





# Guidance for Landlords and Tenants - General FAQs

On June 25, 2020, Nevada Governor Steve Sisolak entered a <u>Declaration of Emergency Directive 025</u>, which lifts the statewide moratorium on evictions and foreclosures during the State of Emergency in phases. This guidance for landlords and tenants is intended to help explain Directive 025 unless prohibited by federal law.

# 1. What is the Lease Addendum and Promissory Note for Rental Arrearages Due to COVID-19 ("Lease Addendum and Promissory Note") mentioned in Directive 025?

A: Many tenants missed rental payments since Directive 008 went into effect and are now behind on their payments. Residential landlords and tenants, as defined by NRS 118A.100, are encouraged to negotiate a fair and reasonable repayment plan to pay back the missed payments over time, and the Lease Addendum and Promissory Note is the recommended way to do that.

## 2. Who should use the Lease Addendum and Promissory Note?

A: Residential landlords and tenants.

# 3. Do landlords and tenants have to enter into the Lease Addendum and Promissory Note?

A: No. The Lease Addendum and Promissory Note is voluntary.

#### 4. What are the benefits of entering into the Lease Addendum and Promissory Note?

A: Entering into the agreement is beneficial to both the tenants and landlords dealing with situations where the tenant fell behind in rental payments while Directive 008 was in effect because it cures the rental arrearages and allows an opportunity to repay them over time.

#### 5. What is a lease addendum?

A: A lease addendum is a contract that amends the original lease agreement. The Lease Addendum and Promissory Note is used to provide the specific terms of the repayment plan. It also provides the consequences to the tenant if the tenant does not follow the terms of the repayment plan by failing to make the past due payments on time.

### 6. What is a promissory note?

A: A promissory note is a document that acts as a promise to pay a specific amount of money to a specific person on demand. It can be enforced by a court so that the person who is supposed to get the money can collect the money owed.

#### 7. When does Directive 008 terminate?

A: Directive 025 provides a timeline for Directive 008 to end in phases. That means that the termination date for the suspension on evictions under Directive 008 depends on the type of eviction the landlord is seeking. To find out what date the eviction moratorium ends for your specific situation, look to the Directive itself, and the landlord and tenant FAQs. Directive 008 terminates in its entirety on September 1, 2020.

If you are a landlord or tenant experiencing any difficulty with this Directive, please file a complaint with the Nevada Attorney General's Office at ag.nv.gov

8. What happens if a landlord and tenant enter into the Lease Addendum and Promissory Note but then the tenant does not make the payments as provided in the agreement?

A: Under the terms of the Lease Addendum and Promissory Note, the landlord can choose to evict the tenant, enforce the promissory note by getting a monetary judgment through Small Claims Court, or both.

9. Can a landlord evict a tenant for missed rental payments if the landlord and tenant have entered into the Lease Addendum and Promissory Note?

A: No, entering into the Lease Addendum and Promissory Note acts as a cure for missed rental payments, so the reason for eviction for nonpayment go away once the landlord and tenant sign the agreement.

10. Directive 008 mentions that landlords and tenants have 30 days to negotiate a repayment plan after Directive 008 ends. When do the 30 days begin?

A: Directive 025 encourages landlords and tenants to use the Lease Addendum and Promissory Note to negotiate and enter into a repayment plan. Section 1 of Directive 025 provides that the time to negotiate a repayment plan begin June 25, 2020.

11. Can a landlord charge late fees or penalties for nonpayment of rent during the time Directive 008 was in effect (March 30, 2020, through August 31, 2020)?

A: Under Section 3 of Directive 008, landlords cannot charge any late fees or penalties for nonpayment of rent during the time Directive 008 is in effect through August 31, 2020.

12. Does the moratorium on evictions and foreclosures under the CARES ACT still apply?

A: Yes, the CARES Act eviction and foreclosure moratorium is in effect and controls over Directives 025 and 008.

13. What are the eligibility requirements for a tenant to be able to enter into the Lease Addendum and Promissory Note?

A: There are no eligibility requirements. Tenants and landlord are strongly encouraged to negotiate and enter into the Lease Addendum and Promissory Note, regardless of whether the landlord considers the tenant eligible for such a repayment plan.

14. What if the landlord and tenant already entered into a repayment plan prior to Directive 025 and did not use the Lease Addendum and Promissory Note form?

A: Prior agreements are still valid. However, if landlords and tenants enter into the Lease Addendum and Promissory Note, it will become controlling over all prior repayment agreements.

15. How does Directive 025 affect foreclosure actions?

A: Directive 025 permits all residential foreclosure-related actions permitted by Nevada law to be commence on September 1, 2020.

16. How does Directive 025 affect commercial tenants and landlords?

A: Please see the Commercial Tenant and Landlord FAQ.