

HB 136 -- PAYCHECK PROTECTION PROGRAM

SPONSOR: Mackey

This bill specifies that if a landlord received a loan through the federal Paycheck Protection Program (PPP) because of COVID-19 and that loan was forgiven by the Small Business Administration (SBA), the landlord is prohibited from recovering any overdue rent that would have been covered by the loan. If a landlord brings a civil action against a tenant to recover overdue rent, the landlord will have to pay any legal fees incurred by the tenant in the landlord's attempt to recover the overdue rent. If a landlord has recovered the overdue rent, the landlord will have to return the rent to the tenant. If a landlord has recovered overdue rent that would have been covered by the loan, the tenant brings a civil action against the landlord to recover the rent, and the court determines that the tenant is entitled to the rent, the court will award the tenant interest in an amount the court deems appropriate.

If a mortgage company received a loan through PPP because of COVID-19 and that loan was forgiven by the SBA, the mortgage company will be prohibited from foreclosing on any mortgagor whose mortgage payment would have been covered by the loan. If a mortgage company brings a civil action against a such a mortgagor to recover mortgage payments, the mortgage company will have to pay any legal fees incurred by the mortgagor in the mortgage company's attempt to recover the overdue payments. If a mortgage company has recovered the overdue payments, the mortgage company will have to return the payments to the mortgagor. If a mortgage company has recovered overdue payments that would have been covered by the loan, the mortgagor brings a civil action against the mortgage company to recover the rent, and the court determines that the mortgagor is entitled to the payments, the court will award the mortgagor interest in an amount the court deems appropriate.