

December 2021 General Management Review Discussion Points:

- **For COVID-19 related information**, please refer to the [HUD Multifamily Housing Q and A](#) document and the [Minnesota Housing Guidance](#) document.
- **COVID-19 Emergency Rental Assistance** is now open for applications. This program was created to help Minnesotans who have fallen behind on their rent or fear that it could happen. Eligible renters can receive help with rent, utility bills and other additional housing related costs dated on or after March 13, 2020. Please refer to [RentHelpMN](#) for more information.
- **Social Security Increase for 2022**
The Social Security Administration announced that Social Security and Supplemental Security Income (SSI) benefits will increase 5.9 percent in 2022. Information about Medicare changes for 2022, when announced, will be available at www.medicare.gov.

For Guidance on applying the COLA to 2022 annual recertifications, please refer to HUD Handbook 4350.3 Par. 9-6.

- **HUD Interim Final Rule**
On October 7, 2021, the U.S. Housing and Urban Development (HUD) published an interim final rule titled "[Extension of Time and Required Disclosures for Notification of Nonpayment of Rent](#)." This interim final rule will go into effect on November 8, 2021. This interim final rule applies when, during national emergencies such as the COVID-19 pandemic, federal funding is available.

The rule provides that the HUD Secretary may determine that tenants facing eviction for nonpayment of rent must be provided with adequate time and notice to secure funding to help avoid eviction. Upon that determination, the owner seeking to evict for nonpayment, must provide the tenant with information required by HUD's Secretary to access funds that are being made available related to the emergency. HUD will publish a Notice outlining specific information to be included in the lease termination notification to help eligible tenants access funding during this emergency.

To help ensure tenants facing eviction for nonpayment of rent are provided an adequate opportunity to access emergency funding, HUD's interim final rule also extends to the lease termination time period at least 30 days following the notification. The interim final rule does not require amending model leases to reflect these provisions; however, it is recommended that housing providers update policies and procedures to reflect HUD's rule.

- **Special Claim Submissions – Coming Soon!**

Special claim submissions will soon go through Minnesota Housing’s Multifamily Customer Portal. Look for additional information and training in the coming months with an expected release in the Spring of 2022.

- **MSA Special Diet**

On November 30, 2020, [HUD released a Memorandum](#) regarding the treatment of benefits received through the Minnesota Supplementary Assistance Program (MSA) that are provided for “medically prescribed diets if the cost of such dietary needs cannot be met through some other maintenance benefit”. **This exclusion applies to allotments specific for the cost of medical expenses, which is often referred to as a special diet allowance.**

Owners should pay close attention in identifying the purpose of the MSA payments.

Because Minnesota makes MSA special diet allowance available specifically for the cost of state determined medical expenses, HUD has determined that the MSA special diet allowance meets the income exclusion found in HUD Handbook 4350.3 Exhibit 5-1, Income Exclusions (4):

- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

HUD instructs owners to exclude this MSA special diet benefit from income calculations. Corrections to certifications performed on or after July 24, 2019, the date the original MSA guidance was issued, should be made for all existing residents impacted by the Memorandum. Owners may make corrections during the tenant’s next certification or at the tenant’s request, whichever comes first, however the income calculations must include a lookback to July 24, 2019. Any underpaid subsidy will be credited to the tenant.

- **Tenant Selection Plan Checklist and Help Text**

To increase transparency of TSP review and help make sure TSP guidelines are being followed, Minnesota Housing has developed a review checklist for TSPs that will be submitted as part of due diligence. This checklist will serve as a guide for projects to verify the TSP includes the necessary components based on state and federal guidelines. It will also serve as a guide for projects whose funding sources require TSPs and for which Minnesota Housing is responsible for monitoring. Help text accompanies the TSP checklist to provide additional context for the requirements and expectations outlined in Agency guidelines, as well as other federal funding streams that Minnesota Housing monitors.

Beginning with projects selected from the 2020 Consolidated RFP, external partners will upload the completed TSP checklist along with the draft TSP to the Multifamily Customer Portal in the pre-construction due diligence item “Tenant Selection Plan and Screening Criteria.” Minnesota Housing staff reviewing draft TSPs will then use the completed checklist to inform their review of the TSP.

The [TSP checklist](#), [help text](#), and a [recorded training](#) outline this new due diligence component and include details related to implementation. Minnesota Housing staff will be available to help external partners transition to this new process, but all materials, including the TSP Guidelines and up-to-date information about this tool, are available on our [Tenant Selection Plan webpage](#).

Questions? Please reach out to [Sara Gomoll](#) or [Annie Johnson](#) with any questions you might have about the use of this checklist tool.

Did you know?

When auditing tenant files, HUD and Contract Administrators are monitoring and watching for unauthorized bypassing of tenant waiting lists. Auditors are watching for situations where tenants were moved into units and become head of household without previously being placed on established waiting lists. Owner/Agents will want to make sure households are not inappropriately expanded and that leases are only transferred to remaining household members under appropriate circumstances. Please refer to HUD Handbook 4350.3 Par. 3-9D.4 for information about circumstances when tenants must provide Social Security Numbers when adding new household members to an existing household. Chapter 3, Section 3 provides information on verification of eligibility factors and Par. 7-11 and Par. 7-12 provide instructions regarding processing interim recertifications and the required verification for new family members income and related expenses.

Did you know?

Cash apps require due diligence to determine how they work and are used. Previously, the most common types of cash apps were only associated with a bank account and is used to more securely transfer payments from one party to another and were linked to a checking account, savings account or credit card. In those case you would not include it as an asset since any monies are transferred directly to the bank account. Currently there are new types of cash apps that are becoming more popular, such as Chime or One Spend that are more like and 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.

Did you know?

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.

Upcoming 2022 Events:

Minnesota Multi Housing Association (MHA):

Working Together Conference and Product Show – April 13-14, 2022

<https://www.mmha.com/Education/Education-Calendar>

Earle Brown Heritage Center – Brooklyn Park, MN

Other upcoming MHA conferences: <https://www.mmha.com/Events/Calendar-of-Events>

- Building Bridges Conference/Products Show – May 12, 2022 - Duluth, MN
- Shaping the Future Conference/Products Show – June 9, 2022 – The Park Event Center - Waite Park, MN
- Building Communities Conference/Products Show – September 22, 2022 – Wood Lake Meeting Center - Rochester, MN
- Shaping the Industry Conference/Products Show – October 13, 2022 – Courtyard by Marriott – Mankato, MN
- Changing the Game Conference/Products Show – November 16, 2022 – St. Paul River Centre – St. Paul, MN

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 www.mnhousing.gov/multifamily/section8.