

Leslie Strauss

From: Rural Development <ruraldevelopment@public.govdelivery.com>
Sent: Monday, July 20, 2020 2:20 PM
To: Leslie Strauss
Subject: COVID-19 Multifamily stakeholder FAQs -- UPDATE -- July 20, 2020



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Multifamily Housing

July 20, 2020

Multifamily Housing Partners,

Thank you for your continued work in maintaining quality housing for your residents during this ongoing pandemic. As some key deadlines in the CARES Act are approaching, we wanted to provide a few updated questions and answers to clarify how Rural Development Multifamily Housing programs will be impacted by the expiration of certain CARES Act provisions.

To review our previously posted Multifamily Housing (MFH) questions and answers on Covid-19, please visit the Rural Development COVID-19 Response website - <https://www.rd.usda.gov/coronavirus>

Q1: The CARES Act prohibited late fees and evictions for USDA's Multifamily Housing tenants for 120 days, expiring July 25. What happens now?

A: The CARES Act was enacted on March 27, 2020 and contained a prohibition on both nonpayment evictions and late fees for 120 days. This prohibition applies to all Rural Development MFH programs, including Section 514, Section 515 and Section 538 loans, as well as Multifamily voucher holders.

This prohibition on late fees remains in place for the period covered by the CARES Act, meaning that if a resident has unpaid rent on August 1, retroactive late fees may not be assessed. Late fees may only be charged going forward. We encourage MFH owners and agents to work with tenants wherever possible to assist them in maintaining housing, including processing interim certifications if possible or arranging payment plans for past-due balances.

In addition, while the national prohibition on nonpayment evictions will lift July 25, many state and local governments have ongoing restrictions. Owners and agents must closely follow any applicable local guidance in this matter.

As a reminder, properties under a forbearance/deferral agreement are prohibited from nonpayment evictions through the life of the deferral. For example, if a property requests a deferral for June, July, and August, no nonpayment evictions would be permitted until September 1.

Q2: Is USDA still accepting deferral requests in USDA's Multifamily Housing Programs?

A: The 2020 CARES Act allows Multifamily borrowers experiencing a financial hardship related to COVID-19 to request forbearance for up to 90 days. Guidance on how to request this forbearance/deferral was distributed on April 2, 2020, and we encourage you to contact your Servicing Official with questions.

MFH has processed over 4,000 deferral requests for its 514 and 515 programs.

Forbearance/deferral requests are still being accepted for properties experiencing financial hardship due to COVID-19 that have not yet requested a forbearance. Requests will be accepted as long as the National Emergency is in place or through December 31, 2020. As a condition of a deferral, owners and management agents must not evict tenants for nonpayment of rent through the deferral period.

Q3: How can USDA Multifamily Housing owners and management agents assist tenants who experience an ongoing reduction in income due to COVID-19?

A: For tenants receiving Rental Assistance, an interim recertification should be completed as quickly as possible for any changes in monthly income. Tenants who completed a previous interim recertification may need to complete a second interim certification, for example if their unemployment benefits change or if a partial layoff becomes permanent. We encourage agents to be accurate but flexible, including receiving information by phone or email, and making accommodations when income changes can't be verified due to business closures.

Given the high number of potential zero-income certifications, we have suspended Handbook 2-3560 Attachment 6-B used to verify living expenses for zero income interim recertifications. Tenants who have been laid off due to COVID-19 do not qualify for income annualization as mentioned in Handbook 2-3560 Chapter 6 Section 6.9 (4), as this emergency is not a seasonal or predictable layoff. Rent should be calculated based on current income.

We continue to appreciate your partnership through this challenging time. Please do not hesitate to reach out to your local RD staff if you have additional questions.

Nancie-Ann Bodell

Deputy Administrator

Multifamily Housing

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- [Rural Development COVID-19 Response](#)

For program information...

- [Farm Labor Direct Loans & Grants](#)
- [Housing Preservation & Revitalization Demonstration Loans & Grants](#)

- [Housing Preservation Grants](#)
- [Multi-Family Housing Direct Loans](#)
- [Multi-Family Housing Loan Guarantees](#)
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