

## **THE “NEW” CONSUMER FINANCIAL PROTECTION BUREAU EVICTION RULES**

**April 19, 2021**

The Consumer Financial Protection Bureau (CFPB) issued an interim final rule (the “Rule”) today as part of the Centers for Disease Control and Prevention (CDC) eviction moratorium (“CDC Order”). While the new Rule is 69 pages long, at its core the Rule merely requires a “debt collector” to attach a disclosure to any non-payment notice to quit and subsequent eviction complaint advising residents of their rights under the CDC Order.

Am I a debt collector?

Whether you are debt collector depends on whether you regularly engage in “debt collection activity”. Attorneys are clearly debt collectors for the purposes of this law. Likewise, management companies may also be deemed debt collectors, depending on whether they “regularly collect or attempt to collect, directly or indirectly, debts owed or due or asserted to be owed or due another”. Thus, if one of your many duties is to collect rents on behalf of an owner, you are likely also a debt collector. However, as compliance with this Rule is not overly burdensome, and as the potential liability for a violation can be significant, we would recommend that property owners and managers comply with this Rule regardless of whether they are technically deemed a debt collector.

What is required?

In order to comply with the Rule, the following disclosure must be included in any notice to quit for non-payment of rent AND attached to any subsequent eviction complaint in a clear and conspicuous manner.

“Because of the global COVID-19 pandemic, you may be eligible for temporary protection from eviction under the laws of your State, territory, locality, or tribal area, or under Federal law.

Learn the steps you should take now:

- Visit [www.cfpb.gov/eviction](http://www.cfpb.gov/eviction)
- Or call a housing counselor at 800-569-4287.”



Is this required for other forms of notices?

No. This information does NOT need to be included in any rent reminder letters or other notices regarding non-payment of rent *other than notices to quit* and does not need to be included in notices relating to other lease violations (i.e. material lease violation notices).

How long does the Rule remain in effect?

This Rule remains in effect until the expiration of the CDC Order, which is June 30, 2021, as of right now. If the CDC Order is extended, the Rule would continue to apply until the final expiration date.

Finally, neither this Rule nor the CDC Order prevent you from proceeding with actions for non-payment of rent. Rather, the CDC Order only prevents a landlord from physically removing a tenant at the conclusion of the eviction action. All other legal proceedings prior to the actual eviction are permitted to continue. Please see our prior legal memoranda for further information on the current state and federal laws pertaining to commercial and residential eviction actions.

The foregoing is for informational purposes only and should not be considered legal advice. Please feel free to contact our office if you have any questions or need legal assistance.

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