

THE SHEPPARD MULLIN QUARTERAGE

A quarterly summary of hot topics and trends in the Multifamily Industry

Protecting Your Business Against Ransomware Attacks: A Primer

By: Erinn Contreras, Mike Leake, Shilpa Ray and Kelly Vazhappilly

July 2021

In light of the recent and escalating spate of ransomware attacks in the United States and internationally, the Biden administration has made it a top priority to strengthen the nation's resilience against cyberattacks. Although the Federal Government is taking action by working with international partners and developing policies to disrupt and deter ransomware actors, it is also incumbent upon the private sector to recognize that any company could be a target for ransomware attacks, regardless of size or location. The Federal Government urges the following steps to protect yourself, your business and your customers:

1. Implement the following best practices from President Biden's "[Improving the Nation's Cybersecurity](#)" Executive Order: (1) multifactor authentication, (2) endpoint detection and response, (3) encryption, and (4) engage a skilled, empowered security team.
2. Update and patch systems promptly, including maintaining the security of operating systems, applications and firmware, and consider using a risk-based assessment strategy in implementing your patch management program.
3. Test your incident response plan. Some key questions in preparing this plan include: Are you able to sustain business operations without access to certain systems? For how long? Would you turn off your revenue drivers and operations if business systems such as billing were offline?
4. Check your security team's work, and consider using a third party pen tester to test security and defense against a sophisticated attack.
5. Segment your networks, to limit internet access between corporate business functions and revenue drivers such as manufacturing or production operations. Ransomware attacks have recently shifted from stealing data to disrupting operations.

Dig deeper:

[MEMO – What We Urge to Do to Protect Against the Threat of Ransomware]

[Link – Justine's fact sheet]

Presidential Budget Proposal – Investment in Housing

President Biden submitted his first budget proposal to Congress on May 28. The proposed budget is 6 trillion dollars, with a focus on making it easier for families to break into the middle class and stay in the middle class.

The president’s budget traditionally signals priorities and intended areas of focus to Congress and the public, and Congress will develop its own budget and appropriations bill. As relates to housing, Biden is focused on 3 areas:

- First - affordability and housing insecurity;
- Second - fair housing and social justice; and
- Third - environmental impact/resilience.

One key component of the overarching vision is a \$9 billion dollar expansion of HUD programs. This includes grant and loan programs which are available to multifamily developers, such as the Housing Choice Voucher (Section 8), project-based vouchers and the Community Development Block Grant.

The budget is designed to go hand in hand with the American Jobs Plan, which is the president’s infrastructure proposal submitted a couple of months ago. The American Jobs Plan would deploy a total of \$318 billion dollars in federal resources toward housing.

Dig deeper:

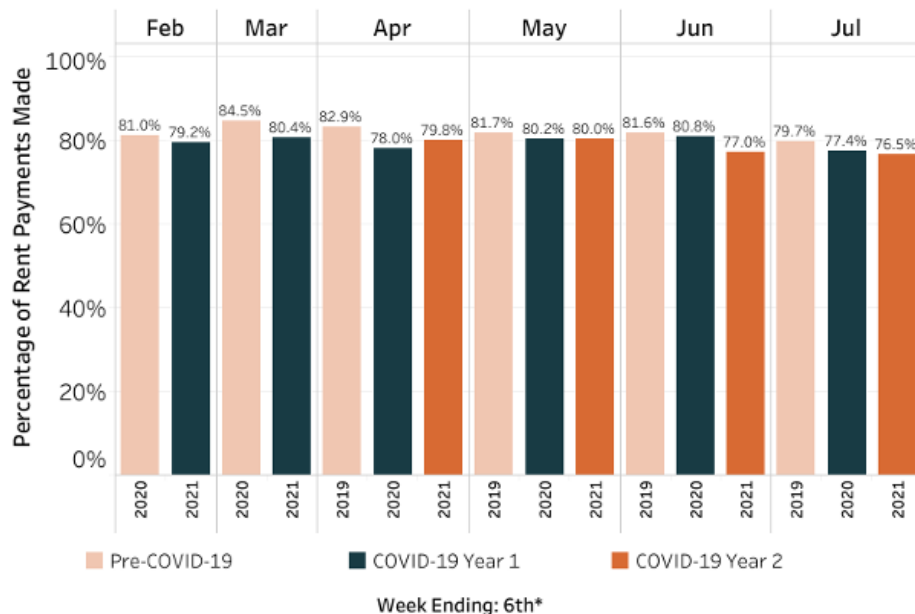
[FINAL-FY22-Budget-Overview-Fact-Sheet.pdf \(whitehouse.gov\)](#)

Multifamily In the News: ICYMI Edition

- The CDC issued a one-month extension of its eviction moratorium, through July 31, 2021. [A sharply divided Supreme Court reviewed the extension and on June 29, 2021, decided to leave the moratorium intact.](#) This is intended to be the final extension, with the Biden Administration taking action to prevent and minimize evictions, including allocation of more than \$46 billion for Emergency Rental Assistance. [FACT SHEET: Biden-Harris Administration Announces Initiatives to Promote Housing Stability By Supporting Vulnerable Tenants and Preventing Foreclosures | The White House](#)
- The National Multifamily Housing Council’s Rent Payment Tracker shows that as of July 6, 76.5% of full or partial monthly rent payments have been made. As compared to this period in 2020, 77.4% of monthly rent payments were made, and as compared to 2019, 79.7% of monthly rent payments were made. This year, July 6 was the first business day after a long holiday weekend, which may help explain the slightly lower figure.

Rent Payment Tracker: Weekly Results

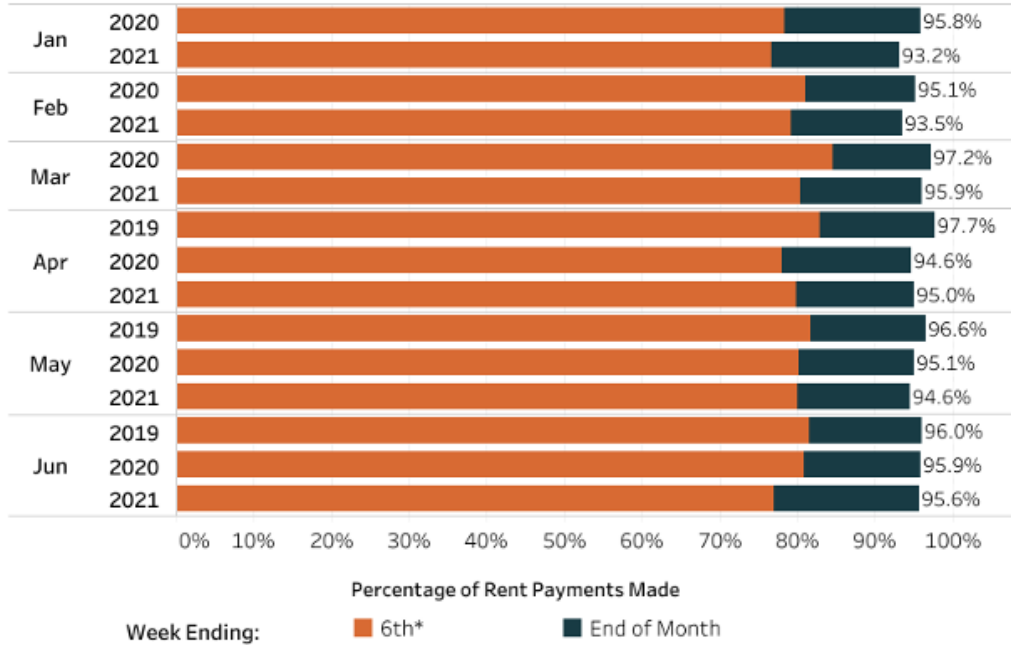
**Data collected from between 11.1 - 11.7 million apartment units each month



- The National Multifamily Housing Council's Rent Payment Tracker shows that for the full months of May and June, 94.6% and 95.6, respectively, of full or partial monthly rent payments were made. These payments are comparable to prior years, with the highest percentage of rent payments made in 2019, at 96.6% and 96.0%, respectively.

Rent Payment Tracker: Full Month Results

**Data collected from between 11.1 - 11.7 million apartment units each month



For More Information, Please Contact:



Erinn Contreras
 Partner
 415.774.3154
 econtreras@sheppardmullin.com



Mike Leake
 Partner
 619.338.6563
 mleake@sheppardmullin.com



Shilpa Ray
 Associate
 469.391.7424
 sray@sheppardmullin.com



Kelly Vazhappilly
 Associate
 469.391.7423
 kvazhappilly@sheppardmullin.com

This alert is provided for information purposes only and does not constitute legal advice and is not intended to form an attorney client relationship. Please contact your Sheppard Mullin attorney contact for additional information.