

April 2023 General Management Review Discussion Points:

- **The majority of Minnesota Housing staff are teleworking. Please inform tenants that request contact info that phone and email are best contact and that in person meetings are available by appointment only.**
- **PBCA HMO's are resuming physical inspections of occupied units effective July 1, 2022.** If you are scheduled for an MOR July 1, 2022 or after, you will receive more information from your HMO about safety protocols and tenants' rights during the scheduling process.
- **Social Security Increase for 2023**
The Social Security Administration announced that Social Security and Supplemental Security Income (SSI) benefits will increase 8.7 percent in 2023. Information about Medicare changes for 2023, when announced, will be available at www.medicare.gov.

Please note that if a family's income for 2022 is equal to or more than \$2300, the 8.7% COLA will cause an increase of \$200.01 or more per month which will require the need for an Interim Recertification (IR). For additional guidance on applying the COLA to 2023 annual recertifications, please refer to HUD Handbook 4350.3 Par. 9-6.

- **Management and Occupancy Review (MOR) Final Rule: Risk-Based Monitoring Schedule**
HUD released the final rule for the Risk-Based Monitoring Schedule for Management and Occupancy Reviews (MORs) in late June. Minnesota Housing is currently seeking clarification on several portions of this rule that will help determine implementation of the new schedule. Please watch for updates from Minnesota Housing and/or your Housing Management Officer(s) regarding any clarifications on the rule or changes to the current MOR schedule in place.
- **REAC reports will no longer be sent but Minnesota Housing as of May 1, 2023.**
As of May 1, 2023 Minnesota Housing will no longer be sending Owners and Agents copies of REAC reports after they are release by HUD. Visit this website to access your report <https://www.hud.gov/reac>
- **Carbon Monoxide Devices**
The statutory requirement to have carbon monoxide devices in HUD-assisted rental properties is effective **as of 12/27/2022** for multifamily properties. As described in [Housing Notice 2022-01](#), these devices are required in properties with carbon monoxide sources, such as those with fuel-burning appliances or attached garages. To comply, owners must install carbon monoxide alarms or detectors in accordance with the standards of the [2018 International Fire Code \(IFC\)](#). To help owners place the devices, Real Estate

Assessment Center (REAC) worked with the International Code Council to develop a [new decision tree](#).

Multifamily owners and operators still purchasing devices can consider [Lowe's partnership with OMNIA Partners](#) to provide government agencies and nonprofits contract savings at the time of purchase, with no minimum order required.

- **Housing Optimization Through Modernization Act (HOTMA)**

Final Rule Effective Date & HOTMA Implementation All provisions for Multifamily Housing programs will become effective on January 1, 2024. Owners must implement the revised regulations for all tenant certifications of income effective January 1, 2024 and after. Additional guidance will be forthcoming, however owners and agents are encouraged to read the notice. https://www.hud.gov/program_offices/housing/mfh/hotma

Programs Will Be Affected by the Final Rule? The Section 8 PBRA (including RAD), Section 202/811 PRAC, 202/8, 202/162 PAC, Senior Preservation Rental Assistance Contract (SPRAC), and Section 811 Project Rental Assistance (811 PRA) programs will see changes due to HOTMA.

- **REAC Inspections during COVID – Tenant's Right to Decline Inspection**

Residents should communicate any health or related concerns with the property representative. Should the tenant opt to decline entry, the inspector will work with the property to select an alternate unit. If a tenant communicates their request to deny REAC inspection, please try to communicate this at the 28, 14, and 2-day notification intervals. Full details are available on the [Updated REAC during COVID flyer](#).

- **Special Claim Submissions**

In July, the Special Claims submission process was launched via Minnesota Housing's Multifamily customer Portal (Portal). Training materials are available on our website: [Special Claims User Guide- Step-by-step instructions for Special Claims](#)
[Special Claims in the Portal Tutorial- Video training with step-by-step instructions](#)

Owners/Agents should now only be submitting their claims through this system. If there are questions regarding the set up process please email mhfa.app@state.mn.us for assistance. For questions regarding your Special Claims submissions, contact your assigned TRACS Data Analyst.



Cash apps require due diligence to determine how they work and are used. Previously, the most common types of cash apps were only linked to bank accounts or credit cards and used to securely transfer payments from one party to another. In those cases, you would not include it as an asset since any monies are transferred directly to the bank account which is already included on the 50059. Currently there are new versions and types of applications that

are becoming more popular, such as Chime or One Spend that are more like an online banking institution which allow its customers the option to have a type of checking account (aka spending account) or a type of savings account. Any of these types of accounts will require further verification and/or clarification. If the account acts like a checking account, you will be required to calculate an average 6 month balance and verify if the account collects any interest or other types of income. If the account acts like a savings account, you would be required to identify the current balance and and verify if the account collects any interest or other types of income. Supporting documentation will be required to be present in a tenant file to show the due diligence has been completed.



For the purposes of reasonable accommodations, the definition of a person with disabilities is the definition defined for civil rights protections. However, to receive the program benefits of a person with disabilities, a tenant would have to meet the definition of disability for that specific property. For this reason, when someone is deemed disabled for purposes of a reasonable accommodation that does not automatically make them eligible for the program's definition of disabled, therefore there is a chance that they would not qualify for the \$400 allowance and medical expense deduction. When a reasonable accommodation is approved, it should be a trigger to seek verification on whether the tenant also meets the program definition of disabled.

Online Training Opportunities:

Ross Business Development (RBD)

Various trainings available. <https://www.rbdnow.com/online-training>

National Center for Housing Management (NCHM)

Various trainings available. <https://www.nchm.org/online-training/>

Quadel

Various trainings available.

<https://quadel.com/training-and-certification/online-training-calendar/>

Minnesota Multi Housing Association (MHA)

Various training and certification programs available.

<https://www.mmha.com/Certifications>

<https://www.mmha.com/Online>

To view past issues of MOR Hot Topics, visit <https://www.mnhousing.gov/rental-housing/property-managers/section-8---811-contracts.html>.