What the CDC’s eviction moratorium means for utilities and their customers

By Lisa Schulte
September 15, 2020

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With the US on the precipice of an eviction crisis, the Centers for Disease Control and Prevention (CDC) issued a moratorium on evictions until the end of the year. While this directive keeps some Americans housed for now, it’s superficial relief that doesn’t address the root cause of the crisis: the inability of many Americans to pay rent and utilities.

Evictions are delayed but financial relief is missing

Early COVID-19 relief measures from the Coronavirus Aid, Relief, and Economic Security (CARES) Act—including the $1,200 stimulus payments and $600-a-week unemployment benefits—delayed financial crisis for many Americans. However, no new COVID-19 relief has passed Congress and unemployment benefits from the CARES Act have now expired. According to the State Employment and Unemployment—July 2020 news release (PDF) from the US Department of Labor’s Bureau of Labor Statistics, employment has grown from June but is down significantly from 2019:

> The national unemployment rate fell by 0.9 percentage point over the month to 10.2 percent but was 6.5 points higher than in July 2019.

Bluntly, a lot of Americans are in a precarious situation that’s only going to get worse over the coming months.

The 2020 US election will determine what further COVID-19 relief Americans will see during the pandemic. A second COVID-19 relief bill has stalled in Congress, with Republicans and Democrats offering separate proposals that seem unlikely to pass. The Republican bill that failed to pass when brought to a Senate vote on September 10, 2020, offered $500 billion to provide $300 per month for unemployment benefits, additional paycheck protection subsidies, but no additional stimulus checks. The House passed a far larger, $3 trillion Democratic-backed bill in May but the Senate has made no moves to vote on it. Americans may have to wait until after the election to see any additional aid.

Unfortunately, this leaves struggling Americans in a precarious situation. The CDC eviction moratorium delays evictions but missed rent will still be due.

What should utilities do?

You can't do much to help customers stay up to date on their rent or feel secure in their housing. But you can make sure customers are aware of the resources available to them to pay their electric, gas, and water bills and alleviate as much stress around those bills as possible.

With the combined end of federal COVID-19 assistance and a lack of protection against shutoffs as moratoriums end, you need to reach out to struggling customers—because their numbers are going to grow.

Customers are already worried about keeping their homes and making ends meet. Navigating the Low Income Home Energy Assistance Program (LIHEAP), payment arrangements, and other financial programs can be overwhelming for them, especially if they've never used these programs before. We're seeing utilities step up and simplify their processes by:

- Proactively offering payment arrangements via easy text message and website enrollment
- Automatically enrolling customers who qualify for LIHEAP assistance into utility-run low-income rates and assistance programs
- Training agents to advise customers on utility and community resources available to them and connecting customers with other community partners for aid related to rent, food, or job opportunities
- Creating dedicated marketing campaigns to communicate to low-income and newly no-income customers about assistance and payment programs
- Walking customers through how to apply to LIHEAP if funds are still available (Arkansas recently ran out of funds for the year)

With the combined end of federal COVID-19 assistance and a lack of protection against shutoffs as moratoriums end, you need to reach out to struggling customers—because their numbers are going to grow. You can support your customers now by:

- Continuing to promote LIHEAP and utility-run assistance programs
- Proactively setting up payment arrangements
- Offering debt forgiveness for partial payments

Finally, you should consider how the 2020 election will affect long-term customer assistance plans. Either outcome will bring wildly different responses to how the US continues managing the pandemic, what additional assistance Americans might receive, and how the looming eviction crisis will play out.

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