

How to Handle a Request for Rent Concession During COVID-19

Many of you are asking, “if there is a moratorium on evictions, does that mean that tenants still have to pay rent?” The answer is, **YES!** The moratorium on evictions only prevents you from evicting tenants from their homes. It does not mean that tenants get to live for free and are not responsible for continuing to pay rent. The question is not **if**, but **when**, your tenants begin to request rent relief during COVID-19. Before tenants begin to ask for rent relief, you need to assess what your monthly financial obligations are and look into how much cash reserve you have. Some of you might be in better financial situations than others, and maybe able to grant temporary rent concessions to tenants without suffering financial harm. Others might not be able to grant temporary rent concessions, because doing so will result in struggling to meet your own monthly financial obligations. If you fall into the latter category, you need to be prepared to have a frank and honest conversation with your lender regarding the potential for forbearance. Some mortgage lenders across the country have expressed their willingness to consider temporary relief for landlords during COVID-19, and allow forbearance. However, before you approach your lender make sure you are prepared to explain how you plan to make up the mortgage payments after COVID-19 is over. Explain to the lenders the trickle-down effect that you are likely to experience as a result of your tenant’s inability to pay their monthly rent. If you are worried that you will not be able to make your mortgage payments this month or next, reach out to your mortgage lender and see what relief is available to you.