

## Questions and Answers for Office of Multifamily Housing Stakeholders<sup>1</sup>

### [Coronavirus \(COVID-19\)](#)

Last Updated: March 13, 2020, 7:30 p.m., ET

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<sup>1</sup> Office of Multifamily Housing Stakeholders include tenants; property managers, owners, and agents; lenders and their partners; residential service coordinators; contract administrators; and other participants in FHA Multifamily mortgage insurance and Office of Housing rental assistance programs.

## **Emergency Preparedness**

### **Q1: Who is coordinating COVID-19 efforts for Multifamily Housing (MFH)? Who will be the point of contact for housing providers?**

A: Owners and agents should contact their field MFH Account Executive or Resolution Specialist for property specific inquiries. Jeff Little, the Associate Deputy Assistant Secretary for MFH Programs, is the main point of contact for Multifamily stakeholders.

(Last Updated: 3/12/20)

### **Q2: Have MFH Field Offices been given guidance on how housing providers should prepare and respond to COVID-19?**

The Office of MFH provides regular direction to field staff. On March 3, the Office sent an email message to external stakeholders that encouraged stakeholders to share information from the Centers for Disease Control and Prevention (CDC) on the Coronavirus with residents, stakeholders, and others.

(Last Updated: 3/12/20)

### **Q3: What emergency preparedness steps does HUD recommend or require property owners and agents take?**

A: Owners and agents should generally follow CDC guidelines and the directions given by local health officials for emergency preparedness. Chapter 38 of [Handbook 4350.1](#), Emergency and Disaster Guidance, should also be consulted.

The CDC provides guidance for [communities, businesses and schools](#) that can assist housing providers.

(Last Updated: 3/12/20)

## **Resident Health**

### **Q1: In the event of a confirmed COVID-19 case at a HUD-assisted property, what steps should property owners and managers take to protect residents, staff, and the community?**

A: MFH recommends property owners and agents follow CDC guidelines and the direction of local health officials, especially in the event of property quarantine.

(Last Updated: 3/12/20)

### **Q2: How should housing providers assist residents in accessing continued critical services from home- and community-based providers in the event of a quarantine or if community service providers close temporarily?**

A: HUD encourages property owners and agents follow Centers for Disease Control guidelines and the direction of local health officials in all cases, including within the context of home and community-based service providers.

(Last Updated: 3/12/20)

**Q3: What steps is HUD taking to make sure that Fair Housing obligations will still be met in the event of an emergency?**

A: Stakeholders are reminded to ensure that their responses remain faithful to obligations under the Constitution, Fair Housing Act and related regulations. Exigencies associated with important and timely response to issues surrounding COVID-19 are not the basis for unlawful discrimination based on race, color, religion, national origin, sex, disability or familial status.

(Last Updated: 3/12/20)

**Q4: It is thought that many seniors and people with disabilities are particularly susceptible to illness. What kind of communication and resources is HUD providing to communities to reassure residents and property management staff, and prepare them in the event of a confirmed COVID-19 case on site?**

A: We encourage all parties to access information about the health impacts and proper handling of COVID-19 cases from the CDC, and/or state or local health officials.

We intend to provide regular updates to stakeholders and will continue to send written updated communications via email to national stakeholder groups for forwarding to their members, and to HUD Multifamily Field Offices for distribution to stakeholders in their jurisdiction. Where applicable, we will encourage stakeholders to forward COVID-19 communications from HUD to communities and residents.

(Last Updated: 3/12/20)

**Q5: Does HUD have guidance available on infectious disease preparation and response?**

A: See information on the Coronavirus from the CDC's [Coronavirus web site](#).

(Last Updated: 3/12/20)

**Q6: If a person under quarantine has additional family members who need to be kept separate what are a property manager's options for meeting those needs? What if managers are being asked to use vacant units for quarantine?**

A: Resident requests to occupy vacant units or temporarily relocate should be verified before being granted. Verification could include written communication from a medical health professional or through communication with the local health department. Managers may use electronic and telephonic communication to perform verification.

(Last Updated: 3/12/20)

**Q7: Does HUD have guidance on disinfecting common spaces and units, including how to protect our staff?**

A: See these links from the CDC for recommendations on cleaning and disinfecting:  
<https://www.cdc.gov/coronavirus/2019-ncov/community/index.html>  
<https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/cleaning-disinfection.html>

(Added on 3/13/20)

**Q8: Does HUD have recommendations on where we can direct our residents for health checks?**

A: See the link below to find a health center through the Health Resources and Services Administration. <https://findahealthcenter.hrsa.gov/>

(Added on 3/13/20)

**Policy and Operations**

**Q1: Does HUD plan to issue guidance on quarantine procedures for HUD-assisted housing that serves predominantly older adults?**

A: HUD encourages property owners and agents to follow CDC guidelines on quarantine procedures and the direction of local health officials. Stakeholders should reference Chapter 38 of [Handbook 4350.1](#), *Multifamily Asset Management and Project Servicing*, which covers Multifamily emergency and disaster guidance.

(Last Updated: 3/12/20)

**Q2: Will HUD make rent payment relief or additional assistance available for Project-Based Rental Assistance and Project Rental Assistance Contract units if tenants fall under adverse conditions due to COVID-19?**

A: Multifamily Housing encourages all owners to work with impacted residents and families to adjust rent payments, enter into forbearance agreements, and lessen the impact on affected residents. At this time, no additional subsidy funding has been made available.

(Last Updated: 3/12/20)

**Q3: What emergency funds can owners and agents access for outbreak preparedness and response (including extra supplies, additional administrative hours, and staff overtime), and what kind of approval do housing providers need from HUD in order to access the funds?**

A: Multifamily property owners and agents can access property operating accounts for all reasonable and necessary COVID-19 related preparedness and response actions, including supplies, staff hours, and overtime. No advance HUD approval is required to access operating account funds.

To the extent that owner advances are required, owners should receive HUD approval in advance, especially if the owner expects repayment before the distribution of annual (or semi-annual) surplus cash. For those properties with reserve for replacement accounts, funds should be accessed according to current policy in Handbook 4350.1, Chapter 4, for eligible items. If the owner is seeking to use reserve for replacement funds for non-eligible uses, approval must be received from HUD field staff in advance.

(Last Updated: 3/12/20)

**Q4: Is HUD planning to update their Chapter 38 on emergency preparedness to include infectious disease protocol?**

A: Multifamily plans to use lessons learned from the COVID-19 response in the update to Chapter 38. The Chapter is in the process of being redrafted. Stakeholders will be able to comment when the draft chapter is posted to the Multifamily Drafting Table.

(Last Updated: 3/12/20)

**Q5: Will HUD be making COVID-19 prevention training available for property management and resident services coordinator staff? Will HUD be providing technical assistance for housing providers and residents?**

A: HUD recommends that property managers and service coordinators avail themselves of all relevant training and supplies at the local, state, and federal level.

(Last Updated: 3/12/20)

**Q6: Is testing for the virus for property staff an eligible cost, and if so, under what source of funding? How about residents?**

A: No, this is not an eligible cost.

(Last Updated: 3/12/20)

**Q7: What should an owner or property manager do about residents that are ill or have concerns about coming to the office for their recertification interview, to sign consent forms, or to sign form HUD-50059?**

A: The owner may consider extenuating circumstances (including COVID-19 considerations in the community) when the tenant is not available to attend the recertification interview, sign consent forms, or sign form HUD-50059. It is recommended the owner begin or accomplish the above 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. The owner must document the file why the signature(s) was not obtained and, if applicable, when the signature(s) will be obtained.

(Updated on 3/13/20)

**Q8: What steps should managers take for subsidized residents who experience a reduction in income from missing work due to the COVID-19?**

A: Current policy states that owners must process an interim recertification if a tenant reports a decrease in income that will last for more than one month. The owner should already have this policy in writing and apply it consistently. See [handbook 4350.3, chapter 7, section 2](#).

(Last Updated: 3/12/20)

**Property Reviews and Inspections**

**Q1: What is the status of REAC inspections and Management and Occupancy Reviews (MOR) on MFH properties?**

A: Until further notice, Multifamily is postponing all REAC property inspections and Management and Occupancy Reviews for all Multifamily properties. Where there is an exigent circumstance or reason to believe that there is a threat to life or property at a specific location, inspections will be conducted by HUD quality assurance inspectors in compliance with CDC guidelines. *Please note, this answer supersedes the initial guidance offered in the first version of this document on 3/12/20.*

(Added on 3/13/20)

**Q2: What should owners/property managers do if tenants refuse entry to inspectors, citing fears of COVID-19?**

A: Until federal, state, or local public health officials counsel otherwise, owners and agents should follow published guidance covering apartment inspections. In this case, Paragraph 20 of the [HUD Model Lease](#) covers the rules governing the landlord's access to a tenant's apartment.

(Last Updated: 3/12/20)

**Q3: An owner's Rent Comparability Study (RCS) has triggered the need for a HUD RCS, but concerns from owners, tenants, and HUD contract appraisers are making it difficult to execute the HUD-sponsored RCS. How will this be addressed?**

A: HUD RCSs are suspended in areas that are under a state or nationally declared emergency or where public health officials have imposed limited travel.

HUD will provisionally accept an owner's RCS up to five (5) percent above current rent levels, though HUD or the Contract Administrator (CA) must still review an owner's RCS to make sure the rent conclusions are reasonable. At the owner's request, these can be subject to a new HUD RCS when normal activities resume. On a case-by-case basis, HUD may review and accept higher rents without a HUD RCS at HUD's sole discretion.

(Added on 3/13/20)

### **Waivers & Extensions**

**Q1: In the event of an outbreak in a locality with HUD-assisted housing, what regulatory waivers will apply for HUD housing?**

A: HUD will consider policy, Handbook, and regulatory waivers on a case-by-case basis with the intention of providing flexibility to owners and agents to respond to unique needs.

(Last Updated: 3/12/20)

**Q2: A multifamily owner's financial statements are complete, but their auditor is not comfortable coming into their office to conduct the audit. Can they get an extension?**

A: All audited financial statements that are due to HUD in March or April 2020 are provided with a 30-day extension. The Office of Multifamily Housing Programs will continue to monitor the situation and may provide additional extensions as warranted.

(Added on 3/13/20)

### **Continuity of MFH Operations with Staff Working Remotely**

#### *General MFH Operations*

**Q1: In the event of HUD office closures and/or staff working remotely, how will MFH handle "in person" meetings?**

A: All meetings that cannot be held in person will be held via conference call. If a meeting must be held in person, contact the field Branch Chief or Director to discuss options.

(Added on 3/13/20)

**Q2: In the event of HUD office closures and/or staff working remotely, what will be the process for subsidy contract renewals and funding actions?**

A: Multifamily field and headquarters staff will process subsidy contract renewals and related funding actions remotely. Contract renewals and funding actions should still be submitted electronically via AMPS with a copy to the assigned Account Executive/Resolution Specialist, the Funding Specialist, and Branch Chief. Hard copies should still be submitted to the field office.

(Added on 3/13/20)

*Office of Recapitalization (Recap) and Rental Assistance Demonstration***Q3: How will Rental Assistance Demonstration (RAD) transactions be processed?**

A: Applications, requests for concept calls, financing plan submissions, submissions of closing documents, and many other processes under the RAD program are already conducted on-line. We will continue to receive and review these materials and communicate with project teams by e-mail and phone. There is no change from current practice and teleworking employees will still be able to process submissions and requests.

(Added on 3/13/20)

**Q4: Will HUD relax its RAD Capital Needs Assessment requirements?**

A: The Capital Needs Assessments are a core part of the RAD review process, as they are used to establish a basis on which to project the property's 20-year capital needs. Recap will extend milestones and deadlines on a case by case basis if the capital needs inspection cannot be completed at this time due to COVID-19.

(Added on 3/13/20)

**Q5: In the event of office closures, how will HUD conduct RAD closings?**

A: Multifamily is coordinating with HUD's Office of General Counsel, and we anticipate arranging for execution and notarization of documents that need to be recorded in public records. Other documents will be distributed electronically or by mail to the extent practicable.

(Added on 3/13/20)

*Office of Multifamily Production***Q6: In the event of office closures, how will concept meetings be handled?**



A: Continue to submit your electronic requests and packages as usual, and concept meetings will be handled remotely.

(Added on 3/13/20)

**Q7: In the event of office closures, how will MFH Production handle the submission of applications since typically HUD requires an original and two hard copies of the application along with a physical thumb drive for certain types of projects?**

A: HUD will permit applications and related documents to be submitted electronically, using Drop-Box or other secure electronic means of submittal, as determined by the lender, instead of hard copies. HUD will arrange for architectural plans and specifications to be sent to the processing construction analyst identified at the concept meeting to be reviewed remotely.

(Added on 3/13/20)

**Q8: Will MFH Production relax its site visit requirements for third parties and lenders?**

A: If a third-party capital needs inspector cannot physically inspect the required sample of units due to COVID-19 concerns, the Regional Production Director may waive the sampling requirements in favor of inspecting only vacant and model units on a case-by-case basis for recently built insured properties (within 10 years of submission) or non-insured properties built within the past five years. All other properties will require a complete inspection.

(Added on 3/13/20)

**Q9: What if the lender is unable to visit the site to verify the inspection report's findings?**

If the lender's travel is restricted (thereby limiting the lender from inspecting the site), the capital needs inspection report may be accepted for underwriting purposes on the condition that the lender inspects the property prior to the issuance of the insurance commitment. Therefore, to the extent that a lender is not able to physically inspect the property due to COVID-19 concerns, the conclusions of the report must be included without modification as part of the application.

HUD's appraisers and market analysts, as necessary, must inspect the property and subject comparables in accordance with Multifamily Accelerated Processing (MAP) requirements to insure a credible valuation conclusion.

(Added on 3/13/20)

**Q10: Will MFH Production relax its site visit requirements for FHA site inspections as part of the environmental review process?**

A: HUD currently requires a site inspection for all environmental reviews. Each Regional Production Director can waive this requirement on a case-by-case basis for currently insured or non-insured applications (for refinance or new construction) for which an environmental report has been submitted in HEROS with no significant issues; however, a waiver of this requirement can only occur if the lender's environmental consultant has inspected the property.

If a property does not meet the above criteria, it must have a HUD site inspection prior to the issuance of the firm commitment; however, in the event that a property is not able to be accessed for a prolonged period due to COVID-19 concerns, HUD will consider alternatives to site inspections.

(Added on 3/13/20)

**Q11: Will MFH Production relax its site visit requirements for FHA lenders performing lease audits?**

A: Yes. Lenders may perform lease audits electronically if the information is available and verifiable.

(Added on 3/13/20)

**Q12: Will office closures affect HUD's underwriting and issuance of firm commitments?**

A: No. HUD staff are equipped to perform underwriting functions and all other duties remotely; therefore, HUD does not anticipate a significant issue or delay in processing loans.

(Added on 3/13/20)

**Q13: In the event of office closures, how will HUD conduct MFH Production loan closings?**

A: MFH Production is coordinating with HUD OGC to ensure continuity of closings in the event of office closures. Certain reviews that are routinely performed electronically, and closings that are routinely conducted by mail, such as Section 223(f) and 233(a)(7) loans, will continue in the same manner.

OGC and MFH Production are working to expand the ability to conduct other types of reviews and closings, including for Section 221(d)(4) and other NC/SR programs, either electronically or by mail to the extent practicable. Additional guidance will be forthcoming as soon as it is available.

(Added on 3/13/20)

**Q14: In the event of office closures or staff on telework, how will HUD conduct construction administration?**

A: Monthly draws, trip reports and change orders are routinely completed electronically; however, a site visit is required by the owner, architect and construction inspector (CI) to review progress and approve monthly draws. If the owner or architect can only attend remotely, exceptions can be made on condition that the CI is present. Should the CI be unable to attend, then the draw will need to be postponed. While HUD does not anticipate that the timeline for CI inspections to occur will extend past 60 calendar days, situations presented by prolonged unavailability of the principal participants should be raised with the Regional Production Director.

(Added on 3/13/20)

**Q15: In the event of office closures or staff on telework, how will HUD handle cost certification/ Final Endorsement?**

A: HUD anticipates no disruptions in the performance of these functions as they are routinely conducted electronically.

(Added on 3/13/20)