit duration (at least 26 to 30 weeks), and expanded eligibility so that more workers can receive aid.[10]

Sens. Ron Wyden (D-OR) and Michael Bennet (D-CO) proposed the Unemployment Insurance Modernization Act to address shortcomings in the current UI system. This bill would require all states to provide at least 26 weeks of benefits, replace 75% of a worker's wages, and cover workers who quit their jobs for "compelling reasons," such as domestic violence or sexual harassment, illness or disability of a family member, or risk to health or safety. Additionally, the bill would permanently expand the pool of eligible workers to include gig workers and contractors, create a $250 weekly

[9] TCF, Unemployment Report, August 5,2021
https://tcf.org/content/report/7-5-million-workers-face-devastating-unemployment-benefits-cliff-labor-day/

[10] NELP, Policy & Data Brief, June 23, 2021
https://www.nelp.org/publication/4-7-million-workers-face-premature-cutoff-of-pandemic-unemployment-programs/

"jobseeker allowance," and provide aid to states to modernize antiquated UI infrastructure with needed technological investments. President Biden also called for adjusting the length and amount of benefits for workers and tying benefits to economic conditions in the American Families Plan.

Student Loan Forgiveness

The CARES Act initially suspended student loan payments for 6 months with no interest accrual, before a series of suspended payment extensions via executive action were implemented by both the previous and current Administration. The recent announcement made by the Department of Education will extend the pause on federal student loan payments until January 31, 2022.

More than 40 million student loan borrowers have benefited from the halt on student loan payments, interest charges, and debt collection, which collectively aim to provide relief for struggling student borrowers during the COVID-19 pandemic. Still, 45 million student loan borrowers in the U.S. carry $1.7 trillion in debt.[11] Without long-term relief by January 31, these borrowers will once again face a student debt crisis. During this time of wage stagnation and skyrocketing costs in higher education, eliminating the student debt burden promises to provide substantial economic benefits. It would also improve existing gaps in racial and economic outcomes shaped by injustices of both the past and present.

The Biden Administration is exploring its legal authority to cancel student debt without legislative action by Congress. The Education Department recently canceled $5.8 billion in debt for borrowers with a total and permanent disability. Sens. Elizabeth Warren (D-MA) and Chuck Schumer (D-NY), along with Rep. Ayanna Pressley (D-MA), have called on the Biden Administration to cancel up to $50,000 in student debt per borrower via executive action.

While the American Families Plan includes provisions to improve college affordability with proposals like increasing the Pell Grant and making community colleges tuition free, the plan contains no broad-based student debt cancellation. Given the severity of the crisis that our nation faces, reduction of the overall student debt burden remains an urgent need.

Paid Leave

The Families First Coronavirus Response Act (FFCRA) originally required small employers to provide paid family and sick leave to employees, and it provided tax credits to offset the cost. Though the mandate expired December 2020, the American Rescue Plan extended tax credits through September 30 for employers that continued providing such leave voluntarily.

With this short-term provision expiring, the United States remains the only industrialized nation in the world to not guarantee paid leave for workers, despite

[11] Federal Reserve Board, *Consumer Credit*, August 2021
https://www.federalreserve.gov/releases/g19/current/

polling data indicating widespread support for comprehensive and permanent paid family and medical leave policy. With children returning to the classroom and many adults returning to work, the potential for exposure to COVID remains a threat that could burden families financially should someone get sick.

A universal paid sick days standard with a trigger for additional sick time during public health emergencies would ensure that no employee is forced to choose between staying home and losing a paycheck or potentially exposing others to illness. President Biden's American Families Plan proposes a national comprehensive paid family and medical leave program, guaranteeing up to 12 weeks of paid leave to help workers and families.

Tax Credits

Congress expanded the Child Tax Credit (CTC) as a part of the American Rescue Plan (ARP) to reduce child poverty. Specifically, the measure increased the credit families may receive for children from $2,000 to up to $3,600 for children up to age 17 and allows families to opt in to receive up to 50% of their 2021 child tax credit in monthly payments. By also making the tax credits fully refundable, the ARP addressed a regressive tax code that previously excluded low-wage families from accessing the full tax credit due to lack of income. It has been estimated that this single provision alone will slash child poverty nearly in half and result in a major boost in social mobility for children currently living in poverty.[12]

Additionally, the American Rescue Plan expanded the Earned Income Tax Credit (EITC)—the federal government's largest antipoverty program—to include more low-wage workers with no children who were previously excluded from the credit . The EITC expansion provided income support to over 17 million people in an effort to lift more adults without children out of poverty.

Like the EITC, expansion of the Child and Dependent Care Tax Credit (CDCTC) was also included in the American Rescue Plan to offer support to low-and middle-income households. The expansion of this credit, which refunds taxpayers a portion of the money spent on child care, received an increase in the child care expense limit from $3,000 for one child ($6,000 for two or more) to $8,000 for one child ($16,000 for two or more).

Collectively, the extension of the aforementioned tax credits could generate significant reductions in poverty and transform the lives of millions of people across the country. Congress would need to act before these credits expire on December 31 to continue the historic reduction in poverty.

Conclusion

With the cliffs ahead, millions of struggling Americans could suddenly lose the relief they have depended on for survival. The economic fallout could further devastate

[12] Brookings Institute, *Middle Class Memos Series*, March 11, 2021 https://www.brookings.edu/blog/up-front/2021/03/11/new-child-tax-credit-could-slash-poverty-now-and-boost-social-mobility-later/

communities of color who have borne an unequal burden during this pandemic. Given the encouraging decline in poverty following enactment of the American Rescue Plan, it is crucial to continue support for American families with relief that meets the scale of the COVID-19 public health crisis and seize the opportunity to make historic investments in American communities.