



May 2024

# EMERGENCY RENTAL ASSISTANCE

## Treasury Should Improve Data Completeness and Public Reporting

Accessible Version

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# GAO Highlights

View [GAO-24-107084](#). For more information, contact Jill M. Naamane at (202) 512-8678 or [naamanej@gao.gov](mailto:naamanej@gao.gov).

Highlights of [GAO-24-107084](#), a report to congressional committees

May 2024

## EMERGENCY RENTAL ASSISTANCE

### Treasury Should Improve Data Completeness and Public Reporting

#### Why GAO Did This Study

The ERA program helps low-income households affected by the COVID-19 pandemic pay rent, utilities, and other housing-related costs. ERA1 funds have expired, but grantees are still expending ERA2 funds, which do not expire until September 2025.

The CARES Act includes a provision for GAO to monitor federal efforts to respond to the COVID-19 pandemic. This report continues GAO's reporting on ERA and examines (1) the status of Treasury's efforts to ensure ERA has complete data and to address potential improper payments, and (2) Treasury's disclosure of the limitations of ERA2 data.

GAO analyzed ERA2 quarterly data on expenditures and household demographics and payments as of June 30, 2023, the most recent available at the time of analysis. GAO also compared Treasury's most recent publicly available reports (second quarter of 2023) against agency guidance and interviewed Treasury officials.

#### What GAO Recommends

GAO recommends Treasury revise its public reports on ERA2 to clearly disclose data limitations. GAO also reiterates its 2022 recommendations (GAO-23-105410) that Treasury improve ERA data collection and complete a detailed assessment of improper payment risks. Treasury agreed with GAO's recommendation and provided a status update on the 2022 recommendations.

#### What GAO Found

The Department of the Treasury administers the Emergency Rental Assistance (ERA) program, which provides about \$47 billion to tribal, state, territorial, and certain local governments and the District of Columbia (grantees). Congress appropriated ERA funding twice, and Treasury considers these appropriations as separate programs (ERA1 and ERA2). Grantees that submitted data to Treasury as of June 30, 2023, reported expending about 87 percent of total ERA funds.

**Grantees' Total Emergency Rental Assistance (ERA1 and ERA2) Expenditures Publicly Reported, by Program**



Source: GAO analysis of Department of the Treasury data. | GAO-24-107084

**Accessible Data for Grantees' Total Emergency Rental Assistance (ERA1 and ERA2) Expenditures Publicly Reported, by Program**

Total ERA1 and ERA2 Expenditures (billions)			ERA1 Expenditures (billions)			ERA2 Expenditures (billions)		
Total Expenditure	Total Allocation	Percent Expended	Total Expenditure	ERA1 Allocation	Percent Expended	Total Expenditure	Total Allocation	Percent Expended
\$39	\$45	87%	\$22.7	\$24.1	94%	\$16.6	\$20.9	80%

Source: GAO analysis of Department of the Treasury data. | GAO-24-107084

Note: For more details, see fig. 2 in GAO-24-107084.

Consistent with its prior work on ERA, GAO found Treasury had not collected complete ERA2 data or assessed the risk of improper payments. Treasury was not collecting complete data on the program's expenditures, demographics, and payments to households, as of June 30, 2023. For example, 3 percent of ERA2 grantees, whose funds totaled \$581 million, did not submit required data for the second quarter of 2023. Also, Treasury said 10 percent of grantees whose funds totaled \$787 million did not report data on payments made to individual households as of June 30, 2023. According to Treasury, all but five grantees reported household payment data for the fourth quarter of 2023. To help improve its data collection, Treasury has shifted from quarterly to cumulative reporting (which allows grantees to correct data reported in prior quarters), but significant data limitations remain. Treasury also has not assessed the program's risk of improper payments to households, which GAO identified as a significant risk. As GAO reported in 2022, improving ERA data collection and assessing improper payment risks would better position Treasury to oversee the ERA program and address program risks.

ERA2 publicly available quarterly reports contain some notes on general limitations to the reported data, but do not clearly disclose more specific limitations. Specifically, the reports do not disclose that the data may underreport ERA2 funds and payments to households because not all grantees reported complete information. The reports also do not disclose which or how many local jurisdictions have declined ERA2 funds and transferred those funds to their state or another locality. In addition, the reports do not explain that the demographic information provided on households receiving assistance represents only those grantees that provided such information, not all grantees. These specific omissions may lead a user of the reports to draw inaccurate conclusions about

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the ERA2 program. Clear disclosure on the limitations of the ERA2 data would facilitate interpretation of the data and give Congress and the public a better understanding of what is known about the program and its outcomes.

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## Abbreviations

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ERA            Emergency Rental Assistance  
OMB           Office of Management and Budget

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May 23, 2024

### Congressional Committees

Congress appropriated a total of \$46.55 billion to the Department of the Treasury for Emergency Rental Assistance (ERA) to address financial and housing instability caused by the COVID-19 pandemic—\$25 billion in December 2020 (ERA1) and \$21.55 billion in March 2021 (ERA2).<sup>1</sup> ERA makes funding available to tribal, state, territorial, and certain local governments and the District of Columbia (grantees).<sup>2</sup> These grantees used funds to develop ERA programs and provide financial assistance to eligible households for rent, utilities, and other eligible expenses.<sup>3</sup>

The CARES Act includes a provision for us to monitor and oversee federal efforts to prepare for, respond to, and recover from the COVID-19 pandemic.<sup>4</sup> We previously reported on issues related to the administration and oversight of ERA, including delays in spending and the need for more complete program data.<sup>5</sup> Our prior work primarily focused on ERA1 funds. This report continues our reporting on ERA and examines (1) the status of Treasury’s efforts to ensure the ERA program has complete data and to address potential improper payments, and (2) the extent to which Treasury has disclosed any limitations of the ERA2 data.

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<sup>1</sup>Specifically, in December 2020, the Consolidated Appropriations Act, 2021, authorized Treasury to disburse \$25 billion to ERA1 grantees. In March 2021, the American Rescue Plan Act of 2021 authorized Treasury to disburse \$21.55 billion to ERA2 grantees. We refer to the two appropriations as the ERA program for convenience. Treasury considers each appropriation to be a separate program managed by the same office.

<sup>2</sup>ERA2 did not include an allocation of funds to tribal governments or tribally designated housing entities.

<sup>3</sup>Both ERA statutes authorize the use of appropriated funds toward the payment of utilities and home energy costs. See 15 U.S.C. §§ 9058a(c)(2)(A)(iii), 9058c(d)(1)(A)(i)(III). For purposes of this report, the term “utilities” includes home energy costs.

<sup>4</sup>Pub. L. No. 116-136, div. B, § 19010, 134 Stat. 281, 579–81 (2020). All of GAO’s reports related to the COVID-19 pandemic are available at <https://www.gao.gov/coronavirus>.

<sup>5</sup>GAO, *Emergency Rental Assistance: Treasury’s Oversight Is Limited by Incomplete Data and Risk Assessment*, [GAO-23-105410](#) (Washington, D.C.: Dec. 20, 2022); *Emergency Rental Assistance: Additional Grantee Monitoring Needed to Manage Known Risks*, [GAO-22-105490](#) (Washington, D.C.: Feb. 10, 2022).

For the first objective, we reviewed Treasury's ERA1 and ERA2 expenditure, demographic, and payment data as of June 30, 2023, for completeness to determine the extent to which these data have improved since our December 2022 report.<sup>6</sup> We assessed the completeness and reliability of Treasury's data by reviewing summary statistics for key variables and technical documentation, and by interviewing Treasury officials responsible for the data. We found Treasury's data sufficiently reliable for describing (1) the completeness of grantee reporting on ERA2 cumulative expenditures, (2) the national expenditure rate, (3) demographic data, and (4) payment data.<sup>7</sup> However, we identified certain weaknesses in Treasury's data, which we discuss later in this report. We also interviewed Treasury officials on the status of Treasury's efforts to ensure the ERA program has complete data and to address potential improper payments.

To examine the extent to which Treasury has disclosed any limitations of ERA2 data, we assessed Treasury's publicly available cumulative program data reports for the first and second quarters of 2023 (the most recent available at the time of our analysis).<sup>8</sup> We compared the information provided in these reports against Treasury's ERA2 reporting guidance and Office of Management and Budget (OMB) guidelines on disseminating quality information.<sup>9</sup> We also interviewed Treasury officials about the content of these reports.

We conducted this performance audit from September 2023 to May 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain

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<sup>6</sup>Payment data are grantee-reported rental or utility financial assistance payments to eligible recipients, such as renter households and landlords. [GAO-23-105410](#).

<sup>7</sup>We also analyzed Treasury's publicly available cumulative expenditures for ERA1 and ERA2 to calculate the national expenditure rate (percentage of total ERA funds expended by grantees). In addition, we calculated the proportion of ERA2 expenditures by category (such as financial assistance, eviction prevention services, and affordable rental housing). We assessed the reliability of Treasury's publicly available data on ERA1 and ERA2 grantees' expenditures by reviewing summary statistics for key variables and technical documentation and interviewing Treasury officials. We determined these data to be sufficiently reliable for reporting on grantees' cumulative expenditures and the national expenditure rate.

<sup>8</sup>All years in this report are calendar year, unless otherwise noted.

<sup>9</sup>Department of the Treasury, *Emergency Rental Assistance Program (ERA2) Reporting Guidance* (Mar. 30, 2023); Office of Management and Budget, *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies*; Republication, 67 Fed. Reg. 8452 (Feb. 22, 2002).



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sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

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### ERA Program Overview

Congress appropriated a total of \$46.55 billion for ERA. Congress appropriated \$25 billion in the Consolidated Appropriations Act, 2021, and \$21.55 billion in the American Rescue Plan Act of 2021.<sup>10</sup> Treasury considers these appropriations as separate programs and refers to them as ERA1 and ERA2, respectively. ERA1 funds were generally available for expenditure to grantees until September 30, 2022, and ERA2 funds are to remain available for expenditure until September 30, 2025.<sup>11</sup> Treasury's Office of Capital Access (formerly known as the Office of Recovery Programs) administers the ERA program and shares some monitoring and oversight authority with Treasury's Office of Inspector General. The Office of Capital Access is responsible for overseeing grantees' administration and expenditures of ERA funds by, for example, collecting and monitoring ERA program data from grantees. Treasury's

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<sup>10</sup>Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, div. N, tit. V, § 501(a), 134 Stat. 1182, 2069 (2020) (codified at 15 U.S.C. § 9058a(a)). American Rescue Plan Act of 2021, Pub. L. No. 117-2, tit. III, § 3201(a)(1), 135 Stat. 4, 54 (codified at 15 U.S.C. § 9058c(a)).

<sup>11</sup>The American Rescue Plan Act of 2021 extended the availability of ERA1 funds from December 30, 2021, to September 30, 2022. Pub. L. No. 117-2, tit. III, § 3201(h), 135 Stat. 4, 58. In a July 29, 2022, notice, Treasury extended the deadline for ERA1 funds received through reallocation to December 29, 2022, for grantees who had requested a 90-day extension prior to the notice, in accordance with 15 U.S.C. § 9058a(e)(2). For more information on Treasury's reallocation of ERA1 funds, see [GAO-23-105410](#).

Office of Inspector General is responsible for overseeing ERA funds, such as by investigating allegations of fraud.<sup>12</sup>

Grantees are to primarily expend their allocations to provide payments to landlords and utility providers on behalf of eligible renter households for rent and utilities or rental and utility arrears, and other expenses related to housing, as allowed by law.<sup>13</sup> Grantees are also able to expend their funds for administrative costs (up to 10 and 15 percent for ERA1 and ERA2, respectively) and housing stability services (up to 10 percent in each program).<sup>14</sup>

Under ERA2, once grantees have obligated at least 75 percent of their total allocated ERA2 funds for financial assistance, administrative costs, and housing stability services by October 1, 2022, they may expend their unobligated funds for the construction, rehabilitation, and preservation of affordable rental housing and additional eviction prevention services for very low-income families.<sup>15</sup>

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<sup>12</sup>The Consolidated Appropriations Act, 2021 provided the Office of Inspector General with \$6.5 million to monitor and oversee the disbursement, receipt, and use of ERA1 funds and to recoup certain funds spent in violation of eligible uses. 15 U.S.C. § 9058a(i)(3). For ERA2 funds, the American Rescue Plan Act of 2021 provided the Office of Inspector General with \$3 million for oversight. 15 U.S.C. § 9058c(a)(2)(C).

<sup>13</sup>For ERA1, if landlords and utility providers do not participate in the program, grantees may provide the financial assistance directly to the eligible household. According to Treasury guidance, ERA2 does not require grantees to seek the cooperation of the landlord or utility provider before providing direct assistance to the tenant. Households that are eligible to receive ERA1 assistance were generally those that (1) experienced a financial hardship directly or indirectly due to the COVID-19 pandemic or qualified for unemployment benefits, (2) at least one member demonstrated a risk of housing instability or homelessness, and (3) were low-income, defined as having household income not exceeding 80 percent of their area median or as established by the Department of Housing and Urban Development. The eligibility requirements for households receiving ERA2 funds are generally the same as those for ERA1 households, but the statute authorizing ERA2 requires that the financial hardship be during or due directly or indirectly to the COVID-19 pandemic.

<sup>14</sup>Housing stability services help households maintain or obtain housing and include services such as eviction prevention and diversion programs and mediation between landlords and tenants.

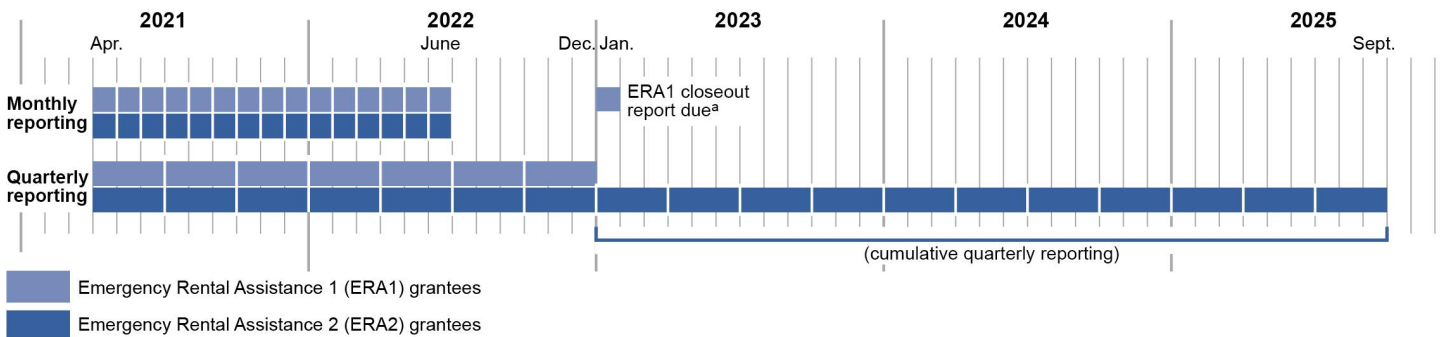
<sup>15</sup>An obligation is a definite commitment that creates a legal liability of the government for the payment of goods and services ordered and received. The statute establishing ERA2 defines very low-income families generally as those whose incomes do not exceed 50 percent of the median family income for their area.

## Data Reporting Requirements

ERA grantees are required to submit periodic reports to Treasury, including data on program activities, expenditures, household demographics, and payments made to households. The Consolidated Appropriations Act, 2021, required Treasury to report on six performance measures, each broken down by race, ethnicity, and gender.<sup>16</sup> Treasury guidance required monthly and quarterly reporting on expenditures.<sup>17</sup> ERA1 grantees are no longer submitting these data to Treasury because ERA1 funds have expired, and the program has ended. ERA1 grantees were required to submit final program data (in the form of a “closeout report”) to Treasury by January 30, 2023.<sup>18</sup>

Treasury guidance requires ERA2 grantees to report program data every quarter through September 2025 (see fig. 1). Beginning in calendar year 2023, Treasury changed its quarterly reporting requirement to require ERA2 grantees to report cumulative data rather than data only covering the quarter.

**Figure 1: Reporting Requirements for ERA Grantees, by Program**



Source: GAO analysis of Department of the Treasury documentation. | GAO-24-107084

<sup>16</sup>15 U.S.C. § 9058a(g)(1) and (2). The performance measures are the number of households served, type of assistance provided, average household payment amount, household income level, application-funding rate, and the average payment length.

<sup>17</sup>The monthly reporting requirement for ERA1 and ERA2 grantees was from April 2021 through June 30, 2022. Monthly reports required two data points: the total number of participant households in the reporting period and the total amount of ERA funds expended in the reporting period. Department of the Treasury, *Emergency Rental Assistance Program Reporting Guidance* (Dec. 8, 2022).

<sup>18</sup>The closeout report for grantees that received ERA1 reallocated funds was due on April 28, 2023.

**Accessible Data for Figure 1: Reporting Requirements for ERA Grantees, by Program**

	ERA1	ERA2
Monthly reporting	April 2021 – June 2022 (Jan. 2023 closeout report due)	April 2021 – June 2022
Quarterly reporting	April 2021 – December 2022	April 2021 – September 2025 (cumulative quarterly reporting as of Jan. 2023)

Source: GAO analysis of Department of the Treasury documentation. | GAO-24-107084

<sup>a</sup>The closeout report for grantees that received ERA1 reallocated funds was due on April 28, 2023.

Treasury’s guidance outlines what data ERA2 grantees are required to report, including

- cumulative obligations and expenditures by type (e.g., financial assistance or affordable rental housing);
- number of households that received ERA assistance;
- number of households served at certain income levels;
- number of households served by race, ethnicity, and gender; and
- information on unique payments made to households, such as physical address of household and amount and date of each payment.<sup>19</sup>

Treasury publishes certain data from these grantee-submitted reports on the agency’s website every quarter through its ERA2 cumulative program data report (quarterly report). These reports include data on total obligations and expenditures by grantee, the total number of payments made to households, and the total number of households that received assistance by certain income levels.

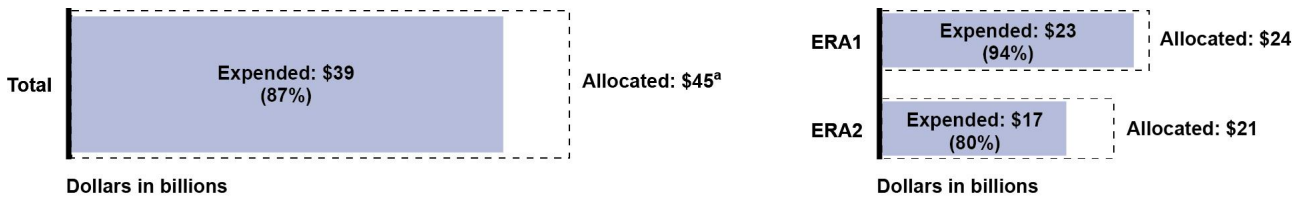
**Status of ERA Expenditures**

According to data available on Treasury’s website, ERA grantees expended 87 percent of funds reported (see fig. 2). ERA1 grantees

<sup>19</sup>Department of the Treasury, *Emergency Rental Assistance Program (ERA2) Reporting Guidance*. Treasury collects these data in two separate files, one containing grantee-level program data and the other file containing participant household payment data. These two files are not publicly available. Treasury uses selected data from these two files in its public reports, including grantee expenditures and payments made to participating households. According to Treasury officials, they primarily use the participant household data file for research on the impact and effectiveness of the program.

reported expending 94 percent of their funds from January 1, 2021, through December 31, 2022.<sup>20</sup> ERA2 grantees reported expending 80 percent of their funds as of the end of the second quarter of 2023 (June 30, 2023). Of the 80 percent of funds ERA2 grantees expended, 99.98 percent went to financial assistance to households, housing stability services, and administrative expenses. Less than 1 percent (0.01 percent) of funds were expended on construction of affordable rental housing properties and eviction prevention services.

**Figure 2: Grantees’ Total Emergency Rental Assistance (ERA1 and ERA2) Expenditures Publicly Reported, by Program**



Source: GAO analysis of Department of the Treasury data. | GAO-24-107084

**Accessible Data for Figure 2: Grantees’ Total Emergency Rental Assistance (ERA1 and ERA2) Expenditures Publicly Reported, by Program**

Total ERA1 and ERA2 Expenditures (billions)			ERA1 Expenditures (billions)			ERA2 Expenditures (billions)		
Total Expenditure	Total Allocation	Percent Expended	Total Expenditure	ERA1 Allocation	Percent Expended	Total Expenditure	Total Allocation	Percent Expended
\$39	\$45	87%	\$22.7	\$24.1	94%	\$16.6	\$20.9	80%

Source: GAO analysis of Department of the Treasury data. | GAO-24-107084

Note: Expenditures reflect information as it was reported by grantees and may be incomplete. ERA1 data are from January 1, 2021, through December 31, 2022. According to Treasury, the 6 percent of funds not accounted for in the ERA1 public report is partly explained by allowable operational costs associated with closing out the program. ERA2 data are as of June 30, 2023.

<sup>a</sup>This accounts only for the funds received by grantees and not \$54.5 million authorized for administrative and oversight responsibilities of Treasury and Treasury’s Office of Inspector General.

<sup>20</sup>Grantees were to use all ERA1 funds by December 29, 2022. According to Treasury, the 6 percent of funds not accounted for in the ERA1 public report is partly explained by allowable operational costs associated with closing out the ERA1 program. This includes administrative costs and funds obligated, but not yet expended, for financial assistance.

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## Data Continue to Be Incomplete and Improper Payment Risks Remain

Consistent with our December 2022 report, we found that, as of February 2, 2024, Treasury had not collected complete data on ERA2.<sup>21</sup> In our December 2022 report, we found the following:

- Twenty percent of grantees did not report data on ERA1 and ERA2 payments made to individual households served in 2021.
- Data Treasury reported publicly for the first three quarters of 2021 that were disaggregated by demographics were missing 44–55 percent of households served with ERA1 funds.

Similarly, as part of this review, we found the following:

- Based on data available at the time of our analysis, 96 of the 378 ERA2 grantees (25 percent) did not report data on ERA payments made to individual households served, as of June 30, 2023.<sup>22</sup> However, in May 2024, Treasury officials told us that 58 of the 96 grantees we identified as nonreporting were not included in the file the agency provided for our analysis due to a file transfer error. According to Treasury officials, this means that 38 of the 378 ERA2 grantees (10 percent) did not report household payment data for the second quarter of 2023.<sup>23</sup> Treasury officials told us they did not become aware of the file transfer error until they reviewed our draft report. Also, in response to our review, Treasury officials said they were able to increase reporting compliance among these grantees in the fourth quarter of 2023, reducing the number of nonreporting grantees to five.

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<sup>21</sup>[GAO-23-105410](#).

<sup>22</sup>We excluded the state of Arkansas from the total number of ERA2 grantees because, according to Treasury, the state had not accepted ERA2 funds at the time of our review.

<sup>23</sup>According to an email between Treasury and its data contractor, some grantees were not included in the data Treasury provided to us because their data submissions did not pass validation (for example, some grantees submitted files that were missing payment amounts and dates and others submitted files that did not contain any data). This is consistent with our December 2022 report in which we found data were missing for 26 percent of payments in 2021. [GAO-23-105410](#).

- Of the 378 ERA2 grantees, 48 (13 percent) did not report demographic information for households they provided financial assistance to as of June 30, 2023.<sup>24</sup>
- Of the 378 ERA2 grantees, 13 (3 percent) did not report total expenditures of their ERA2 funds as of June 30, 2023. Together, these 13 grantees received about \$581 million in ERA2 funds.

In our 2022 report, we recommended that Treasury expediently collect complete and accurate ERA data, including quarterly payment data and performance measures required by the Consolidated Appropriations Act, 2021.<sup>25</sup> Treasury agreed with the recommendation and has taken some steps to improve the completeness of ERA data. Specifically, Treasury officials stated their requirement for grantees to submit final program data (closeout data) would address ERA1 data that were missing or inaccurately reported in prior quarters. They said this requirement also would help ensure data collection met all statutory reporting requirements. However, we could not confirm this because as of May 3, 2024, Treasury was in the process of validating and finalizing the ERA1 data. Treasury did not have an estimated date for publishing the closeout report that would provide these data but anticipates publishing them in late 2024. As a result, Treasury has not yet fully implemented the recommendation.

For ERA2, Treasury officials said the agency continues to take steps to address prior reporting challenges. They noted that the shift to requiring cumulative—rather than quarterly—data reporting allows grantees to correct missing or inaccurate data reported in prior quarters. Treasury officials said the agency has also provided technical assistance to grantees to help improve their reporting. However, officials said they

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<sup>24</sup>Of these 48 grantees, 21 did not submit demographic data. The other 27 grantees reported zeros for all demographic categories. We could not estimate the number of households served that were not accounted for in Treasury's data because 13 of the 48 ERA2 grantees that did not report demographic data also did not submit data on the number of households they assisted, as of June 30, 2023. As part of its technical review of our draft report, Treasury identified an error in the public report we used to calculate the number of grantees that did not submit demographic data as of June 30, 2023. According to Treasury, 19 grantees (not 21) did not submit the required information. Treasury updated its public reporting to reflect this change as of February 23, 2024. Our analysis reflects the 21 grantees missing as of June 30, 2023.

<sup>25</sup>[GAO-23-105410](#) and GAO, *Priority Open Recommendations: Department of the Treasury*, [GAO-23-106469](#) (Washington, D.C.: July 7, 2023).

recognized that ERA2 data continue to be incomplete (as also shown in our analysis) and that improvement efforts were ongoing.

Further, in our December 2022 report, we found data anomalies that indicated a risk of improper payments to households. Specifically, we found that household level data were missing for about 26 percent of the \$17.1 billion in ERA payments to households that grantees reported in 2021. This potentially placed the ERA program well above the statutory threshold for risks of significant improper payments (1.5 percent of program outlays or \$100 million).<sup>26</sup> However, Treasury had not assessed improper payments to households in the program. As a result, we recommended that Treasury complete a detailed assessment of the ERA program's susceptibility to improper payments, such as a quantitative analysis that incorporates grantee payment data and other relevant data sources.

Treasury agreed with this recommendation, but as of April 16, 2024, had not taken steps to directly address it. As we reported in December 2022, Treasury completed a risk assessment that focused on the risk of improper payments in the agency's disbursement of ERA allocations made to grantees. This assessment concluded that the program was not susceptible to significant improper payments.<sup>27</sup> However, as we also reported in 2022, the risk assessment did not account for missing data or duplicative payments at the household level. As part of this review, Treasury also said it reviews grantees' single audit reports to identify potential improper payments risks.<sup>28</sup> However, Treasury did not provide documentation on the number of reviews or how these reviews have

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<sup>26</sup>A program is considered to be susceptible to significant improper payments if, in the preceding fiscal year, the sum of the program's improper payments and payments whose propriety cannot be determined due to lacking or insufficient documentation (unknown payments) may have exceeded either (1) 1.5 percent of program outlays and \$10 million or (2) \$100 million (regardless of the improper payment rate). See 31 U.S.C. § 3352(a)(3). OMB's guidance clarifies that payments include transfers of federal funds by a federal grantee to any nonfederal person or entity, such as a landlord or tenant. Unknown payments may not necessarily be improper payments but are to be included in the risk assessment for the purpose of determining the program's susceptibility to improper payments.

<sup>27</sup>In its comments on this report, Treasury officials confirmed they had completed this assessment.

<sup>28</sup>The Single Audit Act establishes requirements for nonfederal entities that receive federal awards to undergo single audits (or, in limited circumstances, program-specific audits) of those awards annually (unless a specific exception applies) when they spend at least \$750,000 in federal awards in their fiscal year. 31 U.S.C. §§ 7501-06; 2 C.F.R. § 200.501.



informed decisions related to the risk of improper payments to households in the program.

Our analysis of ERA2 payment data from the second quarter of 2023 showed the program continued to potentially exceed the statutory threshold for significant improper payments risks.

- As noted earlier, based on available data at the time of our analysis, about 25 percent of ERA2 grantees did not report on ERA payments made to individual households served as of the second quarter of 2023. In total, these grantees received about \$4.1 billion in ERA2 funds, which exceeds the statutory threshold for risks of significant improper payments.
- As previously stated, in response to our draft report, Treasury said 10 percent of ERA2 grantees did not report payments made to households served as of the second quarter of 2023.<sup>29</sup> According to Treasury, these grantees received a total of \$787 million in ERA2 funds. This amount also exceeds the statutory threshold for risks of significant improper payments and represents funds that Treasury is unable to assess to identify potential improper payments risks. In May 2024, Treasury officials told us that they had worked with grantees to increase reporting compliance. According to Treasury officials, all but five of the previously mentioned 96 grantees reported household payment data for the fourth quarter of 2023. In total, these five grantees received \$42 million in ERA2 funds.

While Treasury has taken some steps to improve compliance with ERA2 reporting requirements, the data anomalies in the household payment data we have identified in our prior work and this review continue to be a concern. As a result, we reiterate the importance of improving these data and assessing the program's susceptibility to improper payments. Taking such steps would better position Treasury and its Office of Inspector General to oversee the ERA program and address improper payment risks. It would also provide Congress and taxpayers with a better understanding of program outcomes. We will continue to monitor and evaluate Treasury's efforts to address our recommendations.

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<sup>29</sup>Treasury officials attributed the missing data to a file transfer error, which they did not become aware of until they reviewed our draft report.

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## Treasury's Public Reports on ERA2 Do Not Disclose Data Limitations

Treasury publishes quarterly reports of ERA2 data, but the reports do not clearly disclose data limitations such as missing grantees. As previously stated, Treasury's ERA2 cumulative program data reports, available on Treasury's website, provide quarterly updates on grantees' program expenditures and on participating households.<sup>30</sup> The data in these reports are based on information that grantees submit to Treasury. The reports include cumulative information on ERA2 funds at the national and grantee level, such as the total ERA2 funds expended. They also include information on funds obligated and expended for activities such as financial assistance, development of affordable rental housing, and eviction prevention services. In addition, the reports provide a breakdown of household demographics, such as income level, race and ethnicity, and gender.

Treasury's ERA2 reporting guidance states that Treasury's performance and financial reporting requirements are designed to ensure maximum public transparency around use of ERA2 award funds.<sup>31</sup> Further, according to OMB guidance, federal agencies should ensure they disseminate information in an accurate, clear, complete, and unbiased manner.<sup>32</sup>

However, Treasury's quarterly reports do not contain disclosures (1) of potential underreporting of ERA2 funds, (2) that some local jurisdictions transferred funds, (3) of underreporting of household demographic information, or (4) of underreporting of the number of payments to

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<sup>30</sup>For purposes of our audit, we reviewed the ERA2 cumulative program data reports for the first two quarters of calendar year 2023, which were the most recent available at the time of our analysis. Treasury's ERA reports are publicly available at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting> (accessed Nov. 11, 2023).

<sup>31</sup>Department of the Treasury, *Emergency Rental Assistance Program (ERA2) Reporting Guidance* (Washington D.C.: Mar. 30, 2023).

<sup>32</sup>Office of Management and Budget, *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies; Republication*, 67 Fed. Reg. 8452 (Feb. 22, 2002). See also the Department of the Treasury Information Quality Guidelines available at <https://home.treasury.gov/department-of-the-treasury-information-quality-guidelines> (accessed Feb. 20, 2024).

households. Because they lack these disclosures, the quarterly reports could lead users to draw inaccurate conclusions about the status of ERA2 funds and program performance.

**Limited disclosure of extent of underreporting of ERA2 funds.**

According to Treasury, 23 (out of a total of 378) ERA2 grantees did not submit required data, including total expenditures, for the first quarter of 2023 and were not included in Treasury's published report. In total, these grantees received about \$847 million in ERA2 funds.<sup>33</sup> A total of 13 grantees receiving about \$581 million did not submit data for the second quarter of 2023.<sup>34</sup>

Both quarterly reports included a note stating the report contained data for grantees that submitted reports for the reporting period. In addition, during our review, Treasury added another note to the second quarter report explaining that the total ERA2 allocation amount only includes allocations to grantees with submitted reports for the reporting period (see fig. 3).

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<sup>33</sup>The second quarter of 2023 quarterly report accounted for \$20.9 billion in allocated ERA2 funds.

<sup>34</sup>Treasury stated that seven of the 23 grantees that did not submit required data for the first quarter of 2023 also did not submit data for the second quarter of 2023 (the most recently available report on Treasury's website at the time of our analysis). In our analysis, we found six additional grantees were also missing from the report for the second quarter of 2023. The individual allocations of the 23 missing grantees in the first quarter 2023 report and 13 missing grantees in the second quarter 2023 report ranged from about \$2 million to about \$332 million.

**Figure 3: Selected Excerpts from Treasury’s Emergency Rental Assistance (ERA2) Report, Second Quarter 2023**

Preliminary Data as Submitted by ERA2 Grantees for Quarter 2 2023 Compliance Reports							
Reporting Period: April 1, 2021, - June 30, 2023							
This Excel Workbook provides cumulative ERA2 programmatic data and participant demographic information covering the period April 1, 2021, through June 30, 2023, as reported by ERA2 grantees on the required “Quarter 2 2023” compliance reports. This file only contains data for grantees who submitted this required report.							
U.S. Department of the Treasury Emergency Rental Assistance Program (ERA2) Interim Report American Rescue Plan Act, 2021 Cumulative ERA2 Program Data	Reporting Period: April 1, 2021, - June 30, 2023 <sup>1-9</sup>						
	Rental Assistance Projects		Affordable Rental Housing Projects		Eviction Prevention Projects		Total ERA 2 Allocation \$ Millions <sup>8,10</sup>
States, Local Governments, and U.S. Territories / 2023	Total Expenditures Q2 2021 - Q2 2023 \$ Millions <sup>2</sup>	Total Obligations Q2 2021 - Q2 2023 \$ Millions <sup>3</sup>	Total Expenditures Through Q2 2023 \$ Millions <sup>4</sup>	Total Obligations Through Q2 2023 \$ Millions <sup>5</sup>	Total Expenditures Through Q2 2023 \$ Millions <sup>6</sup>	Total Obligations Through Q2 2023 \$ Millions <sup>7</sup>	
<b>Grand Total</b>	\$ 16,641	\$ 18,336	\$ 2	\$ 41	\$ 2	\$ 11	\$ 20,877.7

<sup>8</sup>Total amount of assistance allocated to the ERA2 Recipient by the US Department of Treasury under the ERA2 program, including high-need allocation. ERA2 allocations to local governments that were up-streamed to their county or state are included in the parent entity allocations. Allocation amounts are adjusted for funds gained or lost through reallocation.

<sup>10</sup>This table includes data from ERA2 Recipients that submitted an ERA2 Q2 2023 compliance report as of September 15, 2023. The Grand Total ERA2 Allocation only includes allocations to Recipients with submitted reports for this reporting period.

About \$581 million in ERA2 funds were not included in the report because 13 grantees did not submit required data.

Source: Department of the Treasury. | GAO-24-107084

Note: Table notes 1–7 and 9 appear in the original reports but not in this figure because they are not relevant to the information in the selected excerpts.

However, the reports do not disclose which or how many grantees did not submit required data, or how much of total ERA2 allocations those grantees represented. As a result, a report user may not realize that reports do not account for all ERA2 funds allocated and cannot determine how much of the funds the reports are missing.

**Limited disclosure of some local jurisdictions transferring funds.**

The reports do not explain that 103 local jurisdictions declined to administer ERA2 funds and the majority transferred these funds to their state.<sup>35</sup> Treasury initially allocated ERA2 funds to 482 eligible state, local,

<sup>35</sup>Five of the 103 local jurisdictions transferred their ERA2 funds to other local jurisdictions in their state. One local jurisdiction transferred part of its funds to another local jurisdiction and the remainder to its state.

and territorial governments.<sup>36</sup> However, Treasury officials said 103 of these local jurisdictions decided to not administer ERA2 funds and transferred about \$2 billion to participating grantees. For example, New York City was eligible to receive about \$397 million but declined its direct allocation. Similarly, both the County and City of Los Angeles declined their direct allocations in the amounts of about \$212 million and \$193 million, respectively. According to Treasury, all three of these local governments transferred their funds to their state.

The quarterly reports we reviewed include a table note stating that ERA2 allocations to local governments that were transferred to their county or state are included in the parent entity allocations (see fig. 3). However, the reports do not disclose which or how many of these local governments declined and transferred their funds to a parent entity. The reports also do not disclose which grantees ultimately received the funds. For example, the reports did not disclose the New York City's transfer of \$397 million to New York State. As a result, a user seeking the status of ERA2 funds for certain local governments might incorrectly assume these funds were missing from the report or had not been expended.

During its technical review of our draft report, Treasury published a document on its website listing the governments that declined ERA2 funds and the grantees that ultimately received those funds.<sup>37</sup> Treasury officials told us that they had not previously published this list because they believed their link to the Consumer Financial Protection Bureau rental assistance lookup tool was the clearest way to communicate to potential renters and landlords what rental assistance was available in their jurisdictions.<sup>38</sup>

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<sup>36</sup>Department of the Treasury, *Emergency Rental Assistance Program Allocations to States and Eligible Units of Local Government*. See [https://home.treasury.gov/system/files/136/ERA2\\_Allocations\\_Eligible\\_Entities\\_572021.pdf](https://home.treasury.gov/system/files/136/ERA2_Allocations_Eligible_Entities_572021.pdf) (accessed Oct. 4, 2023). ERA2 did not allocate any funds to Tribes or tribally designated housing entities.

<sup>37</sup>See *ERA2 Grantees that Declined Allocations, Allocations and Payments | U.S. Department of the Treasury* (accessed Mar. 4, 2024). The public reports do not link to this newly published document, so a user reviewing the reports would need to navigate to the Allocations and Payments page of Treasury's website to view it.

<sup>38</sup>See *How Federal Rental Assistance Works | Consumer Financial Protection Bureau (consumerfinance.gov)* (accessed Mar. 4, 2024). This website does not include information on governments that declined ERA2 funds.

**No disclosure of underreporting of household demographic information.** The quarterly reports provide demographic information (race, ethnicity, and gender) on households served by ERA2.<sup>39</sup> Treasury officials told us the percentages of households served, by demographic categories, are not based on the 2.6 million total households that grantees reported serving as of the second quarter of 2023.<sup>40</sup> Rather, officials said they are based on the number of households that reported demographic information, which is less than 2.6 million. However, the report does not disclose this. As a result, a user might incorrectly assume that the demographic data were based on total households served rather than only the portion that reported demographic data.

**No disclosure of underreporting of payments to households.** The quarterly reports provide the number of payments made to participating households for financial assistance. But these data do not include payments from as many as 96 grantees that did not submit data or submitted them in a manner incompatible with Treasury's system.<sup>41</sup> The reports we reviewed included a table note stating that the number of payments is based on the data grantees submitted. However, the reports do not disclose that household payment data are missing from the 96 grantees, nor the total number of missing payments. This could mislead a report user about the true number of payments made to households under ERA2.

According to Treasury, its policy for public posting of quarterly program data is to only include information as it was reported by grantees. Therefore, if a grantee does not submit the report, Treasury's quarterly

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<sup>39</sup>Treasury only reports demographic information for unique households whose rent, rental arrears, utility and home energy payments, utility and home energy arrears, or other expenses related to housing were fully or partially paid under ERA2. Grantees do not report this information for households served by ERA2-funded affordable rental housing properties or eviction prevention services.

<sup>40</sup>In technical comments on our draft report, Treasury officials said they believe their methodology reduces the potential for confusion caused by calculating the percentages based on the total number of households served, while providing a clear and digestible breakdown of the services provided to households by demographic characteristic. However, we maintain that without disclosure of the methodology, users of the data may draw incorrect conclusions from the reports.

<sup>41</sup>According to Treasury, the agency uses household payment data to calculate and report on the total number of payments to participating households. Earlier in this report, we discuss corrections to the household payment data Treasury made in response to our draft report. However, as of May 6, 2024, Treasury has not publicly reported the corrected data for the third or fourth quarter of 2023.

report would not include any information about the grantee. Treasury stated that the reports disclose this fact in a statement in the introductory tab or table notes. However, these notes are general in nature and do not specify which or how many grantees are missing or transferred funds or that demographic data do not account for all households served.

According to Treasury officials, they believe the notes on the public reports provide sufficient information for users to understand the reported data. However, unless Treasury revises the ERA2 public reports to disclose the key data limitations we identified, the data may be misinterpreted. Third-party reporting of Treasury's public data may also lack transparency, including data published by the Pandemic Response Accountability Committee. Further, Congress and the public will not have a complete picture of what the data represent.

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## Conclusions

The ERA program plays an important role in helping low-income households affected by the COVID-19 pandemic pay rent, utilities, and other housing-related expenses. Treasury has taken some steps to address data collection issues we identified in 2022, but we found significant data limitations for ERA2 funds. We therefore reiterate our 2022 recommendation that Treasury collect complete and accurate data on ERA payments and grantees, which would better position Treasury to oversee the ERA program and would improve the understanding of program outcomes.

We also identified significant risks of improper payments in 2022, but Treasury has yet to assess these risks, which continue to be relevant for the ERA2 funds. We also reiterate our 2022 recommendation that Treasury complete a detailed assessment of ERA's susceptibility to improper payments to households. Such an assessment would help Treasury understand and address improper payment risks.

Finally, we have identified known data limitations that were not fully disclosed in Treasury's published quarterly reports. More transparency on the limitations of the ERA2 data would facilitate interpretation of the data and give Congress and the public a better understanding of what is known about the program and its outcomes.

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## Recommendation for Executive Action

The Secretary of the Treasury should ensure that the Chief of the Office of Capital Access revise ERA2 public reports to include language disclosing details on potential underreporting of ERA2 expenditures, demographic information, and payments to households, and on local jurisdictions' transfer of funds. (Recommendation 1)

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## Agency Comments

We provided a draft of this report to Treasury for review and comment. In its comments, reproduced in appendix I, Treasury agreed with recommendation 1. The agency stated that it had already taken steps to address the recommendation by posting lists of governments that declined ERA2 funds and governments that ultimately became ERA2 grantees. In addition, Treasury provided an update on the status of our December 2022 recommendation on improper payments risks, which we reiterated in this report. We made changes in the report to reflect this information.

Treasury also provided technical comments, which we incorporated as appropriate. We considered one comment to be more than technical in nature. According to information Treasury provided 58 of the 96 grantees we identified as nonreporting were not included in the file the agency provided for our analysis partly, because some grantees' submissions did not pass data validation (for example, some files were missing payment amounts and dates or did not contain any data). We clarified in the report that our analysis was based on data Treasury provided during our review. We also included information on updates on the status of these data Treasury officials provided to us.

We are sending copies of this report to the appropriate congressional committees, the Secretary of the Treasury, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

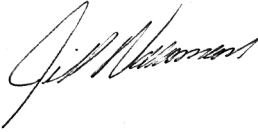
If you or your staff have any questions about this report, please contact me at (202) 512-8678 or [naamanej@gao.gov](mailto:naamanej@gao.gov). Contact points for our Office of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.



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Letter

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Jill M. Naamane  
Director, Financial Markets and Community Investment

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Ranking Member  
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House of Representatives

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# Appendix I: Comments from the Department of the Treasury

**Appendix I: Comments from the Department of the Treasury**



**DEPARTMENT OF THE TREASURY**

WASHINGTON, D.C. 20220

April 16, 2024

Jill M. Naamane  
Director, Financial Markets and Community Investment  
Government Accountability Office  
441 G Street NW  
Washington, DC 20548

Dear Ms. Naamane:

I write regarding the Government Accountability Office's (GAO) draft report entitled *Emergency Rental Assistance: Treasury Should Improve Data Completeness and Public Reporting* (Draft Report). The Draft Report reviews data reporting for Treasury's two Emergency Rental Assistance (ERA) programs, which were created by the Consolidated Appropriations Act, 2021 (ERA1), and the American Rescue Plan Act of 2021 (ERA2), respectively. We appreciate GAO's work on this engagement.

The ERA programs provided critical funding for state, local, territorial, and Tribal governments to prevent eviction and support housing stability during the COVID-19 pandemic. As the Draft Report describes, Congress tasked Treasury with implementing ERA rapidly and under extraordinary emergency conditions. Despite these challenges, Treasury quickly implemented the program and oversaw unprecedented rental assistance. To date, the ERA Programs have already provided more than 12.3 million rental assistance payments to families in need.

A key feature of ERA's design and implementation is robust controls for grantee monitoring and public transparency through both the publication of comprehensive reporting on grantee use of funds and providing data to external researchers at the Department of Housing and Urban Development and the Office of Evaluation Sciences to evaluate the impact of the program. The controls Treasury has put in place are designed to minimize and mitigate program risks, including the risk of improper payments. Indeed, Treasury's FY 2023 risk assessment of the ERA programs, which was conducted pursuant to OMB Circular A-123, Appendix C, did not identify any widespread susceptibility of the ERA programs to improper payments. In addition, Treasury's Single Audit resolution process, which supports the work of external auditors in reviewing grantees' ERA programs for questioned costs, has not shown any widespread improper payment issues.

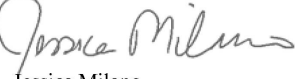
We agree with GAO's recommendation to revise ERA2 public reports to include language disclosing details on potential underreporting of ERA2 expenditures, demographic information, payments to households, and local jurisdictions' transfer of funds. In fact, Treasury's website also contains a list of the governments that declined ERA2 funds and the grantees that ultimately

**Appendix I: Comments from the Department of  
the Treasury**

received those funds.<sup>1</sup> This list, along with the publicly available preliminary ERA2 allocations<sup>2</sup> and the Consumer Financial Protection Bureau's previous rental assistance lookup tool, has provided detailed information to the public with respect to the rental assistance available in each jurisdiction.

\* \* \*

Thank you for the opportunity to review the Draft Report, and for your consideration of our comments.

Sincerely,  
  
Jessica Milano  
Chief Program Officer  
U.S. Department of the Treasury

<sup>1</sup> <https://home.treasury.gov/system/files/136/ERA2-Grantees-that-Declined-Allocations.pdf>

<sup>2</sup> [https://home.treasury.gov/system/files/136/ERA2\\_Allocations\\_Eligible\\_Entities\\_572021.pdf](https://home.treasury.gov/system/files/136/ERA2_Allocations_Eligible_Entities_572021.pdf)

# Accessible Text for Appendix I: Comments from the Department of the Treasury

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Director, Financial Markets and Community Investment  
Government Accountability Office  
441 G Street NW  
Washington, DC 20548

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Thank you for the opportunity to review the Draft Report, and for your consideration of our comments.

Sincerely,

Jessica Milano  
Chief Program Officer  
U.S. Department of the Treasury

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<sup>1</sup> <https://home.treasury.gov/system/files/136/ERA2-Grantees-that-Declined-Allocations.pdf>

<sup>2</sup> [https://home.treasury.gov/system/files/136/ERA2\\_Allocations\\_Eligible\\_Entities\\_572021.pdf](https://home.treasury.gov/system/files/136/ERA2_Allocations_Eligible_Entities_572021.pdf)



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## Appendix II: GAO Contact and Staff Acknowledgments

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### GAO Contact

Jill M. Naamane, (202) 512-8678 or [naamanej@gao.gov](mailto:naamanej@gao.gov)

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### Staff Acknowledgments

In addition to the contact named above, Cory Marzullo (Assistant Director), Josephine Perez (Analyst in Charge), Chelsea Carter, Daniel Horowitz, Garrett Hillyer, Alberto Lopez, Marc Molino, Dedrick (DJ) Moulton II, Jean Recklau, Julia Robertson, and Farrah Stone made key contributions to this report.



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