



May 18, 2020

## VHDA Compliance & Asset Management

### Compliance Updates & Announcements

As of this update, Virginia Housing has not received official guidance from the IRS on managing Tax Credit or Tax Exempt Bond program requirements affected by COVID-19. We will continue to monitor the situation and provide updates affecting compliance monitoring within our portfolio. We encourage our partners to reach out to us with any questions or concerns, so we can provide guidance. Updates will be posted on our [Updates and Announcements](#) page. This page also includes a link to sign up for our email updates.

Send your property specific questions to [compliance-assetmanagement@vhda.com](mailto:compliance-assetmanagement@vhda.com), and copy 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.

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### COVID-19 Property Operations Q&A Document Posted

#### **Q. Are household payments under the CARES ACT reportable as tenant income?**

**A.** Virginia Housing will apply the HUD issued guidance on the treatment of unemployment 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. See the [HUD Multifamily COVID-19 Resources & Fact Sheets](#) and [HUD MF COVID-19 QAFinal-04162020](#)

#### **Q. How should the extra unemployment income due to COVID-19 be calculated? Should the federal stimulus payment be counted in the tenant income certification?**

**A.** The additional unemployment insurance payment and one-time stimulus payment from the federal government due to COVID-19 are excluded from income on the tenant income certification. These payments are considered temporary and should not be counted.

#### **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. All rent due under the lease agreement can be collected as agreed upon by the tenant and landlord. 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.

#### **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.

See additional Q&A in the [COVID-19 Compliance Monitoring Q&A Document](#).

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## Stay. Home. Virginia. - COVID-19 Housing Resources

Virginia Housing created a website with critical resources in one place for persons impacted by COVID-19. Federal and state protections are now in place to help renters and homeowners unable to make their monthly payments due to COVID-19. There are also resources available for property owners, developers and the homeless.

Please share with your tenants, colleagues or anyone in need of assistance.

Visit: [stayhomevirginia.com](http://stayhomevirginia.com)

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## Mid-Atlantic AHMA Virtual Training Opportunities

While the current situation means Virginia Housing is unable to partner with MA-AHMA to provide training at our VHC facility and in SW VA, the Mid-Atlantic AHMA has developed and is offering a full slate of webinar training opportunities with a link to the events page.

Visit: [mid-atlanticahma.org/events](http://mid-atlanticahma.org/events)

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## FY2020 Income Limits Published

April 1, 2020, HUD published the FY2020 Multifamily Tax Subsidy Program (MTSP), HERA Special, Section 8, and Average Income, and the National Non-Metropolitan Income Limits (NNMIL).

The *VHDA Program Limits Excel form* and includes the income and applicable rent for all VHDA monitored programs. Review the *FY2020 Income Limits Memo*.

The income limits applicable for Tax Credit and Tax Exempt Bond projects can be found on the [HUD website](#). These limits must be implemented within 45-days, no later than May 16, 2020, and applied to all new move-in and annual certifications.

Visit: [Program Income and Rent Limits and Fair Market Rents](#)

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## Web Tenant Compliance Management System (WTCMS)

The FY2020 income limits are available in WTCMS for all initial, interim, and annual certifications.

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## Contact Compliance & Asset Management

Regional Compliance Officers and Asset Managers are available by email during normal business hours if you have questions. See the [Contact Us](#) page on our website.

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*Our blog provides general VHDA updates that may not be specific to Rental Compliance & Asset Management.*



The information contained herein (including but not limited to any description of VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

