



Updates for multifamily partners

chfa: asset management multifamily compliance interim compliance policies

Last Updated: April 7, 2020

Applicable through April 30, 2020 unless otherwise noted below

NOTICE TO PARTNERS: CHFA's Inspection and Monitoring Policy in Response to COVID-19.

CHFA continues to monitor the COVID-19 situation and developments in Colorado. In response to concerns related to COVID-19, CHFA is implementing the following policies for inspections and monitoring. CHFA's policy changes seek to help minimize the spread of COVID-19 and protect the health of tenants, partners, and CHFA staff. These policies and courses of action were developed based on current guidance provided by the IRS and HUD and are subject to change as the situation continues to develop and as warranted.

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tax credit and chfa loan compliance monitoring and site visits

1. All on-site compliance monitoring and visits will be suspended until at least May 1, 2020.
2. As an alternative, desk monitoring may be implemented and partners may need to submit documentation electronically. If we implement desk monitoring, we will notify you.
3. Technical assistance will be offered to partners remotely.
4. In general, there will be no interruption in submittal requirements and review of 2019 Annual Owner Certifications.
 - However, for CHFA Multifamily Loan properties with FYE December 31, 2020: The Insight submission deadline for audited financial statements has been extended from April 1, 2020 to July 1, 2020. If your statements will not be available in that timeframe, please contact your Program Compliance Officer.
5. Regarding resident certifications completed or due during this time period:

move-in certifications

Options for Electronic and Verbal Certifications

- Move-in certifications for the LIHTC and CHFA Loan programs may be completed electronically with the following requirements:
 - Content may be entered electronically by residents on certification forms.
 - Signatures by residents and management on certification forms, including the Tenant Income Certification (TIC), may be completed electronically as long as each signature is authenticated, and date- and time-stamped by the software.
 - Typed and unauthenticated signatures are not permitted.
- If the O/A is unable to conduct the certification process in person, or electronic format is not available, the certification may be conducted with the resident over the phone using the following steps:
 1. Call the resident(s) to complete the certification interview.
 2. Complete the questionnaire and other documents with the information collected during the call. Do not sign on behalf of residents.
 3. Use a [clarification record](#) to document:

- a. The date, time, and contact info for phone call with the resident(s).
- b. The reason the certification was conducted by phone and why the resident's signature was not obtained.
- c. Confirmation that management will have the resident sign all documents, true and correct, when it becomes feasible to do so.

Options for Electronic and Verbal Verifications

If the O/A is unable to collect third-party verifications for employment, other income, or assets via email, fax, or mail, either of the following alternatives may be used:

- Verbal third-party verification: Obtain all the same information on the verification form and document the name of the person providing the information, including the person's title and phone number, along with the date of the conversation.
- Resident-provided documents: It is up to the owner and management agent to determine the appropriate methods for obtaining copies of documents, such as paystubs, bank statements, CBMS printouts, Social Security letters, etc. from residents. Options could include the following:
 - The resident may put copies of paystubs, bank statements, etc. in the rent drop box.
 - The resident may scan or take a photo of the documents with their phone and send to management electronically.

Calculating Annual Employment Income

CHFA recognizes the challenges involved in estimating annual employment income during this time of uncertainty. The most important factor for owners and agents to keep in mind is due diligence. Are you taking and documenting all the steps you reasonably can in these unusual circumstances to follow the LIHTC and CHFA Loan programs and provide housing to residents?

In terms of calculating employment income, follow your normal protocol for any case where an applicant or resident is seasonally employed. The file should present a reasonable picture of the household's anticipated income.

- If someone is currently unemployed, their Unemployed Resident Affidavit should include an estimate of any wages they anticipate receiving and include their prior year tax return to support that (if applicable).

- If someone is typically seasonally employed, their Seasonal Worker Affidavit will indicate how they plan to pay for rent: unemployment benefits, family support, other seasonal work, use of savings, etc.
- To determine the number of weeks of employment to use in your calculations, use the guidelines below:
 - Given the current situation and business closures, it is reasonable to assume applicants who work in the service industry or other impacted businesses will not be employed elsewhere during the closures. Therefore, use a realistic number of weeks based on current information instead of 52 weeks.
 - The file should contain a general clarification record on the COVID-19 situation and business closures in your area. In that clarification,
 - Include your best estimate of the possible date when business will resume based on current public information.
 - Include the source and date of the information you're using, such as the local city or county government's orders, the Governor's orders, local news articles, etc.
- If an employed household member receives an increase in hours or wages related to COVID-19, the additional income should be calculated for the time period specifically stated by their employer. Management should not base calculations on potential or unverified extensions.

Annual Recertifications

Due to these unprecedented circumstances, including health concerns, business closures, and government orders, CHFA is issuing a temporary waiver of annual recertifications of income and assets with effective dates through 12.31.2020.

This waiver applies only to the LIHTC and CHFA Loan programs monitored by CHFA. It applies to both 100-percent restricted developments and mixed-income developments.

For waived certifications, the only documentation required will be:

- A clarification record regarding the waiver (e.g., a copy of this notice), and
- A Student Status Certification, if applicable.

Student Status Certification for LIHTC and PAB-financed Developments

For LIHTC developments in years 1-15 of the compliance period and for all developments financed with tax exempt bonds issued by CHFA, the Student Status of each household must still be certified by 12.31.2020.

The owner/agent can complete these certifications electronically or by phone according to the original anniversary date. Or, they may elect to wait until full operations resume to complete the certification, as long as it is completed by 12.31.2020.

If you have any additional questions, please contact your Program Compliance Officer.

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management occupancy reviews (mors) for chfa's project-based section 8 properties

(Reviews required in quarterly work plans under a contract between CHFA and HUD):

1. HUD has suspended MORs indefinitely.
2. 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.

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hud reac inspections

1. HUD has postponed all scheduled REAC inspections (public housing, multifamily, and servicing mortgagee) until further notice.

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complaint inspections for multiple programs

(Unscheduled inspections as a result of client complaints received by CHFA):

1. The decision on whether to conduct client complaint inspections will be made on a case-by-case basis.

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construction progress/completion inspections on multifamily projects

1. If the activity is new construction or rehab with no residents in place, CHFA will continue conducting inspections as usual.
 2. If the activity is rehab with residents in place, CHFA's Construction Services Managers will work directly with you on monitoring.
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chfareach program

- All classes will be held online through April 30, 2020.
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reporting requirements

- All normal CHFA reporting requirements will remain in place but for approved exceptions. This request must be sent directly to your CHFA Program Compliance Officer.
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eviction and late fee moratorium

The CARES Act signed into law on March 27, 2020, imposes a 120-day moratorium on evictions and late fees for most federally supported affordable housing. The moratorium applies to many multifamily properties monitored by CHFA, including those that have Section 8 contracts or vouchers, are financed with FHA-insured loans, or are financed with LIHTC.

For more information and a full list of impacted programs, see Novogradac's article, [CARES Act Contains 120-Day Moratorium on Evictions from Affordable Rental Housing](#).

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