



# Asset Management Notice

To: All Owners and Managers

Notice # 2020-07

From: Bob Conroy, Director of Asset Management

Issued: April 15, 2020

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### I. **Covid-19 Questions and Answers Guidance Update**

HUD's Office of Multifamily Housing has released an updated COVID-19 Questions and Answers Guidance. A new section has been created regarding the implementation of the CARES Act and the resources available for response. Additionally, a portion of the questions on Resident Health, Asset Management, Multi-family Productions, and Property Reviews have been updated with new guidance.

The updated Multi-family Housing COVID-19 Question & Answers Guidance can be found at [https://www.hud.gov/sites/dfiles/Housing/documents/HUD\\_Multifamily\\_Corona\\_QA\\_FINAL.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/HUD_Multifamily_Corona_QA_FINAL.pdf)

### II. **Elderly and At-Risk Populations - Face Masks Available**

The Department of Corrections has been busy making face masks for the at-risk population – specifically for individuals staying in the homeless shelters as well as the Elderly. They contacted us requesting assistance in reaching out to both groups to identify needs and locations.

Our Homeless Department is currently coordinating this effort with the Homeless Shelters throughout the state.



If you are the owner/manager of an Elderly project and you have determined that your tenants could use and would like some of these face masks, please reach out to Anne LaChance here at MaineHousing at [alachance@mainehousing.org](mailto:alachance@mainehousing.org) with the following information:

- Total number of properties (and list properties to avoid duplication in case of requests from multiple parties)
- Total number of senior residents
- Identify best methodology to get these masks to you for distribution

Our agency will then work with Department of Corrections to get these distributed in the format that works best for you.

### **III. HUD Memorandum - Annual and Interim Recertification Protocol during COVID-19**

On April 2, 2020 the Office of Multifamily Housing issued an updated Questions and Answers (Q&A) for Office of Multifamily Housing Stakeholders – Coronavirus (COVID-19) on the HUD Multifamily webpage. As part of that Q&A, the processing of annual and interim recertifications and the protocol to use during the pandemic was addressed. HUD has issued a memorandum outlining the specifics – see attached.

### **IV. NCSHA Update 04/15/2020**

#### **“IRS Provides Short-Term Extensions to Certain Housing Credit and Housing Bond Deadlines Due to COVID-19**

On April 10, the Internal Revenue Service published [Notice 2020-23](#) providing additional relief for taxpayers affected by the coronavirus pandemic. The notice provides that taxpayers have until July 15, 2020, to perform specified time-sensitive actions due to be performed on or after April 1, 2020, and before July 15, 2020. While the notice does not specifically reference any Housing Credit or Housing Bond deadlines, it applies the July 15 deadline to all time-sensitive actions included in [IRS Revenue Procedure 2018-58](#), which includes numerous deadlines related to these programs.

As a result of this ruling, taxpayers have until July 15, 2020, to perform any of the sensitive actions below if they were originally due to be performed on or after April 1, 2020, and before July 15, 2020.

#### **Housing Credit Deadlines**

1. The 10 percent test requirement as referenced in Section 42(h)(1)(E) and (F)

2. The 24-month period in which the requisite amount of rehabilitation expenditures has to be incurred as required in Section 42(e)(3)(A)(ii)
3. The annual owner certification of compliance as required in regulation 1.42-5(c)(1)
4. The annual tenant income certification requirement in regulation 1.42-5(c)(1)(iii)
5. The requirement to notarize a binding agreement by the fifth day following the end of the month in which the binding agreement was made as referenced in regulation 1.42-8(a)(3)(v)
6. The requirement to notarize a binding agreement by the fifth day following the end of the month in which the tax-exempt bonds are issued as referenced in regulation 1.42-8(b) (1)(vii)
7. The 10-year rule for claiming credits on an existing building as required in Section 42(d)(2)(D)(i)(IV)
8. The minimum set-aside requirement as referenced in Section 42(g)(3)(A)
9. The requirement that a low-income housing commitment must be in effect as of the beginning of the year for a building to receive credit as referenced in Section 42(h)(6)(J)

### **Housing Bond and Mortgage Credit Certificate Deadlines**

1. The requirement that the issuer file an election not to issue an amount of qualified mortgage bonds if they are to instead distribute MCCs in Section 1.25-4T(c)
2. The requirement that an issuer provide notice to the Commissioner of the establishment of a defeasance escrow within 90 days of the date such defeasance escrow is established
3. The annual certification to the Secretary by operators of multifamily Housing Bond projects that they continue to meet the requirements of section 142(d)
4. The election to carry forward bond authority after the year in which the state received such authority
5. Requirements for making tax-exempt bond yield reduction payments and rebate payments
6. The requirement that an issuer of a tax-exempt bond must submit to the Secretary a statement providing certain information regarding the bond not later than the 15th day of the second calendar month after the close of the calendar quarter in which the bond is issued

Both Notice 2020-23 and Housing Credit disaster guidance in [IRS Revenue Procedure 2014-49](#) provide extensions for the 10 percent test deadline for Housing Credit allocations. However, Notice 2020-23 applies only to projects that would have needed to meet their 10 percent test between April 1 and July 15, and only allows an extension until July 15, while Revenue Procedure 2014-49 applies to any carryover allocation in effect prior to the beginning of the major disaster declaration incident period, which is January 20, 2020, in all cases,

and allows the extension of up to six months from the date of the original 10 percent test deadline. Moreover, Notice 2020-23 does not require implementing action by the Housing Credit allocating agency, while Revenue Procedure 2014-49 does. In addition, allocating agencies have the ability to offer deadline relief on a project-by-project basis or a statewide basis under Revenue Procedure 2014-49.

The other eight Housing Credit time-sensitive actions extended by Notice 2020-23 are not addressed in IRS Revenue Procedure 2014-49.”

NCSHA maintains COVID-19 Resources and Updates on their website at the following link:

<https://www.ncsha.org/covid-19/>

**Attachments: Annual and Interim Recertification Protocol during COVID-19**

*Please note that MaineHousing provides notices as a service to our partners. Notices are not intended to replace ongoing training and do not encompass all compliance and regulatory changes that may occur on the wide arrange of housing programs in which we work. MaineHousing recommends partners establish an ongoing training program for their staff.*

*MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.*



OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

**MEMORANDUM FOR:** All Multifamily Regional Center Directors  
All Multifamily Satellite Office Directors  
All Multifamily Asset Management Directors  
All Multifamily Performance Based Contract Administrators

**FROM:** Tobias J. Halliday, Director, Office of Asset Management and  
Portfolio Oversight, HTG

**SUBJECT:** Annual and Interim Recertification Protocol during COVID-19

On April 2, 2020 the Office of Multifamily Housing issued an updated Questions and Answers (Q&A) for Office of Multifamily Housing Stakeholders – Coronavirus (COVID-19) on the HUD Multifamily webpage. As part of that Q&A, the processing of annual and interim recertifications and the protocol to use during the pandemic was addressed (and supersedes earlier guidance on this topic as published in the Q&A on 3/16/20 and 3/24/20). The updated and current protocol is provided below and is effective immediately.

HUD statute and regulations require family income to be reviewed at least annually to determine the amount paid by the family for the assisted unit. Owners must continue to perform annual and interim recertifications, as requested by tenants, within the required timeframes and using current/anticipated data. Annual recertifications must not use previous year's income to determine rent and assistance, except in instances when using streamlined income determinations.

Considering the current COVID-19 emergency, there may be extenuating circumstances that impede owners and tenants from complying with interim and annual recertification requirements. When the use of traditional procedures is not possible, the extenuating circumstance instructions provided in this document, HUD Handbook 4350.3, REV-1, and the TRACS MAT Guide should be used. HUD considers the CDC's recommendations for controlling the spread of the virus as well as shelter-in-place and similar orders as qualifying as an extenuating circumstance.

It is recommended the owner begin, and if possible, complete, the recertification actions within 90 days of being advised of the extenuating circumstance. When an extenuating circumstance is present, there is no change to the tenant's recertification anniversary date. The Total Tenant Payment/Tenant Rent and the assistance payment are effective retroactively to the recertification anniversary date.

#### Use of Tenant Self-Certifications for Interim and Annual Recertifications

HUD will allow assisted tenants that may have lost income due to COVID-19 to self-certify for annual or interim recertifications. Acceptable methods of verification of income for all recertifications, in order of acceptability, are provided in HUD Handbook 4350.3, paragraph 5-13, B and Appendix 3.

Family certification can be used if the information cannot be verified by another acceptable verification method. When family certification is used, owners must document the tenant file to

explain why third-party verification was not available. During the COVID-19 National emergency, this certification can be provided to the owner by other means such as mail or email. The owner may consider collecting the original documents from the family at a later date.

### Signatures

For owners or tenants impacted by the COVID-19 virus, HUD will allow alternate signatures (e.g. copies or images of signatures sent by email, fax, or other electronic means) as long as original, “wet” signatures are obtained within 90 days from the termination of national, state, or local orders restricting movement to essential activities, whichever comes later. Forms that will require original, “wet” signatures to be obtained in the time period noted above include, but are not limited to, form HUD-9887/9887-A, form HUD-50059, lease agreements/addendums, family certifications of income (unemployment, zero income, etc.), and state lifetime sex offender forms.

### Form HUD-9887/9887-A and Form HUD-50059

When a tenant’s “wet” signature cannot be obtained on form HUD-9887/9887-A or on form HUD-50059, due to extenuating circumstances, the forms, and HUD Handbook 4350.3, REV-1, paragraph 5-21.C (for HUD-9887/9887-A) and paragraph 5-31.F (for HUD-50059) , instruct the owner to document the tenant file with the reason for the delay and the specific plans to obtain the signature(s). As referenced above, HUD will allow alternate signatures as long as original, “wet” signatures are obtained within 90 days from the termination of national, state, or local orders restricting movement to essential activities, whichever comes later. Please note that form HUD-9887/9887-A remains in effect for 15 months after signature.

### Documentation for Certifications

Tenants experiencing extenuating circumstances due to the COVID-19 virus can provide the owner with documentation for the recertification by email or other electronic delivery at the owner’s discretion. Documentation includes, but is not limited to, paystubs, (Social Security) SS/Supplemental Social Security (SSI)/State Supplemental Program (SSP) awards, bank statements, and public assistance documents. If electronic documentation is received by the owner, and original documents are required by HUD Handbook 4350.3, REV-1, the owner must collect the original documents from the tenant at a later date.

### Tenant Rental Assistance Certification System (TRACS)

When an extenuating circumstance is present due to the COVID-19 virus, the owner must submit the Interim Recertification (IR) or Annual Recertification (AR) to the TRACS (via the Contract Administrator or directly to TRACS, as appropriate) using one of the following three (3) extenuating circumstances codes:

- 1 = Medical (medical staff have quarantined the tenant)
- 2 = Late annual certification due to accommodation or extenuating circumstances.
- 10 = Other

A correction certification to remove the extenuating circumstance code must be submitted to TRACS once the appropriate signature(s) is obtained on form HUD-50059.

Owners are reminded to maintain at least 90% of their certifications in an active status in TRACS to maintain subsidy payments. TRACS users experiencing technical issues can continue to submit requests through the system’s [Help Desk](#).