

## Live for Today and Plan for Tomorrow

Even in a post-pandemic world, nonpayment of rent remains a leading issue for landlords. In 2026, eviction procedures are still tightly regulated and one mistake can delay recovery for months or worse, lead to liability.

### Changed Rules for No-Fault Evictions & Just-Cause Requirements

- Under the continuing statewide protections (for example tied to AB 1482's just-cause eviction and rent cap provisions), landlords need a valid "just cause" reason to evict tenants after 12 months of tenancy, even when not for non-payment.
- For no-fault evictions such as owner move-in or withdrawal from the rental market (or substantial renovations), strict procedural requirements must be met — notices, documentation, timing or the eviction may be challenged successfully by the tenant.
- As a result, many landlords find no-fault evictions more difficult especially if there are local ordinances overlaying additional requirements.

**What this means for you:** Before serving a no-fault or just-cause eviction notice (or non-renewal) review local and state law carefully. Ensure you have a legitimate basis, document thoroughly, and follow correct notice and timing procedures.

### Required Disclosures, Procedural Compliance & Updated Forms

- Formal eviction filings must comply with updated requirements (notice forms, complaint forms, service rules, response-time windows) under AB 2347 and related statutes.
- If you fail to use the correct forms, properly serve notices, or provide required disclosures (e.g. under rent-control/tenant-protection laws), the case may be dismissed or subject to tenant defense extending the time and cost for you.
- In some cases, tenants may use procedural motions (demurrers, motions to strike) to challenge the complaint's validity which must be heard quickly (often within days), but nonetheless may delay the process further.

**What this means for you:** Check now that you (or your property manager)

# WHEN TENANTS STOP PAYING

*What California landlords need to know about nonpayment, evictions, and protecting your rental income*

have updated your lease forms for compliance with local and state tenant protection laws. You must review your eviction notice templates, understand current timing and service requirements, and use the correct statutory forms. Non-compliant leases and notices can cost weeks or months.

### Extended Court Response Times for Tenants

- Under AB 2347 (effective January 1, 2025), tenants now have 10 business days (instead of 5) to respond after being served with an unlawful-detainer (eviction) complaint.
- That extra time gives many tenants a better opportunity to prepare a defense, which means more contested cases — and longer wait times before you can obtain possession.
- If the complaint is served by mail (or through certain protected-address programs), tenants may get additional days beyond the 10.

**What this means for you:** Don't expect the old fast-turnaround. Plan for longer timelines, possibly budget for extended vacancy periods, and be prepared for a higher likelihood of contested hearings.

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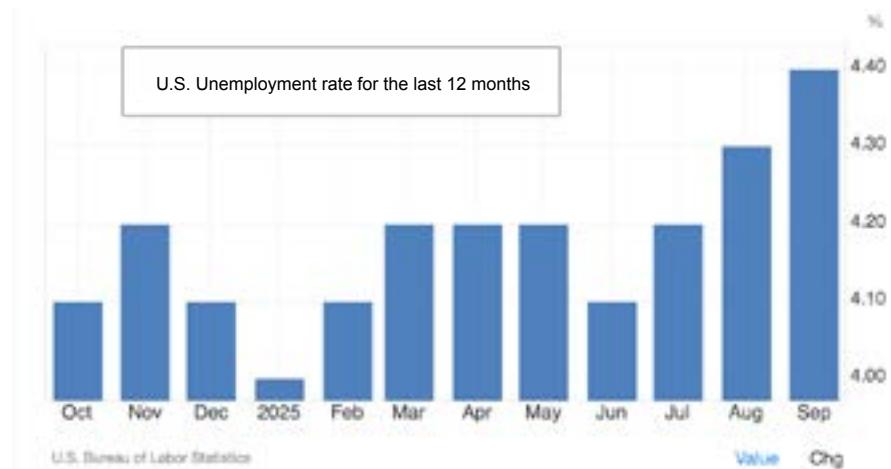
# LAYOFFS UNDER THE RADAR

**O**n the surface, the U.S. unemployment rate looks reassuring, at 4.4%. But behind the relatively low number, it's possible to identify some potentially troubling signs of weakness.

Such as? In July, the number of unemployed individuals increased by 221,000. In August, 148,000 more joined the ranks of the jobless. In September, 219,000 more began receiving jobless benefits. That's where the statistics end, due to a certain government shutdown.

The slow drip-drip-drip adds up. The recruitment firm Challenger, Gray & Christmas toted up all the downsizing, and announced that, all in, companies have laid off 1.17 million workers in the first 11 months of 2025—only the sixth time since 1993 that this threshold has been exceeded. The most recent prior incidents were the pandemic year of 2020, the Great Recession year of 2009 and the Tech Wreck/9/11 years of 2001 and 2002. None of those years are remembered fondly from an economic standpoint.

Some believe that this gloomy figure is actually understated. The federal government's own JOLTS survey found that roughly 1.7 million workers have been laid off as of the end of November. And in his explanation for the 25 basis point drop in the Fed Funds rate, Fed Chairman Jerome Powell estimated that data revisions will reveal that 60,000 additional layoffs were not reported.



Why hasn't this gotten more attention? The Glassdoor organization's chief economist, Daniel Zhao, says that firms are trying to keep their layoffs under the radar so as not to attract negative attention. That means that they are rolling out the layoffs incrementally month by month, rather than a mass firing of workers they no longer consider necessary. This also allows firms to redistribute work more gradually as they downsize. In the office, co-workers quietly disappear, workloads creep up for survivors, and everyone worries that AI is coming for their jobs.

But what about hiring data? The Challenger report note that employers have announced 497,151 planned hires this year, which sounds positive until you see the context: that figure is 35%

below the same point last year, and is the lowest year-to-date total since 2010.

It's not hard to read these tea leaves and predict that economic growth is poised for a slowdown. People who aren't earning a paycheck are probably not going to be big consumers going forward—and consumer consumption makes up three-fourths of the GDP calculation. However, the outlook for stocks is more complicated. It's possible that we are in the early stages of a restructuring of workloads that could lower staff costs and raise profits across the corporate landscape.

### Sources:

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- <https://tradingeconomics.com/united-states/unemployment-rate#>
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# POST-SAVE OPTIONS

## Live for Today and Plan for Tomorrow

The Saving on a Valuable Education (SAVE) plan seemed like a great program for people who graduated from college with large piles of student debt. An estimated 7.7 million student loan borrowers are currently enrolled in a program that exempted them from having to pay principal and interest on their loans if their income was below 225% of the poverty line, and offered affordable repayment amounts based on higher income levels. The program prevented interest from accruing on the balance if people above that level were prompt about making their discounted payments. Another attractive feature is that the outstanding loan balance would be forgiven after 20 years of making the required (income-based) payments.

All of that—and SAVE itself—is being eliminated. The U.S. government has agreement to cancel

SAVE in order to settle a lawsuit brought by several state attorney generals. That leaves those millions of borrowers scrambling to move themselves onto other existing income-based repayment programs. The options are the Pay As You Earn (PAYE) plan, which sets payments at 10% of ‘discretionary income;’ Income-Based Repayment (IBR), which requires payments from 10% to 15% of ‘discretionary income,’ depending on when the money was borrowed; and the Income-Contingent Repayment (ICR) program, where payments are set at the lesser of 20% of ‘discretionary income’ or what the borrower would pay on a fixed plan over 12 years. (Discretionary income is calculated by subtracting 150% of the federal poverty guideline for your family size and state from the adjusted gross income on your tax form.)

Borrowers can check their eligibility for the different plans at <https://studentaid.gov/idr/>; they'll just need their FSA ID, their personal and financial information. The government also offers a loan simulator (<https://studentaid.gov/loan-simulator/>) to help borrowers explore their options.

Any shift they make is likely to be temporary, however. Under the One Big Beautiful Bill Act, borrowers enrolled in ICR or PAYE plans are required to transition to a different repayment plan by July 1, 2028.

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