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**AB-1436 Tenancy: rental payment default: mortgage forbearance: state of emergency: COVID-19.** (2019-2020)

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AMENDED IN SENATE AUGUST 10, 2020

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CALIFORNIA LEGISLATURE— 2019-2020 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 1436**

Introduced by Assembly Members Chiu, Bonta, Gonzalez, Limón, Santiago, and Wicks  
*(Principal coauthor: Senator Jackson)*

(Coauthors: Assembly Members Carrillo, Kalra, Nazarian, Quirk-Silva, and Luz Rivas)

(Coauthors: Senators Allen, Durazo, Wieckowski, and Wiener)

February 22, 2019

An act ~~to add Sections 1947.01, 1947.02, and 1947.03 to, and to add Title 19 (commencing with Section 3273.01) to Part 4 of Division 3 of, the Civil Code, and to add Section 1161.6 to to amend Section 798.56 of, and to add Title 19 (commencing with Section 3273.01) to Part 4 of Division 3 of, the Civil Code, and to amend Section 1161 of, and to add Chapter 5 (commencing with Section 1179.01) to Title 3 of Part 3 of,~~ the Code of Civil Procedure, relating to COVID-19 relief.

LEGISLATIVE COUNSEL'S DIGEST

AB 1436, as amended, Chiu. Tenancy: rental payment default: mortgage forbearance: state of emergency: COVID-19.

*(1) Existing law provides that a tenant is guilty of unlawful detainer if the tenant continues to possess the property without permission of the landlord after the tenant defaults on rent or fails to perform a condition or covenant of the lease under which the property is held, among other reasons. Existing law requires a tenant be served a 3 days' notice in writing to cure a default or perform a condition of the lease, or return possession of the property to the landlord, as specified. Existing law, the Mobilehome Residency Law, prohibits a tenancy from*

*being terminated unless specified conditions are met, including that the tenant fails to pay rent, utility charges, or reasonable incidental service charges and 3 days' notice in writing is provided to the tenant, as specified.*

*This bill would enact the COVID-19 Tenant Relief Act of 2020. This bill would require that any 3 days' notice that demands payment of COVID-19 rental debt that is served on a tenant during the covered time period meet specified criteria, including that the notice include an unsigned copy of an attestation of COVID-19-related financial distress and that the notice advise the tenant that the tenant will not be evicted for failure to comply with the notice if the tenant delivers a signed copy of an attestation of COVID-19-related financial distress to the landlord, as specified. The bill would define "covered time period" for purposes of these provisions as the time between March 4, 2020, and either 90 days after the termination of the COVID-19 state of emergency or April 1, 2021, whichever occurs earlier. The bill would provide that a tenant is not guilty of an unlawful detainer if the tenant makes the demanded payment, vacates the property, or delivers a signed attestation of COVID-19-related financial distress within 15 days of the service of the notice. The bill would deem a 3 days' notice that fails to comply with this criteria void and insufficient to support a judgment for unlawful detainer or to terminate a tenancy under the Mobilehome Residency Law. The bill would prohibit a tenant that delivers an attestation of COVID-19-related financial distress in response to a demand for payment of COVID-19 rental debt from being deemed in default with regard to the COVID-19 rental debt.*

*Existing law regulates specified terms and conditions of tenancies. Existing law authorizes a landlord to demand security at the beginning of a tenancy for residential property and specifies the purposes for which the security may be used, including, among others, compensating the landlord for the tenant's default in payment of rent.*

*The bill would prohibit a landlord from applying a security deposit to satisfy COVID-19 rental debt or applying a monthly rental payment to any COVID-19 rental debt, unless the tenant agrees in writing. The bill would define "COVID-19 rental debt" as unpaid rent or any other unpaid financial obligation under the tenancy that accrued during the covered time period. The bill would prohibit a landlord from charging a tenant, or attempting to collect from a tenant, fees for a late payment of COVID-19 rental debt. The bill would prohibit a landlord from terminating a tenancy or threatening to terminate a tenancy, in retaliation against a tenant for having COVID-19 rental debt. This bill would prohibit a housing provider, credit reporting agency, tenant screening company, or other specified entities from using an alleged COVID-19 rental debt as a negative factor in evaluating creditworthiness, as specified. The bill would prohibit a plaintiff from bringing an action to recover COVID-19 rental debt until 12 months after the end of the covered period.*

*This bill would provide that any provision of a stipulation settlement agreement, or other agreement that conflicts with or purports to waive these provisions is prohibited and void as contrary to public policy. The bill would provide that if a local initiative, ordinance, regulation, or other policy conflicts with these provisions, the provision that provides the greater protection to tenants controls.*

*(2) Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust. In this regard, existing law requires that a notice of default and a notice of sale be recorded and that specified periods of time elapse between the recording and the sale. Existing law establishes certain requirements in connection with foreclosures on mortgages and deeds of trust, including restrictions on the actions mortgage servicers may take while a borrower is attempting to secure a loan modification or has submitted a loan modification application.*

*This bill would enact the Small Landlord and Homeowner Relief Act of 2020. The bill would authorize a borrower to request forbearance during the effective time period from any mortgage obligation by submitting a request to the borrower's mortgage servicer, either orally or in writing, affirming that the borrower is experiencing a financial hardship that prevents the borrower from making timely payments on the mortgage obligation due, directly or indirectly, to the COVID-19 emergency. The bill would define "borrower" for these purposes as a natural person who is a mortgagor, trustor, or confirmed successor in interest; an entity other than a natural person provided that the secured property is currently occupied by one or more residential tenants; or a mobilehome owner who is the borrower on a security agreement relating to a loan or conditional sale contract that gives the secured party the right to foreclose its security interest in a manufactured home or mobilehome, except as specified. The bill would define "effective time period" as the time period between the operational date of these provisions and either 90 days after the termination of the COVID-19 state of emergency or April 1, 2021, whichever occurs first.*

*This bill would also authorize a mobilehome owner who is the borrower on any security agreement relating to a loan or conditional sale contract which, according to its terms, gives the secured party the right to foreclose its security interest in a manufactured home or mobilehome to request forbearance during the effective time period, as specified.*

*This bill would require a mortgage servicer or lienholder to, if certain requirements are met, offer the forbearance requested for an initial period of up to 180 days, which may be extended at the request of the borrower or mobilehome borrower for a total forbearance period not to exceed 12 months, as specified. The bill would prohibit a mortgage servicer or lienholder from assessing, accruing, or applying any fees, penalties, or additional interest during the forbearance period, as specified.*

*The bill would require a mortgage servicer or lienholder to attempt to contact the borrower, including a mobilehome borrower, with diligent effort at least 30 days before the end of any forbearance period granted pursuant to these provisions to inquire whether the borrower is able to resume making preforbearance mortgage or loan payments. The bill would, if the borrower indicates that they will not be able to resume preforbearance payments, require the mortgage servicer or lienholder to evaluate the borrower for loss mitigation and foreclosure prevention, as specified. Alternatively, if the borrower affirms they are able to resume preforbearance payments or fails to respond to the mortgage servicer, the bill would require the mortgage servicer or lienholder to reinstate the preforbearance payments and provide a specified notice to the borrower that includes, among other things, a description of any options available to the borrower to address the amount unpaid during the forbearance.*

*This bill would authorize a multifamily borrower that was current on its payments as of February 1, 2020, to submit an oral or written request for up to 6 months' forbearance to the mortgage servicer affirming that the multifamily borrower is experiencing a financial hardship during the COVID-19 emergency. The bill would define "multifamily borrower" for purposes of these provisions as a borrower of a residential mortgage loan that is secured by a lien against a property comprising 5 or more dwelling units. The bill would authorize a mortgage servicer to request reasonable documentation that demonstrates a decrease of at least 10% or more of the multifamily borrower's gross rental revenue, as specified. The bill would require the mortgage servicer to provide a forbearance of up to 30 days upon receipt of satisfactory documentation of financial hardship. The bill would require the mortgage servicer to extend the forbearance for up to 5 additional 30-day periods, as specified. The bill would authorize a mortgage servicer to require payment during the forbearance period equal to the net operating income derived from the property to the extent that the rental revenue is not used for operation or maintenance of the property, as specified.*

*This bill would authorize a borrower, including a mobilehome borrower and multifamily borrower, who is harmed by a violation of these provisions to bring an action to obtain injunctive relief, damages, and restitution, as specified. The bill would require a court to award a prevailing borrower reasonable attorney's fees and costs in any action based on a violation of these provisions.*

*This bill would provide that any waiver by a borrower of these provisions is contrary to public policy and void.*

~~(1) Existing law regulates specified terms and conditions of tenancies. Existing law authorizes a landlord to demand security at the beginning of a tenancy for residential property and specifies the purposes for which the security may be used, including, among others, compensating the landlord for the tenant's default in payment of rent.~~

~~This bill would prohibit a landlord from applying a security deposit to satisfy a financial obligation that accrued between the date a state of emergency relating to the COVID-19 pandemic was declared and either April 1, 2021, or 90 days after termination of the state of emergency, whichever is earlier (hereafter "effective time period"), or applying a monthly rental payment for the satisfaction of an obligation other than the prospective month's rent, unless the payment or security is specifically designated by the tenant for the obligation, as specified. The bill would provide that a covered tenant who failed to pay rent or any other financial or monetary obligation that accrued during that effective time period shall not be deemed to be in default and would prohibit any action for recovery of unpaid rent or other sum until 12 months after the effective time period. The bill would define "covered tenant" as a tenant who is unable to satisfy rent accrued during the effective time period due to a loss of income or increased expenses resulting from COVID-19 and who provides a written statement to that effect to their landlord, as specified. The bill would exclude a commercial tenant from the definition of "covered tenant." The bill would provide that if a requirement in any local initiative, ordinance, regulation, or other policy conflicts with these provisions the provision that provides greater protection to covered tenants controls.~~

~~This bill would prohibit certain entities, including a housing provider, from using an alleged default in rent that accrued during the effective time period as a negative factor for the purpose of evaluating creditworthiness or for other specified purposes.~~

~~(2) Existing law provides that a tenant is guilty of unlawful detainer if the tenant continues to possess the property without permission of the landlord after the tenant defaults on rent, among other reasons.~~

~~This bill would provide that a covered tenant is not guilty of unlawful detainer if the alleged default in payment of rent or other financial obligation under the tenancy accrued during the effective time period. The bill would require a landlord, in an action to recover a debt arising from an alleged default in rent or other financial obligation accrued during the effective time period to submit in the verified complaint or other document submitted under penalty of perjury the amount of any payments, mortgage forbearance, mortgage forgiveness, or property tax reduction to offset, replace, or compensate the creditor for lost rental income, and would require a court to offset the amount of rental payments as specified. The bill would require the landlord to affirmatively plead in the complaint that the tenant is not a covered tenant, and would provide the defendant 30 days to respond to the complaint.~~

~~(3) Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust. In this regard, existing law requires that a notice of default and a notice of sale be recorded and that specified periods of time elapse between the recording and the sale. Existing law establishes certain requirements in connection with foreclosures on mortgages and deeds of trust, including restrictions on the actions mortgage servicers while a borrower is attempting to secure a loan modification or has submitted a loan modification application.~~

~~This bill would enact the COVID-19 Tenant and Homeowner Relief Act of 2020. The bill, with respect to residential mortgage loans, would authorize a borrower experiencing a financial hardship during the covered period to request forbearance from any mortgage obligation by submitting a request to the borrower's mortgage servicer. The "covered period" would be defined as 90 days after the termination of the COVID-19 state of emergency or April 1, 2021, whichever comes first. The bill would require the mortgage servicer to provide the forbearance requested for the period requested by the borrower, up to an initial period of 180 days, the length of which would be required to be extended at the request of the borrower for a total forbearance period of up to 12 months. If the borrower requests a forbearance period greater than 90 days, the servicer would be required to provide an initial forbearance term of not less than 90 days, and automatically extend it for an additional 90 days, unless the servicer confirms the borrower does not want to renew the forbearance. The bill would prohibit a mortgage servicer from misleading or making misrepresentations to a borrower about forbearance and repayment options.~~

~~The bill would require a mortgage servicer, upon placing a mortgage obligation in forbearance, to provide the borrower written notification of the forbearance terms, treatment of payments, and other options available to the borrower at the end of the forbearance period. The bill would require the servicer, no later than 30 days before the end of the forbearance, to notify the borrower of their options to modify their loan or reinstate their mortgage account to current status, as provided, and provide a written notice, within 30 days of the original notification, of their rights and obligations with regard to their loan modification or reinstatement, as provided.~~

~~The bill would prohibit a mortgage servicer from assessing, accruing, or applying fees, penalties, or additional interest to the borrower's account beyond specified scheduled or calculated amounts. The bill would require a mortgage servicer that claims investor guidelines or applicable law prohibit implementation of postforbearance modification or reinstatement on the required terms, to notify the borrower and to present documentation, as specified. The bill would require the mortgage servicer, if the borrower is unable to return to making regular mortgage payments, to evaluate all loss mitigation and foreclosure prevention options, and, if the borrower qualifies, to implement the option with no penalties, late fees, modification fees, or additional interest beyond specified scheduled amounts. The bill would also authorize a mortgage servicer, if a borrower does not qualify for loss mitigation or foreclosure prevention options to pursue foreclosure after expiration of the covered period.~~

~~The bill, with respect to multifamily mortgage loans, would authorize a borrower to submit a request for forbearance to the borrower's mortgage servicers, affirming that the multifamily borrower is experiencing hardship during the COVID-19 emergency. The bill would authorize a mortgage servicer, upon request from a multifamily borrower, to request reasonable documentation of a decrease in rental income in order to demonstrate financial hardship. The bill would define "financial hardship" for purposes of these provisions to mean a decline of an unspecified percent of average monthly rental income over the 2 most recent calendar months, as specified. The bill would require a mortgage servicer, upon satisfactory demonstration of financial hardship, to provide the forbearance for not less than 30 days, subject to extension.~~

~~The bill would authorize a borrower harmed by a violation of the above requirements to bring an action for injunctive relief, damages, restitution, and any other remedies available. The bill would require a court to award attorney's fees and costs to a prevailing borrower.~~

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** *This act shall be known, and may be cited, as the Homeowner, Tenant, and Small Landlord Relief Act of 2020.*

**SEC. 2.** *The Legislature finds and declares all of the following:*

(a) *At the end of 2019, California already faced a housing affordability crisis. The price of buying a home was out of range for many Californians. United States Census data showed that a majority of California tenant households qualified as "rent-burdened," meaning that 30 percent or more of their income was going to the rent. Over a quarter of California tenant households were "severely rent-burdened" meaning that they were spending over one-half their income on rent alone. There were approximately 150,000 homeless individuals in California and that number was rising rapidly.*

(b) *In early 2020, in the midst of this housing affordability crisis, the COVID-19 viral pandemic reached California. By March 4, Governor Gavin Newsom had declared a state of emergency on account of the pandemic. By early August, the State Department of Public Health reported that over 500,000 Californians had tested positive for COVID-19 and nearly 10,000 Californians had died from the disease.*

(c) *COVID-19 and the government measures taken to contain its spread have resulted in an unprecedented economic downturn. The Employment Development Department reports that, since the crisis began, the state's unemployment rate has risen as high as 16.4 percent and 7,000,000 Californians have applied for unemployment insurance benefits. The United States Department of Commerce announced that the nation's gross domestic product fell by 9.5 percent over three months in the midst of the pandemic, the largest such drop ever recorded.*

(d) *There are strong indications that, absent new government action, large numbers of California tenants will soon face eviction from their homes based on inability to pay the rent or other financial obligations under the lease through no fault of their own. To date, many financially distressed California tenants have been spared from eviction because of a one-time federal stimulus payment made in April 2020, a temporary federal boost to unemployment insurance benefits, and the Judicial Council's Emergency Rule 1, which temporarily halted evictions in California as of April 6, 2020. Federal assistance has now ended, though there are proposals in Congress to restore all or some it. The United States Census Bureau's Household Pulse Survey for the week of July 16, 2020, to July 21, 2020, inclusive, revealed that one-third of California's tenants had no confidence or only slight confidence that they could pay August rent. Meanwhile, California's Chief Justice has indicated that the Judicial Council will rescind Emergency Rule 1 on or around August 14, 2020. Widespread evictions are likely to follow. One University of California, Los Angeles study estimates that, in the County of Los Angeles alone, 120,000 households, including 184,000 children, now face the imminent likelihood of eviction from their homes.*

(e) *Even if tenants do eventually become current on the rent, small landlords may have great difficulty covering their mortgage payments in the meantime. As a result and absent government intervention to prevent it, small landlords are at risk of losing their rental properties to foreclosure.*

(f) *There are strong indications that, without government action, many homeowners will also lose their homes to foreclosure. Around 17 percent of California households who own their home subject to a mortgage told the United States Census Bureau's Household Pulse Survey for the week of July 16, 2020, to July 21, 2020, inclusive, that they have only slight or no confidence in their ability to pay the mortgage in August. While temporary forbearance is available to homeowners with federally backed mortgages pursuant to the CARES Act and while some other lenders have voluntarily agreed to provide borrowers with additional time to pay, not all mortgages are covered.*

(g) *A wave of evictions and foreclosures would force some individuals and families to move in together, often in overcrowded housing conditions that promote the spread of the virus. Many other Californians would likely become homeless. In addition to being a humanitarian calamity, such an outcome would likely facilitate further spread of COVID-19. Public health officials believe that COVID-19 spreads most rapidly through close human-to-human proximity. Public health officials have therefore emphasized the importance of physical distancing, access to good sanitation, the role of good personal hygiene—particularly handwashing—and self-quarantine for those exposed to the illness as key components to fighting the spread of COVID-19. All of these things are rendered more difficult, if not impossible, by homelessness and residential overcrowding.*

(h) *The intent of this bill is to provide up to about 12 months of temporary relief to financially distressed tenants, homeowners, and small landlords so that they can weather this public health emergency without losing their*

*homes or rental properties. It is the intent of the Legislature that the bill shall not relieve anyone of their financial and contractual obligations. Rather, it is the intent of the Legislature to avoid widespread economic and social harm by establishing a timeline and framework for tenants, homeowners, and small landlords to defer payments temporarily until after the public health emergency passes and the financial consequences begin to ease.*

**SEC. 3.** *Section 798.56 of the Civil Code is amended to read:*

**798.56.** A tenancy shall be terminated by the management only for one or more of the following reasons:

(a) Failure of the homeowner or resident to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after the homeowner receives a notice of noncompliance from the appropriate governmental agency.

(b) Conduct by the homeowner or resident, upon the park premises, that constitutes a substantial annoyance to other homeowners or residents.

(c) (1) Conviction of the homeowner or resident for prostitution, for a violation of subdivision (d) of Section 243, paragraph (2) of subdivision (a), or subdivision (b), of Section 245, Section 288, or Section 451, of the Penal Code, or a felony controlled substance offense, if the act resulting in the conviction was committed anywhere on the premises of the mobilehome park, including, but not limited to, within the homeowner's mobilehome.

(2) However the tenancy may not be terminated for the reason specified in this subdivision if the person convicted of the offense has permanently vacated, and does not subsequently reoccupy, the mobilehome.

(d) Failure of the homeowner or resident to comply with a reasonable rule or regulation of the park that is part of the rental agreement or any amendment thereto.

No act or omission of the homeowner or resident shall constitute a failure to comply with a reasonable rule or regulation unless and until the management has given the homeowner written notice of the alleged rule or regulation violation and the homeowner or resident has failed to adhere to the rule or regulation within seven days. However, if a homeowner has been given a written notice of an alleged violation of the same rule or regulation on three or more occasions within a 12-month period after the homeowner or resident has violated that rule or regulation, no written notice shall be required for a subsequent violation of the same rule or regulation.

Nothing in this subdivision shall relieve the management from its obligation to demonstrate that a rule or regulation has in fact been violated.

(e) (1) ~~Nonpayment~~ *Subject to the COVID-19 Tenant Relief Act of 2020 (Chapter 5 (commencing with Section 1179.01) of Title 3 of Part 3 of the Code of Civil Procedure), nonpayment* of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a period of at least five days from its due date, and provided that the homeowner shall be given a three-day written notice subsequent to that five-day period to pay the amount due or to vacate the tenancy. For purposes of this subdivision, the five-day period does not include the date the payment is due. The three-day written notice shall be given to the homeowner in the manner prescribed by Section 1162 of the Code of Civil Procedure. A copy of this notice shall be sent to the persons or entities specified in subdivision (b) of Section 798.55 within 10 days after notice is delivered to the homeowner. If the homeowner cures the default, the notice need not be sent. The notice may be given at the same time as the 60 days' notice required for termination of the tenancy. A three-day notice given pursuant to this subdivision shall contain the following provisions printed in at least 12-point boldface type at the top of the notice, with the appropriate number written in the blank:

"Warning: This notice is the (insert number) three-day notice for nonpayment of rent, utility charges, or other reasonable incidental services that has been served upon you in the last 12 months. Pursuant to Civil Code Section 798.56 (e) (5), if you have been given a three-day notice to either pay rent, utility charges, or other reasonable incidental services or to vacate your tenancy on three or more occasions within a 12-month period, management is not required to give you a further three-day period to pay rent or vacate the tenancy before your tenancy can be terminated."

(2) Payment by the homeowner prior to the expiration of the three-day notice period shall cure a default under this subdivision. If the homeowner does not pay prior to the expiration of the three-day notice period, the homeowner shall remain liable for all payments due up until the time the tenancy is vacated.



(3) Payment by the legal owner, as defined in Section 18005.8 of the Health and Safety Code, any junior lienholder, as defined in Section 18005.3 of the Health and Safety Code, or the registered owner, as defined in Section 18009.5 of the Health and Safety Code, if other than the homeowner, on behalf of the homeowner prior to the expiration of 30 calendar days following the mailing of the notice to the legal owner, each junior lienholder, and the registered owner provided in subdivision (b) of Section 798.55, shall cure a default under this subdivision with respect to that payment.

(4) Cure of a default of rent, utility charges, or reasonable incidental service charges by the legal owner, any junior lienholder, or the registered owner, if other than the homeowner, as provided by this subdivision, may not be exercised more than twice during a 12-month period.

(5) If a homeowner has been given a three-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding 12-month period and each notice includes the provisions specified in paragraph (1), no written three-day notice shall be required in the case of a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges.

In that event, the management shall give written notice to the homeowner in the manner prescribed by Section 1162 of the Code of Civil Procedure to remove the mobilehome from the park within a period of not less than 60 days, which period shall be specified in the notice. A copy of this notice shall be sent to the legal owner, each junior lienholder, and the registered owner of the mobilehome, if other than the homeowner, as specified in paragraph (b) of Section 798.55, by certified or registered mail, return receipt requested, within 10 days after notice is sent to the homeowner.

(6) When a copy of the 60 days' notice described in paragraph (5) is sent to the legal owner, each junior lienholder, and the registered owner of the mobilehome, if other than the homeowner, the default may be cured by any of them on behalf of the homeowner prior to the expiration of 30 calendar days following the mailing of the notice, if all of the following conditions exist:

(A) A copy of a three-day notice sent pursuant to subdivision (b) of Section 798.55 to a homeowner for the nonpayment of rent, utility charges, or reasonable incidental service charges was not sent to the legal owner, junior lienholder, or registered owner, of the mobilehome, if other than the homeowner, during the preceding 12-month period.

(B) The legal owner, junior lienholder, or registered owner of the mobilehome, if other than the homeowner, has not previously cured a default of the homeowner during the preceding 12-month period.

(C) The legal owner, junior lienholder or registered owner, if other than the homeowner, is not a financial institution or mobilehome dealer.

If the default is cured by the legal owner, junior lienholder, or registered owner within the 30-day period, the notice to remove the mobilehome from the park described in paragraph (5) shall be rescinded.

(f) Condemnation of the park.

(g) Change of use of the park or any portion thereof, provided:

(1) The management gives the homeowners at least 15 days' written notice that the management will be appearing before a local governmental board, commission, or body to request permits for a change of use of the mobilehome park.

(2) After all required permits requesting a change of use have been approved by the local governmental board, commission, or body, the management shall give the homeowners six months' or more written notice of termination of tenancy.

If the change of use requires no local governmental permits, then notice shall be given 12 months or more prior to the management's determination that a change of use will occur. The management in the notice shall disclose and describe in detail the nature of the change of use.

(3) The management gives each proposed homeowner written notice thereof prior to the inception of ~~his or her~~ *the homeowner's* tenancy that the management is requesting a change of use before local governmental bodies or that a change of use request has been granted.

(4) The notice requirements for termination of tenancy set forth in Sections 798.56 and 798.57 shall be followed if the proposed change actually occurs.

(5) A notice of a proposed change of use given prior to January 1, 1980, that conforms to the requirements in effect at that time shall be valid. The requirements for a notice of a proposed change of use imposed by this subdivision shall be governed by the law in effect at the time the notice was given.

(h) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the homeowners or residents at the same time that notice is required pursuant to subdivision (g) of this section.

(i) For purposes of this section, "financial institution" means a state or national bank, state or federal savings and loan association or credit union, or similar organization, and mobilehome dealer as defined in Section 18002.6 of the Health and Safety Code or any other organization that, as part of its usual course of business, originates, owns, or provides loan servicing for loans secured by a mobilehome.

~~SECTION 1. Section 1947.01 is added to the Civil Code, immediately following Section 1947, to read:~~

~~1947.01.(a) Notwithstanding Sections 1470, 1947, 1950.5, or any other law, a landlord shall not do either of the following during the tenancy:~~

~~(1) Apply a security deposit to satisfy an obligation that accrued during the effective time period unless the tenant agrees in writing to allow the deposit to be applied in satisfaction of the obligation.~~

~~(2) Apply a monthly rental payment to any obligation other than the prospective month's rent, unless so designated by the tenant in writing.~~

~~(b) Any provision of a stipulation, settlement agreement, or other agreement, including a lease agreement, that conflicts with or purports to waive the provisions of this section is prohibited and is void as contrary to public policy.~~

~~(c) If a local initiative, ordinance, regulation, or other policy conflicts with this section, the provision that provides greater protection to covered tenants shall control.~~

~~(d) For purposes of this section, the following definitions apply:~~

~~(1) "Covered tenant" means a tenant who has provided their landlord a written statement that they have had a loss of income or increased expenses, or both, as a result of the COVID-19 pandemic that has impacted their ability to fully pay rent, in accordance with paragraph (1) of subdivision (e) of Section 1161.6 of the Code of Civil Procedure. "Covered tenant" does not include a commercial tenant.~~

~~(2) "Effective time period" means the time period between the date a state of emergency is initially declared and the earlier of either of the following:~~

~~(A) Ninety days after the termination of the state of emergency.~~

~~(B) April 1, 2021.~~

~~(3) "State of emergency" means an emergency related to the COVID-19 pandemic declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).~~

~~SEC. 2. Section 1947.02 is added to the Civil Code, immediately following Section 1947.01, to read:~~

~~1947.02.(a) A covered tenant who failed to perform an obligation to pay rent, or any other financial or monetary obligation, that accrued during the effective time period shall not be deemed to be in default of the obligation, and no action to recover unpaid rent or other sums due, may be pursued, until 12 months after the effective time period.~~

~~(b)(1) Nothing in this section shall prohibit a landlord from recovering unpaid rent by written agreement with the tenant, provided that the agreement does not exceed the actual amount of the debt, does not include attorney's fees or costs, late fees, penalties, or interest related to the unpaid rent, and the debt is offset by the amount of any payments, mortgage forbearance, mortgage forgiveness, or property tax reduction that were provided to the landlord to offset, replace, or compensate the landlord for decreased rental income or provided as financial assistance.~~

~~(2) The agreement shall not require the tenant to vacate the premises as a condition of satisfying the unpaid rent obligation.~~



~~(3) A landlord shall notify the tenant in writing of their rights under this section before the agreement is signed.~~

~~(4) Any agreement with a tenant regarding the payment of rent shall be in writing and shall adhere to the requirements of Section 1632.~~

~~(c) A landlord shall not charge a tenant, or attempt to collect from a tenant, fees assessed for late payment of rent that accrued during the effective time period, nor may the landlord charge fees to a tenant for services previously provided by the landlord, as compensation for purported damages for late payment of rent that accrued during the effective time period. A landlord shall not provide different terms or conditions of tenancy or withhold a service or amenity based on whether a tenant repays or agrees to repay all or any portion of unpaid rent.~~

~~(d) A landlord shall not harass, threaten, or seek to intimidate a tenant in order to obtain a tenant's payment or agreement to pay any portion of unpaid rent or to obtain a tenant's vacation of the property because of a tenant's failure to pay rent.~~

~~(e) Any stipulation, settlement agreement, or other agreement, including a lease agreement, that conflicts with or purports to waive the provisions of this section is prohibited and is void as contrary to public policy.~~

~~(f) If a local initiative, ordinance, regulation, or other policy conflicts with this section, the provision that provides greater protection to covered tenants shall apply.~~

~~(g) For purposes of this section, the terms "covered tenant," "effective time period," and "state of emergency" have the definitions provided in Section 1947.01.~~

~~SEC. 3. Section 1947.03 is added to the Civil Code, immediately following Section 1947.02, to read:~~

~~1947.03. (a) A housing provider, credit reporting agency, tenant screening company, or other entity that evaluates tenants on behalf of a housing provider shall not use an alleged default in rent that accrued during the effective time period as a negative factor for the purpose of evaluating creditworthiness or as the basis for a negative reference to a prospective housing provider, regardless of whether a report is received alleging default in the payment of rent.~~

~~(b) For purposes of this section, the terms "covered tenant," "effective time period," and "state of emergency" have the definitions provided in Section 1947.01.~~

**SEC. 4.** Title 19 (commencing with Section 3273.01) is added to Part 4 of Division 3 of the Civil Code, to read:

**TITLE 19. COVID-19 ~~Tenant~~ *Small Landlord* and Homeowner Relief Act of 2020**

**CHAPTER 1. Title and Definitions**

**3273.01.** This title is known, and may be cited, as the "COVID-19 ~~Tenant~~ *Small Landlord* and Homeowner Relief ~~Law~~ *Act* of 2020."

**3273.1.** For purposes of this title, the following definitions apply:

(a) (1) "Borrower" means ~~either~~ *any* of the following:

(A) A natural person who is a mortgagor or trustor or a confirmed successor in interest as defined in Section 1024.31 of Title 12 of the Code of Federal ~~Regulations~~ *Regulations*.

(B) An entity other than a natural person provided the secured property is currently occupied by one or more residential tenants.

*(C) A mobilehome owner who is the borrower on any security agreement relating to a loan or conditional sale contract which, according to its terms, gives the secured party the right to foreclose its security interest in a manufactured home or mobilehome subject to registration under Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code.*

(2) "Borrower" shall not ~~include any of the following:~~

~~(A) An~~ *include an* individual who has surrendered the secured property as evidenced by either a letter confirming the surrender or delivery of the keys to the property to the mortgagee, trustee, beneficiary, or authorized agent.

*(3) Unless the property securing the mortgage contains one or more deed-restricted affordable housing units or one or more affordable housing units subject to a regulatory restriction limiting rental rates that is contained in*

*an agreement with a government agency, the following mortgagors shall not be considered a "borrower":*

~~(B)~~

*(A) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.*

~~(C)~~

*(B) A corporation.*

~~(D)~~

*(C) A limited liability company in which at least one member is a corporation.*

~~(3)~~

*(4) "Borrower" shall also mean a person who holds a power of attorney for a borrower described in paragraph (1).*

~~*(b) "Covered period" means the time period between the operational date of this title and the earlier of either of the following:*~~

~~*(1) Ninety days after the termination of the COVID-19 state of emergency.*~~

~~*(2) April 1, 2021.*~~

*(b) "Effective time period" means the time period between the operational date of this title and the earlier of either of the following:*

*(1) Ninety days after the termination of the COVID-19 state of emergency.*

*(2) April 1, 2021.*

*(c) "Higher payment postforbearance plan" means a postforbearance repayment arrangement that includes one or both of the following terms:*

*(1) It requires the borrower to make a lump-sum reinstatement payment prior to the mortgage loan's maturity date.*

*(2) It increases the borrower's preforbearance monthly principal and interest payment other than as the result of an adjustment of the applicable index pursuant to the terms of an adjustable rate mortgage.*

~~(e)~~

*(d) "Impound account" means a type of account for payment of taxes on real property, insurance premiums, or other purposes relating to the property. Such an account may be structured as an impound, trust, or other type of account.*

~~(d)~~

*(e) "Mortgage servicer" or "lienholder" means a person or entity who directly services a loan, or who is responsible for interacting with the borrower, managing the loan account on a daily basis including collecting and crediting periodic loan payments, managing any escrow account, or enforcing the note and security instrument, either as the current owner of the promissory note or as the current owner's authorized agent. "Mortgage servicer" or "lienholder" also means a subservicing agent to a master servicer by contract. "Mortgage servicer" shall not include a trustee, or a trustee's authorized agent, acting under a power of sale pursuant to a deed of trust.*

~~(e)~~

*(f) "Multifamily borrower" means a borrower of a residential mortgage loan that is secured by a lien against a property comprising five or more dwelling units.*

~~(f)~~

*(g) "State of emergency" means an emergency related to the COVID-19 pandemic declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).*

**3273.2.** (a) The provisions of this title apply to specified obligations, as follows:

(1) Article 1 (commencing with Section 3273.10) of Chapter 2 shall apply to a mortgage or deed of trust that is secured by residential property containing no more than four dwelling units, including individual units of condominiums or cooperatives, and that was outstanding as of the enactment date of this title.

(2) Article 2 (commencing with Section 3273.20) of Chapter 2 shall apply to a mortgage or deed of trust that is secured by residential property containing five or more dwelling units, and that was outstanding as of the enactment date of this title.

*(3) Article 3 (commencing with Section 3273.30) of Chapter 2 shall apply to any security agreement relating to a loan or conditional sale contract which, according to its terms, gives the secured party the right to foreclose its security interest in a manufactured home or mobilehome subject to registration under Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code.*

(b) The provisions of this title shall apply to a depository institution chartered under federal or state law, a person covered by the licensing requirements of Division 9 (commencing with Section 22000) or Division 20 (commencing with Section 50000) of the Financial Code, or a person licensed pursuant to Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code.

## CHAPTER 2. Mortgages

### Article 1. Residential Mortgage Loans

**3273.10.** (a) During the ~~covered~~ *effective time* period, a borrower may request forbearance from any mortgage obligation by submitting a request to the borrower's mortgage servicer, either orally or in writing, affirming that the borrower is experiencing a financial hardship that prevents the borrower from making timely payments on the mortgage obligation due, directly or indirectly, to the COVID-19 emergency.

(b) ~~Pursuant to~~ *If* a borrower ~~submitting~~ *submits* a request for forbearance, a mortgage servicer may require the borrower to provide a written attestation subject to ~~the following requirements:~~ *all of the following:*

(1) The attestation shall include only the following text: ~~"I, [borrower name], attest that I am experiencing a financial hardship that prevents me from making timely payments on my mortgage obligation due, directly or indirectly, to the COVID-19 emergency."~~

*I declare that the following is true and correct:*

*I am currently unable to make timely payments on my mortgage obligation because of a loss of income and/or increased expenses caused by the COVID-19 pandemic.*

*Signed:*

*Dated:*

(2) The mortgage servicer shall notify the borrower of the attestation requirement and the wording set forth in paragraph (1) and provide clear directions for how the attestation shall be delivered to the mortgage servicer.

(3) The mortgage servicer shall provide forbearance for a period of no less than 30 days before canceling the forbearance due to a borrower failing to provide the attestation required by the mortgage servicer.

(4) The mortgage servicer shall not require the borrower to provide any additional information or documentation besides the attestation described in paragraph (1).

(c) *(1)* A mortgage servicer shall ~~provide~~ *offer* the forbearance requested pursuant to subdivision (a) for the period requested by the borrower, up to an initial period of 180 days, the length of which shall be extended by the servicer at the request of the borrower for the period or periods requested by the borrower, for a total forbearance period ~~of up to 12 months. At the borrower's request, either the initial or any extended period of forbearance may be shortened or discontinued.~~ *not to exceed 12 months. If the mortgage servicer granting an initial period of 180 days would require the borrower's total mortgage forbearance period since March 4, 2020, to exceed 12 months, then the mortgage servicer may offer a shorter forbearance period equal to the number of days for the forbearance to reach the borrower's 12-month period.*

*(2) Notwithstanding paragraph (1), a mortgage servicer shall not be required to offer a forbearance period that would result in a total forbearance that exceeds 360 days between March 4, 2020, and April 2, 2022.*

*(3) At the borrower's request, either the initial or any extended period of forbearance may be shortened or discontinued.*

(d) For purposes of providing a forbearance under this section and pursuant to a borrower requesting a forbearance period of greater than 90 days, a mortgage servicer shall provide an initial forbearance with a term of not less than 90 days, provided that the forbearance is automatically extended for an additional 90 days unless the mortgage servicer confirms that the borrower does not want to renew the forbearance.

(e) During the period of a forbearance under this article, a mortgage servicer shall not assess, accrue, or apply to a borrower's account any fees, penalties, or additional interest beyond the amounts scheduled or calculated as if the borrower made all contractual payments on time and in full under the terms of the mortgage contract in effect at the time the borrower enters into the forbearance.

(f) Upon ~~providing~~ *offering* a forbearance pursuant to subdivision (c), a mortgage servicer shall provide the borrower *with* written notification ~~of the~~ *that includes all of the following:*

*(1) The forbearance terms, including treatment of any payments to an impound account during the forbearance period, and a period.*

*(2) A description of the types of ~~loss mitigation~~ options to bring the loan current that may be available to the borrower at the end of the forbearance ~~period based on the borrower's specific loan.~~ period.*

*(3) A statement that the mortgage servicer will contact the borrower 30 days before the forbearance expires to discuss the options to bring the loan current available to the borrower. The statement shall request the borrower to keep the borrower's contact information up to date with the mortgage servicer for purposes of this paragraph.*

*(4) If, at the time the mortgage servicer makes the offer of forbearance pursuant to subdivision (c), the servicer reasonably believes that investor guidelines, federal agency guidance, or any applicable law will prohibit the mortgage servicer from offering the borrower a postforbearance option other than a higher payment postforbearance plan, the servicer shall so inform the borrower and state the specific basis for that belief as part of the notification.*

*(g) If, during the period of forbearance, but prior to commencing efforts to contact the borrower pursuant to subdivision (a) of Section 3273.11, the mortgage servicer becomes aware of a material change in the options to bring the loan current that may be available to the borrower at the end of forbearance, the mortgage servicer shall notify the borrower of that change in writing as soon as reasonably practicable.*

~~(g)~~

*(h) A mortgage servicer, mortgagee, or beneficiary of the deed of trust, or an authorized agent thereof, who, with respect to a borrower of a federally backed mortgage, complies with the relevant provisions regarding forbearance in Section 4022 of the federal Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) (Public Law 116-136), including any amendments or revisions to those provisions, shall be deemed to be in compliance with this section.*

**3273.11.** (a) ~~No later than~~ *At least* 30 days before the end of any forbearance period ~~that has not been extended~~ or *no more than* 30 days after a request by a borrower to terminate the forbearance, a mortgage servicer ~~shall notify the borrower of their options to modify their loan or reinstate the mortgage account to current status in a manner that does not do any of the following:~~ *shall, with diligent effort, attempt to contact the borrower and inquire whether the borrower is now able to resume making the preforbearance mortgage payments.*

~~(1) Require the borrower to make a lump-sum reinstatement payment prior to the mortgage loan's maturity date.~~

~~(2) Increase the borrower's preforbearance monthly principal and interest payment except subject to any adjustment of the applicable index pursuant to the terms of an adjustable rate mortgage.~~

~~(b) Within 30 days of providing the notification required by subdivision (a), the mortgage servicer shall provide the borrower with a written notice that does all of the following:~~

~~(1) Describes the terms of any loan modification or other reinstatement options available to the borrower, including any new payment schedule, new balance, or new date of maturity.~~

~~(2) Informs the borrower that they have the option of prepaying the outstanding balance or any portion thereof at any time, in a lump sum or otherwise.~~

~~(3) Clearly explains to the borrower the process for electing a loan modification or other reinstatement option that is available to the borrower.~~

~~(4) Advises the borrower to contact the mortgage servicer if they cannot resume making their preforbearance mortgage payments.~~

~~(c) A mortgage servicer that claims investor guidelines or any applicable law prohibits the mortgage servicer from implementing a postforbearance option that complies with subdivision (a) shall notify the borrower of the claim at the time of an offer of forbearance. Failure to make that disclosure shall have the effect of a designation by the servicer that it has the authority to implement the provisions of this section. At the time of an offer of forbearance, the servicer claiming that exception shall present documentation of the ground for the exception to the borrower.~~

*(b) If the borrower does not respond despite the diligent efforts of the mortgage servicer or if the borrower responds by affirming that they are now able to resume the preforbearance mortgage payments, the servicer shall reinstate the preforbearance loan payments and promptly provide the borrower with a notice containing all of the following:*

*(1) A description of any options available to the borrower to address the amount unpaid during the forbearance, including any new payment schedule, new balance, or new date of maturity. If all of these options are higher payment postforbearance plans, the notice shall state with specificity the ground upon which the servicer reasonably believes that investor guidelines, federal agency guidance, or other applicable law prevents the servicer from offering the borrower an option that is not a higher payment postforbearance plan.*

*(2) Clear, written instructions for how the borrower can select from the options available pursuant to paragraph (1) and apply for those options if an application is required.*

~~(d)(1) Notwithstanding subdivision (g) of Section 2923.6 or any other law or regulation, if the borrower notifies the mortgage servicer, pursuant to paragraph (4) of subdivision (b), that they are not able to resume making their preforbearance mortgage payments;~~

*(c) (1) If, in response to the servicer's inquiry pursuant to subdivision (a), the borrower indicates that the borrower will not be able to resume making the preforbearance mortgage payments, then the mortgage servicer shall evaluate the borrower for all loss mitigation and foreclosure prevention options available to the borrower under the terms of any investor requirements and existing federal or state laws, policies, or agency guidance, without regard to whether the borrower has previously requested, been offered, or provided a loan modification or other loss mitigation option and without any requirement that the borrower bring the account current before that evaluation or as a condition of eligibility.*

*(2) If the borrower qualifies for an option described in paragraph (1), the mortgage servicer shall implement the option, with no penalties or late fees, and with no modification fees charged to the borrower. The mortgage servicer shall not charge additional interest beyond the amounts scheduled or calculated as if the borrower made all contractual payments on time and in full under the terms of the mortgage contract in effect at the time the borrower entered into the forbearance, except to the extent that interest is charged after the modification on any arrears that are capitalized into the new balance of a modified loan.*

*(3) If the borrower does not qualify for an option described in paragraph (1), the mortgage servicer shall inform the borrower pursuant to applicable federal and state law. If the loan subsequently becomes delinquent, the mortgage servicer may thereafter pursue foreclosure acts to the extent that those acts comply with relevant state law, including, but not limited to, Sections 2923.5, 2923.55, 2923.6, 2923.7, 2924.9, 2924.10, 2924.11, 2924.17, and 2924.18. The servicer shall not be required to further evaluate the borrower for loss mitigation and foreclosure prevention options unless the borrower notifies the servicer of a material change in the borrower's financial circumstances.*

~~(e)~~

*(d) Any mortgage servicer, mortgagee, or beneficiary of the deed of trust, or authorized agent thereof, who, with respect to a borrower of a federally backed loan, complies with the guidance to mortgagees regarding borrower options following a COVID-19-related forbearance provided by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration of the United States Department of Housing and Urban Development, the United States Department of Veterans Affairs, or the Rural Development division of the United States Department of Agriculture, including any amendments, updates, or revisions to that guidance, shall be deemed to be in compliance with this section.*

~~3273.12.If a borrower does not qualify for an option described in Section 3273.11, the mortgage servicer may pursue foreclosure acts after to the extent that those acts comply with relevant state law, including, but not limited to, Sections 2923.5, 2923.55, 2923.6, 2923.7, 2924.9, 2924.10, 2924.11, 2924.17, and 2924.18.~~

~~3273.13.~~**3273.12.** It is the intent of the Legislature that a mortgage servicer offer a borrower a postforbearance ~~loss mitigation option~~ *repayment* plan that is consistent with the mortgage servicer's contractual or other authority.

~~3273.14.~~**3273.13.** A mortgage servicer shall not mislead or make *material* misrepresentations to a borrower regarding any of the following:

(a) Options for forbearance provided by state or federal law or otherwise provided *by*, or available ~~through~~ *through*, the servicer.

(b) Options for repayment after a forbearance period ends provided by state or federal law or otherwise provided *by*, or available ~~through~~ *through*, the servicer.

~~3273.15.~~**3273.14.** A mortgage servicer shall communicate about forbearance and ~~loan modification~~ *postforbearance* options described in this article in the borrower's preferred language when the mortgage servicer regularly communicates with any borrower in that language.

~~3273.16.~~**3273.15.** (a) A borrower who is harmed by a violation of this article may bring an action to obtain injunctive relief, damages, restitution, and any other remedy to redress the violation.

(b) A court shall award a prevailing borrower reasonable attorney's fees and costs in any action based on any violation of this article in which injunctive relief against a sale, including a temporary restraining order, is granted. A court may award a prevailing borrower reasonable attorney's fees and costs in an action for a violation of this article in which relief is granted but no injunctive relief against a sale is granted.

(c) The rights, remedies, and procedures provided to borrowers by this section are in addition to and independent of any other rights, remedies, or procedures under any other law. This section shall not be construed to alter, limit, or negate any other rights, remedies, or procedures provided to borrowers by law.

~~3273.17.~~**3273.16.** Any waiver by a borrower of the provisions of this article is contrary to public policy and shall be void.

## Article 2. Multifamily Mortgage Loans

~~3273.20.During the covered period, a multifamily borrower experiencing a financial hardship due, directly or indirectly, to the COVID-19 emergency may request a forbearance pursuant to this article.~~

~~3273.21.A~~

**3273.20** *During the effective time period, a* multifamily borrower that was current on its payments as of February 1, 2020, may submit an oral or written request for *up to six months'* forbearance under this article to the borrower's servicer affirming that the multifamily borrower is experiencing a financial hardship during the COVID-19 emergency.

~~3273.22.~~**3273.21.** (a) Upon receipt of an oral or written request for forbearance from a multifamily borrower, a mortgage servicer may request any reasonable documentation of a decrease in *gross* rental ~~income~~ *revenue* the servicer requires in order to demonstrate financial hardship. For the purposes of this section, "financial hardship" means a decline of ~~—~~ *10* percent or more of average *gross* monthly rental ~~income~~ *revenue* over the two most recent calendar months when compared to either of the following:

(1) The borrower's average *gross* monthly rental ~~income~~ *revenue* for the property in question for the two calendar months before March 4, 2020.

(2) The borrower's average *gross* monthly rental ~~income~~ *revenue* for the same calendar month in 2019.

(b) Upon receipt of satisfactory demonstration of financial hardship pursuant to subdivision (a), a servicer shall do both of the following:

(1) Provide the forbearance for up to 30 days.



(2) Extend the forbearance for up to five additional 30-day periods upon the request of the multifamily borrower, provided that the borrower's request for an extension is made during the ~~covered~~ *effective* time period, and, at least 15 days prior to the end of the forbearance period.

*(c) A servicer may deduct the number of days that the servicer provided forbearance to a multifamily borrower between March 4, 2020, and the operative date of this title from the 180 days required by subdivision (b).*

~~(e)~~

*(d) A multifamily borrower shall have the option to discontinue the forbearance at any time.*

*(e) During the forbearance period, a servicer may require payment equal to the net operating income derived from the property securing the mortgage to the extent that rental revenue is collected and not used for operation or maintenance of the property. The servicer shall not require these payments to exceed the amount of the mortgage payments forborne.*

~~3273.23.~~ **3273.22.** (a) A multifamily borrower who is harmed by a violation of this article may bring an action to obtain injunctive relief, damages, restitution, and any other remedy to redress the violation.

(b) A court ~~shall~~ *may* award a prevailing borrower reasonable attorney's fees and costs in any action based on any violation of this article in which injunctive relief against a sale, including a temporary restraining order, is granted. A court may award a prevailing party reasonable attorney's fees and costs in an action for a violation of this article in which relief is granted but no injunctive relief against a sale is granted.

(c) The rights, remedies, and procedures provided to multifamily borrowers by this section are in addition to and independent of any other rights, remedies, or procedures under any other law. This section shall not be construed to alter, limit, or negate any other rights, remedies, or procedures provided to borrowers by law.

*3273.23. A mortgage servicer, mortgagee, or beneficiary of the deed of trust, or an authorized agent thereof, who, with respect to a multifamily borrower of a federally backed mortgage, complies with the relevant provisions regarding forbearance in Section 4023 of the federal Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) (Public Law 116-136), including any amendments or revisions to those provisions, and any related guidance provided by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Federal Housing Administration of the United States Department of Housing and Urban Development, shall be deemed to be in compliance with this chapter.*

### CHAPTER 3. *Mobilehome Loans*

**3273.30.** *(a) At any time during the effective time period, a manufactured home or mobilehome owner who is the borrower on any security agreement relating to a loan or conditional sale contract which, according to its terms, gives the secured party the right to foreclose its security interest in a manufactured home or mobilehome subject to registration under Part 2 (commencing with Section 18000) of Division 13 of the Health and Safety Code may request up to a total of 12 months' forbearance, which may include forbearance beyond the effective time period, from any payment obligation under the security agreement by submitting a request to the lienholder, either orally or in writing, affirming that the mobilehome owner is experiencing a financial hardship that prevents the mobilehome owner from making timely payments on the obligation due, directly or indirectly, to the COVID-19 emergency. Any month for which the mobilehome borrower received mortgage forbearance between March 4, 2020, and the operative date of this title shall count toward the 12-month total.*

*(b) If a mobilehome borrower submits a request for forbearance, then the lienholder may require the mobilehome borrower to provide a written attestation subject to all of the following:*

*(1) The attestation shall include only the following text:*

*I declare that the following is true and correct:*

*I am currently unable to make timely payments on my manufactured home or mobilehome loan or conditional sale contract obligation because of a loss of income and/or increased expenses caused by the COVID-19 pandemic.*

*Signed:*

*Dated:*

*(2) The lienholder shall notify the mobilehome borrower of the attestation requirement and the wording set forth in paragraph (1) and provide clear directions for how the attestation shall be delivered to the lienholder.*

*(3) The lienholder shall provide forbearance for a period of no less than 30 days before canceling the forbearance due to a mobilehome borrower failing to provide the attestation required by the lienholder.*

*(4) The lienholder shall not require the mobilehome borrower to provide any additional information or documentation besides the attestation described in paragraph (1).*

*(c) (1) A lienholder shall offer the forbearance requested pursuant to subdivision (a) for the period requested by the mobilehome borrower, up to an initial period of 180 days, the length of which shall be extended by the lienholder at the request of the mobilehome borrower for the period or periods requested by the mobilehome borrower, for a total forbearance period not to exceed 12 months. If the lienholder granting an initial period of 180 days would require the mobilehome borrower's total mortgage forbearance period since March 4, 2020, to exceed 12 months, then the lienholder may offer a shorter forbearance period equal to the number of days for the forbearance to reach the mobilehome borrower's 12-month period.*

*(2) Notwithstanding paragraph (1) a lienholder shall not be required to offer a forbearance period that would result in a total forbearance that exceeds 360 days between March 4, 2020, and April 2, 2022.*

*(3) At the mobilehome borrower's request, either the initial or any extended period of forbearance may be shortened or discontinued.*

*(d) For purposes of providing a forbearance under this section and pursuant to a mobilehome borrower requesting a forbearance period of greater than 90 days, a lienholder shall provide an initial forbearance with a term of not less than 90 days, provided that the forbearance is automatically extended for an additional 90 days unless the lienholder confirms that the mobilehome borrower does not want to renew the forbearance.*

*(e) Upon offering a forbearance pursuant to subdivision (c), a lienholder shall provide the mobilehome borrower with written notification that includes all of the following:*

*(1) The forbearance terms, including treatment of any payments to an impound account during the forbearance period.*

*(2) A description of the types of options to bring the loan current that may be available to the mobilehome borrower at the end of the forbearance period.*

*(3) A statement that the lienholder will contact the mobilehome borrower when the forbearance expires to discuss options to bring the loan current that may be available to the mobilehome borrower. The statement shall request the mobilehome borrower to keep the mobilehome borrower's contact information up to date with the lienholder for purposes of this paragraph.*

*(4) If, at the time the lienholder makes the offer of forbearance pursuant to subdivision (c), the lienholder reasonably believes that investor guidelines, federal agency guidance, or any applicable law will prohibit the lienholder from offering the mobilehome borrower a postforbearance option other than a higher payment postforbearance plan, the lienholder shall so inform the mobilehome borrower and state the specific basis for that belief as part of the notification.*

*(f) During the period of a forbearance under this article, a lienholder shall not assess, accrue, or apply to a mobilehome borrower's account any fees, penalties, or additional interest beyond the amounts scheduled or calculated as if the mobilehome borrower made all contractual payments on time and in full under the terms of the contract in effect at the time the mobilehome borrower enters into the forbearance.*

*(g) If, during the period of forbearance but prior to commencing efforts to contact the mobilehome borrower pursuant to subdivision (a) of Section 3273.31, the lienholder becomes aware of a material change in the options to bring the loan current that may be available to the mobilehome borrower at the end of forbearance, the lienholder shall notify the mobilehome borrower of that change in writing.*

*(h) (1) If, at the time the lienholder makes the offer of forbearance pursuant to subdivision (c), the lienholder reasonably believes that investor guidelines, federal agency guidance, or any applicable law will prohibit the lienholder from offering the mobilehome borrower a postforbearance option other than a higher payment postforbearance plan, the lienholder shall so inform the mobilehome borrower and state the basis for that belief as part of the notification pursuant to subdivision (f).*

*(2) Failure to comply with paragraph (1) shall have the effect of a designation by the lienholder that it has the authority to implement the provisions of this section.*

*(i) A lienholder, mortgage servicer, mortgagee, or beneficiary of the deed of trust, or an authorized agent thereof, who, with respect to a mobilehome borrower of a federally backed mortgage or lien, complies with the relevant provisions regarding forbearance in Section 4022 of the federal Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) (Public Law 116-136), including any amendments or revisions to those provisions, shall be deemed to be in compliance with this section.*

**3273.31.** *(a) At least 30 days before the end of any forbearance period or no more than 30 days after a request by a mobilehome borrower to terminate the forbearance, a lienholder shall, with diligent effort, attempt to contact the mobilehome borrower and inquire whether the mobilehome borrower is now able to resume the preforbearance payments.*

*(b) If the mobilehome borrower does not respond despite the diligent effort of the lienholder or if the mobilehome borrower responds by affirming that they are now able to resume the preforbearance payments, the lienholder shall reinstate the preforbearance loan payments and promptly provide the mobilehome borrower with a notice that contains both of the following:*

*(1) A description of any options available to the mobilehome borrower to address the amount unpaid during the forbearance, including any new payment schedule, new balance, or new date of maturity. If all of these options constitute higher payment postforbearance plans, the notice shall state with specificity the grounds upon which the lienholder reasonably believes that investor guidelines, federal agency guidance, or other applicable law prevents the lienholder from offering the mobilehome borrower an option that is not a higher payment postforbearance plan.*

*(2) Clear, written instructions for how the mobilehome borrower can select from the options available pursuant to paragraph (1) and apply for them.*

*(c) (1) If, in response to the lienholder's inquiry pursuant to subdivision (a), the mobilehome borrower indicates that the mobilehome borrower will not be able to resume making the preforbearance loan payments, then the lienholder shall evaluate the mobilehome borrower for all loss mitigation and foreclosure or repossession prevention options available to the mobilehome borrower under the terms of any investor requirements and existing federal or state laws, policies, or agency guidance, without regard to whether the mobilehome borrower has previously requested, been offered, or provided a loan modification or other loss mitigation option and without any requirement that the mobilehome borrower bring the account current or make any payment before that evaluation or as a condition of eligibility.*

*(2) If the mobilehome borrower qualifies for a loss mitigation or foreclosure or repossession prevention option described in paragraph (1), the lienholder shall implement the option, with no penalties or late fees, and with no modification fees charged to the mobilehome borrower. The lienholder shall not charge additional interest beyond the amounts scheduled or calculated as if the mobilehome borrower made all contractual payments on time and in full under the terms of the security agreement in effect at the time the mobilehome borrower entered into the forbearance, except to the extent that interest is charged after the modification on any arrears that are capitalized into the new balance of a modified loan.*

*(3) If the mobilehome borrower does not qualify for an option described in paragraph (1), the lienholder shall inform the mobilehome borrower pursuant to applicable federal and state law. If the loan subsequently becomes delinquent, the lienholder may thereafter pursue foreclosure acts to the extent that those acts comply with relevant state law, including, but not limited to, Sections 2923.5, 2923.55, 2923.6, 2923.7, 2924.9, 2924.10, 2924.11, 2924.17, and 2924.18 of this code, Division 9 (commencing with Section 9101) of the Commercial Code, and Sections 18037.5 and 18039.1 of the Health and Safety Code, except that the lienholder shall not be required to further evaluate the mobilehome borrower for loss mitigation and foreclosure prevention options unless the mobilehome borrower notifies the lienholder of a material change in the mobilehome borrower's financial circumstances.*

*(d) Any lienholder, mortgage servicer, mortgagee, or beneficiary of the deed of trust, or authorized agent thereof, who, with respect to a mobilehome borrower of a federally backed loan, complies with the guidance to mortgagees regarding mobilehome borrower options following a COVID-19-related forbearance provided by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration of the United States Department of Housing and Urban Development, the United States Department of Veterans Affairs, or the Rural Development division of the United States Department of*

*Agriculture, including any amendments, updates, or revisions to that guidance, shall be deemed to be in compliance with this section.*

**3273.32.** *It is the intent of the Legislature that a lienholder offer a mobilehome borrower a postforbearance repayment plan that is consistent with the lienholder's contractual or other authority.*

**3273.33.** *A lienholder shall not mislead or make material misrepresentations to a mobilehome borrower regarding any of the following:*

*(a) Options for forbearance provided by state or federal law or otherwise provided by, or available through, the lienholder.*

*(b) Options for repayment after a forbearance period ends provided by state or federal law or otherwise provided by, or available through, the lienholder.*

**3273.34.** *A lienholder shall communicate about forbearance and loan modification options described in this article in the mobilehome borrower's preferred language when the lienholder regularly communicates with any mobilehome borrower in that language.*

**3273.35.** *(a) A mobilehome borrower who is harmed by a violation of this article may bring an action to obtain injunctive relief, damages, restitution, and any other remedy to redress the violation.*

*(b) A court shall award a prevailing mobilehome borrower reasonable attorney's fees and costs in any action based on any violation of this article in which injunctive relief against a sale, including a temporary restraining order, is granted. A court may award a prevailing mobilehome borrower reasonable attorney's fees and costs in an action for a violation of this article in which relief is granted but no injunctive relief against a sale is granted.*

*(c) The rights, remedies, and procedures provided to mobilehome borrowers by this section are in addition to, and independent of, any other rights, remedies, or procedures under any other law. This section shall not be construed to alter, limit, or negate any other rights, remedies, or procedures provided to mobilehome borrowers by law.*

**3273.36.** *Any waiver by a mobilehome borrower of the provisions of this article is contrary to public policy and shall be void.*

~~SEC. 5. Section 1161.6 is added to the Code of Civil Procedure, immediately following Section 1161.5, to read:~~

~~1161.6.(a) Notwithstanding paragraphs (2) or (3) of Section 1161, a covered tenant is not guilty of unlawful detainer if the alleged default in payment of rent, or an alleged default in any other financial obligation under the tenancy, accrued during the effective time period. It shall be unlawful to terminate a tenancy in retaliation for a default in rent that is subject to this subdivision. Nothing in this section shall prohibit a landlord from seeking to recover unpaid rent through a written agreement with the tenant or by other civil remedies subject to the limitations in Section 1947.02 of the Civil Code or by written agreement with the tenant. Any stipulation, settlement agreement, or other agreement, including a lease agreement, that conflicts with or purports to waive the provisions of this subdivision is prohibited and is void as contrary to public policy.~~

~~(b)(1) In any action to recover a debt arising from an alleged default in rent that accrued during the effective time period, the creditor shall set forth in the verified complaint or other document submitted under penalty of perjury the amount of any payments, mortgage forbearance, mortgage forgiveness, or property tax reduction during the relevant time period that were provided to the landlord to offset, replace, or compensate the landlord for decreased rental income or provided as financial assistance. In any judgment on the debt, the court shall offset the amount of these payments by the portion of the financial assistance fairly attributable to the rental unit in question. The defendant may present evidence that the creditor received relief designed to offset debt related to the rental unit in question, and any agreement in satisfaction of such a debt shall be void if it fails to account for receipt of payments described in this section.~~

~~(2) In any action described in subdivision (a), the creditor shall not be entitled to recover fees assessed against a tenant for late payment of rent or other sums due.~~

~~(c) In any unlawful detainer action based on paragraph (2) of Section 1161 filed within 12 months after the effective time period, the landlord shall be required to affirmatively plead in the complaint that the tenant is not~~

~~a covered tenant and shall bear the burden of proof that the tenant did not provide the written statement specified in paragraph (1) of subdivision (e).~~

~~(d) In any unlawful detainer action based on paragraph (2) of Section 1161 due to nonpayment of rent filed within 12 months after the effective time period, notwithstanding Section 1167, the defendant's response shall be filed within 30 days.~~

~~(e)(1) A tenant who is unable to satisfy all or a portion of the rent or other sums due that have accrued during the effective time period due to a loss of income or increased expenses resulting from COVID-19 shall provide the following written statement in response to a written demand to cure the default in rent pursuant to paragraph (2) of Section 1161:~~

~~I declare that the following is true and correct:~~

~~I have had a loss of income and/or increased expenses as a result of the COVID-19 pandemic that has impacted my ability to fully pay the rent.~~

~~Signed:~~

~~Dated:~~

~~(2) The tenant shall provide the notice to their landlord as soon as reasonably practical but may provide the notice any time before judgment is entered.~~

~~(3) Any notice served pursuant to paragraph (2) of Section 1161 for an alleged default that occurred during the effective time period shall be accompanied by a document containing the written statement specified in paragraph (1) that the tenant may sign and return to the landlord.~~

~~(f) For purposes of this section:~~

~~(1) "Covered tenant" means a tenant described in paragraph (1) of subdivision (e) who has provided a written statement to their landlord. "Covered tenant" does not include a commercial tenant.~~

~~(2) "Effective time period" means the time period between the date a state of emergency is initially declared and the earlier occurrence of either of the following:~~

~~(A) Ninety days after the termination of the state of emergency.~~

~~(B) April 1, 2021.~~

~~(3) "State of emergency" means an emergency related to the COVID-19 pandemic declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).~~

**SEC. 5. Section 1161 of the Code of Civil Procedure is amended to read:**

**1161.** A tenant of real property, for a term less than life, or the executor or administrator of his or her estate heretofore qualified and now acting or hereafter to be qualified and act, is guilty of unlawful detainer:

1. When he or she continues in possession, in person or by subtenant, of the property, or any part thereof, after the expiration of the term for which it is let to him or her; provided the expiration is of a nondefault nature however brought about without the permission of his or her landlord, or the successor in estate of his or her landlord, if applicable; including the case where the person to be removed became the occupant of the premises as a servant, employee, agent, or licensee and the relation of master and servant, or employer and employee, or principal and agent, or licensor and licensee, has been lawfully terminated or the time fixed for occupancy by the agreement between the parties has expired; but nothing in this subdivision shall be construed as preventing the removal of the occupant in any other lawful manner; but in case of a tenancy at will, it must first be terminated by notice, as prescribed in the Civil Code.

2. When he or she continues in possession, in person or by subtenant, without the permission of his or her landlord, or the successor in estate of his or her landlord, if applicable, after default in the payment of rent, pursuant to the lease or agreement under which the property is held, and three days' notice, excluding Saturdays and Sundays and other judicial holidays, in writing, requiring its payment, stating the amount which is due, the name, telephone number, and address of the person to whom the rent payment shall be made, and, if payment may be made personally, the usual days and hours that person will be available to receive the payment

(provided that, if the address does not allow for personal delivery, then it shall be conclusively presumed that upon the mailing of any rent or notice to the owner by the tenant to the name and address provided, the notice or rent is deemed received by the owner on the date posted, if the tenant can show proof of mailing to the name and address provided by the owner), or the number of an account in a financial institution into which the rental payment may be made, and the name and street address of the institution (provided that the institution is located within five miles of the rental property), or if an electronic funds transfer procedure has been previously established, that payment may be made pursuant to that procedure, or possession of the property, shall have been served upon him or her and if there is a subtenant in actual occupation of the premises, also upon the subtenant.

The notice may be served at any time within one year after the rent becomes due. In all cases of tenancy upon agricultural lands, where the tenant has held over and retained possession for more than 60 days after the expiration of the term without any demand of possession or notice to quit by the landlord or the successor in estate of his or her landlord, if applicable, he or she shall be deemed to be holding by permission of the landlord or successor in estate of his or her landlord, if applicable, and shall be entitled to hold under the terms of the lease for another full year, and shall not be guilty of an unlawful detainer during that year, and the holding over for that period shall be taken and construed as a consent on the part of a tenant to hold for another year.

*An unlawful detainer action under this paragraph shall be subject to the COVID-19 Tenant Relief Act of 2020 (Chapter 5 (commencing with Section 1179.01)) if the default in the payment of rent is based upon the COVID-19 rental debt.*

3. When he or she continues in possession, in person or by subtenant, after a neglect or failure to perform other conditions or covenants of the lease or agreement under which the property is held, including any covenant not to assign or sublet, than the one for the payment of rent, and three days' notice, excluding Saturdays and Sundays and other judicial holidays, in writing, requiring the performance of such conditions or covenants, or the possession of the property, shall have been served upon him or her, and if there is a subtenant in actual occupation of the premises, also, upon the subtenant. Within three days, excluding Saturdays and Sundays and other judicial holidays, after the service of the notice, the tenant, or any subtenant in actual occupation of the premises, or any mortgagee of the term, or other person interested in its continuance, may perform the conditions or covenants of the lease or pay the stipulated rent, as the case may be, and thereby save the lease from forfeiture; provided, if the conditions and covenants of the lease, violated by the lessee, cannot afterward be performed, then no notice, as last prescribed herein, need be given to the lessee or his or her subtenant, demanding the performance of the violated conditions or covenants of the lease.

A tenant may take proceedings, similar to those prescribed in this chapter, to obtain possession of the premises let to a subtenant or held by a servant, employee, agent, or licensee, in case of his or her unlawful detention of the premises underlet to him or her or held by him or her.

*An unlawful detainer action under this paragraph shall be subject to the COVID-19 Tenant Relief Act of 2020 (Chapter 5 (commencing with Section 1179.01)) if the neglect or failure to perform other conditions or covenants of the lease or agreement is based upon the COVID-19 rental debt.*

4. Any tenant, subtenant, or executor or administrator of his or her estate heretofore qualified and now acting, or hereafter to be qualified and act, assigning or subletting or committing waste upon the demised premises, contrary to the conditions or covenants of his or her lease, or maintaining, committing, or permitting the maintenance or commission of a nuisance upon the demised premises or using the premises for an unlawful purpose, thereby terminates the lease, and the landlord, or his or her successor in estate, shall upon service of three days' notice to quit upon the person or persons in possession, be entitled to restitution of possession of the demised premises under this chapter. For purposes of this subdivision, a person who commits or maintains a public nuisance as described in Section 3482.8 of the Civil Code, or who commits an offense described in subdivision (c) of Section 3485 of the Civil Code, or subdivision (c) of Section 3486 of the Civil Code, or uses the premises to further the purpose of that offense shall be deemed to have committed a nuisance upon the premises.

5. When he or she gives written notice as provided in Section 1946 of the Civil Code of his or her intention to terminate the hiring of the real property, or makes a written offer to surrender which is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice, without the permission of his or her landlord, or the successor in estate of the landlord, if applicable.

*6. For purposes of this section:*



~~As used in this section, tenant includes~~

*"Tenant" includes any person who hires real property except those persons whose occupancy is described in subdivision (b) of Section 1940 of the Civil Code.*

*"COVID-19 rental debt" shall have the same meaning as defined in Section 1179.02.*

**SEC. 6.** *Chapter 5 (commencing with Section 1179.01) is added to Title 3 of Part 3 of the Code of Civil Procedure, to read:*

**CHAPTER 5. Covid-19 Tenant Relief Act of 2020**

**1179.01.** *This chapter is known, and may be cited, as the COVID-19 Tenant Relief Act of 2020.*

**1179.02.** *For purposes of this chapter:*

*(a) "Attestation of COVID-19-related financial distress" means the following written statement or its translation into another language:*

*I declare that the following is true and correct:*

*I am currently unable to pay my rent or other financial obligations under the lease in full because of a loss of income and/or increased expenses caused by the COVID-19 pandemic.*

*Signed:*

*Dated:*

*(b) "Covered time period" means the time period between March 4, 2020, and the earlier of either of the following:*

*(1) Ninety days after the termination of the state of emergency.*

*(2) April 1, 2021.*

*(c) "COVID-19 rental debt" means unpaid rent or any other unpaid financial obligation of a tenant under the tenancy that accrued during the covered time period.*

*(d) "Landlord" includes all of the following:*

*(1) An owner of residential real property.*

*(2) An owner of a residential rental unit.*

*(3) An owner of a mobilehome park.*

*(4) An owner of a mobilehome park space or lot.*

*(e) "State of emergency" means an emergency related to the COVID-19 pandemic declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).*

*(f) "Tenant" includes any person who hires real property except the following:*

*(1) Commercial tenants.*

*(2) Those persons whose occupancy is described in subdivision (b) of Section 1940 of the Civil Code.*

**1179.03.** *(a) For the duration of the covered time period, all of the following shall apply:*

*(1) Any requirement for a notice that demands payment of COVID-19 rental debt pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 shall be modified as follows:*

*(A) A tenant is not guilty of an unlawful detainer if, within 15 days of service of the notice, excluding Saturdays and Sundays and other judicial holidays, the tenant makes the demanded payment, vacates, or delivers a signed attestation of COVID-19-related financial distress in response to the notice, through any of the same delivery methods that the tenant can use to make the payment.*

*(B) The notice shall advise the tenant that the tenant will not be evicted for failure to comply with the notice if the tenant delivers a signed copy of an attestation of COVID-19-related financial distress to the landlord through any of the same methods that the tenant can make the payment.*

*(C) An unsigned copy of an attestation of COVID-19-related financial distress shall accompany each notice delivered to a tenant.*

*(D) The notice shall include the following text, in at least 12-point font, immediately following the attestation of COVID-19-related financial distress: "NOTICE FROM THE STATE OF CALIFORNIA: If you sign and deliver this declaration form to your landlord within 15 business days, your landlord will not be able to evict you for this missed rent payment, but you will still owe this money to your landlord. If you have not paid it by April 1, 2022, your landlord will be able to sue you to get that money, and you may then owe additional amounts for fees, costs, and interest as well. Therefore, if you can afford to do so without sacrificing your household's basic needs, it may be in your best interest to pay the landlord what you can even if you are also submitting the declaration form notifying your landlord that you cannot pay in full."*

*(2) (A) A notice shall be deemed void and insufficient to support a judgment for unlawful detainer under Section 1161, or to terminate a tenancy under subdivision (e) of Section 798.56 of the Civil Code, if it demands COVID-19 rental debt and fails to comply strictly with subdivision (a). It is the intent of the Legislature that this section shall apply retroactively.*

*(B) In any action for unlawful detainer during the covered time period in which a judgment for possession has been entered in favor of the landlord, the tenant may move to have that judgment set aside on the basis of this subdivision. No writ of possession shall issue while the motion to set aside is pending. If a writ of possession was issued prior to filing of the motion to set aside, the court shall stay execution of the writ while the motion to set aside the judgment is pending. The court shall not condition the stay on any payment by the tenant.*

*(C) Notwithstanding subparagraphs (B) and (C), this section shall have no effect where the landlord lawfully regained possession of the property prior to the operative date of this section.*

*(b) A tenant who delivers an attestation of COVID-19-related financial distress in timely response to any demand for payment of COVID-19 rental debt shall not then or thereafter be deemed to be in default with regard to COVID-19 rental debt for purposes of subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161 of this code.*

*(c) Notwithstanding subparagraph (A) of paragraph (1) of subdivision (a), a tenant shall be permitted to deliver a signed attestation of COVID-19-related financial distress with the court at any time before the court enters a judgment finding the tenant guilty of unlawful detainer. If the tenant delivers a signed attestation of COVID-19-related financial distress to the court pursuant to this subdivision, the court shall dismiss the case upon a finding that the tenant had good cause for their failure to return an attestation of COVID-19-related financial distress within the time required under subparagraph (A) of paragraph (1) of subdivision (a).*

**1179.04.** *(a) For the duration of the 12 months immediately after the covered time period ends, the requirements for any notice that demands payment pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161 are modified as follows:*

*(1) The notice shall not demand any COVID-19 rental debt.*

*(2) The tenant is not guilty of an unlawful detainer if within 15 days of service of the notice, excluding Saturdays and Sundays and other judicial holidays, the tenant makes the payment or vacates.*

*(b) A notice shall be deemed void and insufficient to support a judgment for unlawful detainer under paragraphs (2) and (3) of Section 1161, or to terminate a tenancy under subdivision (e) of Section 798.56 of the Civil Code, if it is served during the 12 months immediately after the covered time period ends and it fails to comply strictly with subdivision (a).*

**1179.05.** *Notwithstanding Sections 1470, 1947, or 1950 of the Civil Code, or any other law, for the duration of the tenancy a landlord shall not do either of the following:*

*(a) Apply a security deposit to satisfy COVID-19 rental debt unless the tenant has agreed in writing to allow the deposit to be so applied. Nothing in this paragraph shall prohibit a landlord from applying a security deposit to satisfy COVID-19 rental debt after the tenancy ends, in accordance with Section 1950.5 of the Civil Code.*

*(b) Apply a monthly rental payment to any COVID-19 rental debt other than the prospective month's rent, unless the tenant has agreed in writing to allow the payment to be so applied.*

**1179.06.** *(a) A landlord shall not, with respect to a tenant who has COVID-19 rental debt, do any of the following:*

*(1) Charge a tenant, or attempt to collect from a tenant, fees assessed for late payment of COVID-19 rental debt.*

*(2) Charge the tenant fees, or increase tenant fees, for services previously provided by the landlord, as compensation for COVID-19 rental debt.*

*(3) Provide different terms or conditions of tenancy or withhold a service or amenity based on whether a tenant repays or agrees to repay all or any portion of COVID-19 rental debt.*

*(4) Harass, threaten, or seek to intimidate a tenant in order to obtain a tenant's payment or agreement to pay any COVID-19 rental debt.*

*(5) Terminate a tenancy, or threaten to terminate a tenancy, in retaliation against a tenant for having COVID-19 rental debt. In any action for unlawful detainer, if the tenant shows that the tenant has COVID-19 rental debt, the landlord shall bear the burden of proving, by a preponderance of the evidence, that the landlord's predominant motive for terminating the tenancy was unrelated to the COVID-19 rental debt.*

*(b) (1) Nothing in this section shall prohibit a landlord and tenant from agreeing at any time to a schedule of payments through which the tenant pays off their COVID-19 rental debt, provided that the agreement meets all of the following conditions:*

*(A) The agreement is in writing and adheres to the requirements of Section 1632 of the Civil Code.*

*(B) The agreement does not require the tenant to vacate the premises, even if all or a part of one or more payments is missed.*

*(C) The total amount that the tenant must pay under the agreement does not exceed the total COVID-19 rental debt and does not include attorney's fees or costs, late fees, penalties, or interest on the COVID-19 rental debt.*

*(D) The COVID-19 rental debt is offset by the amount of any mortgage forgiveness, property tax reductions, or other financial assistance that was provided to the landlord to offset, replace, or compensate the landlord for decreased rental revenue during the covered time period.*

*(2) Local agencies and legal organizations, including, but not limited to, the State Bar, district attorneys, city attorneys, human rights commissions, housing authorities, rent boards, courts, legal aid agencies, and county bar associations, are encouraged to offer mediation services to landlords and tenants for the purpose of facilitating agreements pursuant to this subdivision. The State Bar is encouraged to recruit, train, and coordinate the services of recent law graduates for this purpose.*

**1179.07.** *(a) No cause of action to recover COVID-19 rental debt may be brought until 12 months after the covered time period ends.*

*(b) (1) In a cause of action to recover COVID-19 rental debt, the landlord shall set forth in the verified complaint the amount of any mortgage forgiveness, property tax reductions, or other financial assistance that was provided to the landlord to offset, replace, or compensate the landlord for decreased rental revenue during the covered time period. In any judgment, the court shall offset the amount the tenant owes to the landlord by the share of the financial assistance that is fairly attributable to the rental unit in question. The tenant may present evidence that the landlord received relief designed to offset debt related to the rental unit in question, and any agreement in satisfaction of such a debt shall be void if it fails to account for receipt of financial assistance described in this section.*

*(2) In any action to recover COVID-19 rental debt, the landlord may also recover from the tenant any other amount authorized by the terms of the lease or any other applicable law.*

**1179.08.** *A housing provider, credit reporting agency, tenant screening company, or other entity that evaluates tenants on behalf of a housing provider shall not use an alleged COVID-19 rental debt as a negative factor for the purpose of evaluating creditworthiness or as the basis for a negative reference to a prospective housing provider, regardless of whether a report is received alleging that the tenant has COVID-19 rental debt.*

*1179.09. Any provision of a stipulation, settlement agreement, or other agreement, including a lease agreement, that conflicts with or purports to waive the provisions of this chapter is prohibited and is void as contrary to public policy.*

*1179.10. If a local initiative, ordinance, regulation, or other policy conflicts with this chapter, the provision that provides greater protection to tenants shall control.*

**SEC. 6.**~~SEC. 7.~~ The provisions of this bill are severable. If any provision of this bill or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.