

# Compliance & Asset Management Answers to COVID-19 Compliance Monitoring Email Questions

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## UPDATED COVID-19 Compliance Monitoring Guidance August 3, 2020

- 1. Q. Is Virginia Housing waiving the recertification requirements in accordance with IRS Notice 2020-53? Does this guidance apply to Tax Exempt Bond properties as well?**

**A.** Yes. A project owner may rely on the guidance included in IRS Notice 2020-53 for maintaining tenant files during calendar year 2020
- 2. Q. Can I provide temporary emergency housing for individuals affected by COVID-19?**

**A.** Yes, with approval from Virginia Housing. All properties in the Virginia Housing portfolio may provide temporary, emergency housing to individuals affected by the COVID-19 pandemic. Review the guidance posted to our website
- 3. Q. Should the additional “special” or “hazard” pay provided due to COVID-19 be included in the income determination? The employer is unable to clarify when this additional pay may end.**

**A.** Exclude any “special” or “hazard” payments provided due to COVID-19. Any “special pay” received due to COVID-19 is considered temporary and should not be counted in the determination of income for initial tenant certifications or required annual certification. All other employment income must be included.

## REVISED COVID-19 Compliance Monitoring Guidance May 15, 2020

- 4. Q. Does Virginia Housing have any resources for housing assistance or individuals and families impacted by COVID-19?**

**A.** <https://www.stayhomevirginia.com/> is a website created with resources for Virginians impacted by COVID-19, looking for assistance with all housing-related matters.
- 5. Q. How should unemployment income be calculated?**

**A.** The additional unemployment insurance payment and one-time stimulus payment from the federal government are excluded from income on the Tenant Income Certification.
- 6. Q. Are household payments under the CARES ACT reportable as tenant income?**

**A.** On April 16<sup>th</sup>, HUD issued guidance in a Q&A document on the treatment of stimulus payments. Virginia Housing will apply the HUD issued guidance on the treatment of income received due to COVID-19 and the CARES Act to all properties in our Rental portfolio. This income is considered temporary and should not be counted in the determination of income for initial tenant certifications or required annual certifications. **References:** [HUD Multifamily COVID-19 Resources & Fact Sheets](#) and [HUD MF COVID-19 QAFinal-04162020](#)

**7. Q. Are rent re-payment plans allowed under the Section 42 (Tax Credit) program? Will rent re-payment plans affect the maximum allowable rent and lead to noncompliance?**

**A.** Repayment of rent due under the lease agreement is not a violation of the Tax Credit maximum allowable rent. As long as the **rent charged** on a monthly basis does not exceed the maximum allowable gross rent, **and** the **rent collected** on an annual basis does not exceed the limit on a tax year basis, then there should not be a violation.

**8. Q. If an applicant recently had a significant decrease in their hours worked or income due to COVID-19, are we to use the current income status or should we use their previous income?**

**A.** Management must follow consistent guidelines in determining initial tenant eligibility, and conduct due diligence in collecting and reviewing all information in the tenant application. Previous income earnings must be considered. However, the previous earnings alone, should not be used to disqualify an applicant who is income eligible as of the effective date of the income certification. Review all income and assets to calculate anticipated income expected within the upcoming year and document the file accordingly.

**9. Q. *\*\*Will Electronic Signatures and records be accepted post COVID-19?\****

**A.** Yes. Electronic signatures and electronic records are permitted for certain properties in the Virginia Housing rental portfolio. Send an email to your assigned CO to notify them of your intent to use electronic signatures and records. **\*\*May 26, 2020, HUD issued Notice H20-4, Electronic Signature, Transmission and Storage Guidance for Multifamily Assisted Housing Industry Partners, which permits electronic storage and signatures for their multifamily programs.\*\***

Review the HUD Notice, H20-4,

<https://www.hud.gov/sites/dfiles/OCHCO/documents/2020-04hsgn.pdf>

## **\*\*March 23, 2020 Guidance Revised\*\***

1. **Web Tenant Compliance Management System (WTCMS) Online Tenant Activity**

**March 23, 2020 Guidance:** Until further notice, we will permit up to 30 days for the tenant information to be updated in the WTCMS online system.

**Current Guidance:** All tenant activities, including, move-in, move-out, annual re-certifications, change in unit designation must be updated in the online WTCMS as the activity occurs.

2. **Audited Financial Statements and Monthly Operating Statements (MOS) Extension**

A 30-day extension may be granted for audited financial statements upon request. The submission of monthly operating statements may be extended to 45 days from the end of the reporting month.

Virginia Housing remains open for business, and continues working remotely. Our mission is to help all Virginians attain a quality affordable home. Updates will be posted on our Updates and Announcements page. This page also includes a link to sign up for our email updates.

<https://www.vhda.com/BusinessPartners/PropertyOwnersManagers/UpdatesAnnouncements>

Regional Compliance Officers and Asset Managers are available by email during normal business hours if you have questions. We intend to allow for flexibility in the timeline of the Compliance and Asset Management monitoring activities.

See the Contact Us page on our website,

<https://www.vhda.com/BusinessPartners/PropertyOwnersManagers/Pages/Compliance-AM-Staff.aspx>

Send your property specific questions to [compliance-assetmanagement@vhda.com](mailto:compliance-assetmanagement@vhda.com), and Cc your assigned Compliance Officer. Include **COVID-19 Guidance** in the email subject line. Your questions and feedback will assist us in the review of compliance monitoring procedures and property operations affected by the COVID-19 pandemic.