

April 2020 General Management Review Discussion Points:

- **Coming Soon! Tenant Selection Plan Review Checklist: For Projects Selected Through the Multifamily RFP**

In an effort to increase transparency of Tenant Selection Plan review and accountability to state Tenant Selection Plan (TSP) guidance, Minnesota Housing is developing a review checklist for TSPs submitted as part of due diligence. This checklist will provide a guide for projects to verify the TSP and includes components necessary based on their funding as well as state and federal guidance and uploaded with the TSP in Portal. Minnesota Housing staff reviewing TSPs will then use the completed checklist to inform their review. Once developed, an online training video will be made available outlining the timeline, process, and FAQs about implementation and Minnesota Housing staff will be available to assist as we transition to including this new due diligence component.

- **Online Rent Payment Services**

Many owner/agents are beginning to use online rent payment options where tenants can either link a bank account or credit/debit card to make their monthly rent payments. Before moving to this option, there are a couple things you should consider.

- Will tenants be required to use the online payment method or will it be optional?
- Will tenants be charged a fee when making their rent payments?

If all tenants are **required** to use the online payment method and there is a fee that is associated with making the payment, this charge will need to be approved by the HUD Account Executive and should be included on the rent schedule.

- **Register for the NSPIRE Demonstration**

HUD continues to seek volunteers to participate in the National Standards for the Physical Inspection of Real Estate (NSPIRE) Demonstration, which is currently underway. The Demonstration is designed to test adjustments to HUD's physical inspection standards and protocols prior to nationwide implementation of the NSPIRE Model.

Benefits include:

- Opportunities to shape the NSPIRE physical inspection model
- Advisory inspection scores based on NSPIRE standards and protocols
- Training opportunities, including how to use the inspection software

For more information, visit

https://www.hud.gov/program_offices/public_indian_housing/reac/nspire.

- **Mileage Rates for Medical Expenses**

For households that meet the definition of elderly and/or disabled, HUD permits a medical expense deduction to be used to calculate their adjusted annual income. You will want to make sure that those households are aware that they can include their mileage to and from medical appointments and medical treatments as part of their medical expense deduction.

Beginning on Jan. 1, 2020, the standard mileage rate for the use of a car (also vans, pickups or panel trucks) will be 17 cents per mile driven for medical or moving purposes (this is down three cents from the rate for 2019).

- **TCF Bank Verification**

In April 2019 TCF Bank made a secure web-based data exchange service available for governmental programs, enabling verification of banking information so they can quickly administer federal, state or local public assistance to low-income families and individuals. Instead of requesting bank statements from residents, you can enroll in their FREE Bank VOD and get all of the required information you need. Go to: <https://www.bankvod.com/gov/>. On this page, click on the "Enroll Now" button and complete the enrollment form. You will need to provide your EIN to confirm 501c status. If you have any questions, you can email their vendor directly at cs@bankvod.com.

- **Special Diets**

If a family has a household member receiving a special diet allowance, should this income be included or excluded from the rent calculation?

- It should be included. Special diet income does not fall under any exclusion listed in HUD Handbook 4350.3 Exhibit 5-1. Food items are not considered a medical expense under HUD's guidelines, so special diets don't qualify for the exclusion:
 - (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member
- Special diet income is paid through State funds and does not fall under the Food Stamp Act of 1977, so the following exclusion also does not apply:
 - The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7U.S.C. 2017 [b])

Even if a family member has documentation from a medical professional that they have a prescribed special diet, this income must be included.

If a family claims that the amount they need to spend to meet their special diet requirements exceeds the amount provided in the monthly cash allowance, should the owner/agent treat the amount above the allowance as an additional medical expense?

- No. Properties can't use the cost of food necessary for a special diet as part of the medical expense deduction.



Properties with the program type of Loan Management Set-Aside (LMSA) and Property Disposition Set-Aside (PDSA) must have a lease renewal term of the lesser of one year, or the remaining term of the HAP contract. This one year renewal term should be reflected when completing Paragraph 2, Field H of the HUD Model Lease 90105a for properties under these program types. Please contact your assigned Housing Management Officer if you have any questions regarding your property's program type or how to fill out the HUD Model Lease.

To view past issues of *MOR Hot Topics*, visit www.mnhousing.gov/multifamily/section8.