

COVID-19 & Senior Housing: HUD Regulatory “Scorecard”

June 10, 2020

Status	Policy Issue	LeadingAge Request	Progress Update
Management Operations: Regulatory Relief for Housing Communities			
	Resident Rights and Supports	<ul style="list-style-type: none"> Clarify resident rights/responsibilities and owner obligations during evictions moratorium Provide information and coordinate with other agencies to increase access to services 	<ul style="list-style-type: none"> On April 28th, HUD published a brochure addressing tenant concerns during COVID-19 in English and in other languages. On May 1st, HUD made a resources available for housing providers to assist food-insecure residents
	Physical Property Inspections and Management and Occupancy Reviews	<ul style="list-style-type: none"> Temporary relief from physical property inspections, except for in health or safety emergencies Issue complete postponement of MORs or limit on-site presence 	<ul style="list-style-type: none"> On March 13, HUD property inspections for all MFH properties until further notice, except if needed for exigent circumstances. HUD also partially suspended MORs In mid-May, HUD adjusted review policies that limit on-site presence during “light-touch” MORs; HUD’s new electronic documentation guidance allows for virtual file reviews
	Streamlined Files and Electronic Signatures/Documents	<ul style="list-style-type: none"> Allow for electronic or streamlined files/signatures Waive need for original documents and signatures 	<ul style="list-style-type: none"> On April 2, HUD published COVID-19 FAQs providing temporary electronic flexibility for income recertifications. HUD later provided the same flexibilities for new applicant processing. However, HUD requires the collection of originals by management at a later date/when possible. On May 26, issued Notice 2020-04 to comprehensively allow electronic signatures and documents by owners.
	Rental Assistance Demonstration	<ul style="list-style-type: none"> Adapt requirements for RAD to allow properties to meet outside deadlines Provide flexibilities around in-person components of RAD transactions, including RAD for 202 PRACs, such as conducting site inspections or resident meetings virtually 	<ul style="list-style-type: none"> On April 2, HUD provided detailed information on resident engagement for the RAD conversion process during COVID-19, including the options for remote resident meetings On April 2, HUD provided clarity to reconcile construction schedules with resident relocation/health needs, and allowed for delayed CNAs or approval based on model or vacant units On May 21, to give more time to execute leases, HUD also allowed the HAP effective date to be the first day of the third full month after closing upon request (rather than the first day of either of the first two months following closing)

Status	Policy Issue	LeadingAge Request	Progress Update
	Stimulus Checks	<ul style="list-style-type: none"> Clarify exclusion of stimulus checks from income determinations 	<ul style="list-style-type: none"> On April 16, HUD clarified in its FAQs that the economic impact payments to HUD-assisted households, and enhanced unemployment payments, are disregarded as income
	Capital Needs Assessments	<ul style="list-style-type: none"> Extend CNA deadlines or allow for provisional transactions approvals 	<ul style="list-style-type: none"> On May 21, HUD issued FAQ clarification allowing delayed CNAs at the 10-year anniversary or where in preparation for the endorsement of a Section 223(a)(7) loan
	Income Certifications	<ul style="list-style-type: none"> Streamline and prioritize interim recertifications to provide rent relief for residents with income loss Provide deadline flexibility on annual recertifications, including acceptance of temporary provisional ARs to reduce the need for in-person interactions 	<ul style="list-style-type: none"> On April 2, HUD published COVID-19 FAQs providing flexibility and TRACS codes for annual recertifications delayed up to 90 days due to the pandemic; HUD also allowed resident “Self-certification” of income changes for interim recertifications However, HUD has not allowed for the use of previous year’s income information to complete “provisional” ARs, and HUD has not clarified the use of “self-certification” of income.
	Unit Turnover	<ul style="list-style-type: none"> Relax move-out timelines and extend subsidy payments for special claims during the crisis Expedite, expand, and extend vacancy loss payments for delayed move-ins Allow properties to claim assistance payments for “financial vacancies” where a resident is occupying the unit but not paying rent and subject to an evictions prohibition 	<ul style="list-style-type: none"> On April 14, HUD extended electronic and streamlined flexibility to forms and processing used during move-ins and move-outs On May 1, HUD clarified that it is not extending special claims or subsidy payments for vacant units, and clarified that the agency expects move-ins to continue when safely possible LeadingAge continues to request HUD action to help owners stay solvent while prioritizing resident health
	Waiver Authority	<ul style="list-style-type: none"> Broadly apply optional regulatory waivers for Multifamily Housing 	<ul style="list-style-type: none"> LeadingAge continues to urge HUD’s Office of Multifamily Housing to make use of broad regulatory and statutory waiver authority granted by the CARES Act for funding allocations, eligible use of project funds, recertification requirements, subsidy termination, per unit services, etc.

Status	Policy Issue	LeadingAge Request	Progress Update
Financial Relief: Funding and Loan Support for Housing Providers			
	Funds Flexibility	<ul style="list-style-type: none"> Allow non-traditional draws from reserves or residual receipts for COVID-19 costs Make forbearance options available to owners 	<ul style="list-style-type: none"> On March 24, HUD issued FAQs allowing owners to access reverse for non-traditional uses, based on property need On April 13, HUD issued a mortgagee letter with forbearance and underwriting options for FHA multifamily housing loans, HUD-held loans, and Section 232 healthcare facilities
	Supplemental Funds for Revenue Loss	<ul style="list-style-type: none"> Quickly allocate CARES Act funds for PBRA/Section 202 property subsidy 	<ul style="list-style-type: none"> On May 28, HUD announced plans to allocate most of the CARES act funds for Project-Based Rental Assistance HAP contracts to offset interim recertifications and vacancies
	Surplus Cash and Residual Receipts	<ul style="list-style-type: none"> Implement residual receipt and surplus cash flexibilities for delayed projects and budgets 	<ul style="list-style-type: none"> On May 21, HUD announced a temporary suspension of Resident Receipt HAP offsets. All PRACS can suspend offsets for Residual Receipts through December 31, 2020 LeadingAge has urged HUD to adopt broader surplus cash flexibilities to accommodate delayed projects
	Supplemental Funds for Service Coordination and COVID-19 Expenses	<ul style="list-style-type: none"> Quickly allocate CARES Act funds for PBRA/Section 202 for unanticipated health and safety costs and to replace non-traditional reserve draws Expediently and equitably allocate CARES Act funds for Service Coordinators 	<ul style="list-style-type: none"> HUD has not issued allocation methodology for the remaining PBRA or Section 202 funds for significant unbudgeted expenses incurred by housing providers for cleaning, supplies, PPE, staff overtime, security, and other costs On June 4, LeadingAge urged HUD secretary Carson to release the overdue funds as quickly as possible
	Payroll Protection Program (PPP) Loans	<ul style="list-style-type: none"> Issue guidance for use of payroll funds from other federal sources with HAP contracts, and clarify compatibility of PPP loans with regulatory agreements 	<ul style="list-style-type: none"> HUD has not issued PPP guidance for housing providers LeadingAge has urged HUD for clarity on use of the PPP funds in conjunction with HAP contracts and regulatory agreements