



Updated Policies and Implementation: Minnesota Housing's RentHelpMN Vacated Unit Assistance

Announcement

Minnesota Housing's RentHelpMN program will begin accepting applications for vacated unit rent and utility assistance on October 15, 2021.

Under the new guidance, the renter must affirmatively request this assistance to remove barriers they face in seeking new housing. If a landlord evicts a tenant, and the tenant declines to seek assistance for rental arrears for the former unit, the program cannot pay those arrears.

NOTE: Due to additional requirements, RentHelpMN will not apply this guidance to applications currently in process. If an applicant submitted an application while still residing in the unit and afterwards vacated the unit or was evicted, they must reapply.

Summary

On August 25, 2021, the US Department of the Treasury updated guidance to clarify that programs can allow tenants to request assistance for rent and utility arrears after moving out in order to remove barriers in seeking new housing. Treasury also advised programs to require that landlords not pursue collections for the rent arrears paid with this assistance.

Prior to that date, RentHelpMN had followed the guidance that assistance was meant to maintain housing stability, and accordingly had been declining to pay assistance if the household moved out.

On September 7 and 30, 2021 Minnesota Housing adopted updates to the Program Guide. For RentHelpMN applications that are processed by Minnesota Housing, the Guide now states:

Rent and Utility Arrears for Previous Dwelling

The U.S. Department of Treasury issued new guidance on August 25, 2021 to permit payment of rental or utility arrears after the tenant no longer resides in the unit in some circumstances. As a result, it is an eligible Program expense to provide assistance for rental or utility arrears after an otherwise eligible tenant has vacated a unit, if the tenant requests such assistance, in order to remove barriers a household

may face in accessing new housing. Tenants may be asked to confirm that they are requesting payment of such arrears. Property owners must agree not to engage in further collection efforts regarding the arrears that are paid or related fees or expenses and must agree not to pursue any further collection efforts against the household and must report the resolution of the arrears to applicable credit agencies. Landlord or utility providers should also notify the tenant that payment has been received and there will be no further collection efforts.

Due to processing requirements related to applications for previous dwellings, applications submitted to RentHelpMN on or after October 15, 2021 may be processed for rental or utility arrears for a previous dwelling as set out above. Any applicants seeking rental or utility arrears for a previous dwelling who submitted an application prior to that date may reapply with the additional information required.

Please note this policy applies to applications processed by Minnesota Housing through RentHelpMN. Not all programs that are processing applications submitted through RentHelpMN are following the same policies. Please confirm with the entity that is working on your case.

Frequently Asked Questions

Is this new policy implemented?

Minnesota Housing is in the process of developing the documentation and procedures to demonstrate that a tenant is requesting this assistance to remove barriers they face and that the landlord will agree to the terms of the assistance. This documentation will include new certifications for both tenant and landlord in line with the guidance. There will also be training of processing staff and 211.

Starting on October 15, tenants can submit applications for assistance at their prior unit. Landlords and their former tenants can start the conversation now about settling these debts and documenting how much is owed.

What if the tenant has moved out and has a pending application for assistance?

The application will need to be re-submitted to reflect that the tenant is requesting assistance for a vacated unit and that they agree to the terms and conditions. Tenants can call 211 to withdraw their current application and once the withdrawal is processed (generally the next business day) can re-apply from their online dashboard. The re-application allows the tenant to upload the documentation that demonstrates that they are requesting the assistance for a prior

dwelling and the landlord agrees to the terms. All of the information from the original application will be saved including any documents that were submitted.

Landlords should work with their tenants to help get the paperwork lined up for the new application for assistance.

If the landlord has received assistance from an application submitted when the tenant is in place but the tenant has lost housing stability, the full amount of assistance must be returned so that the tenant can determine how they wish to proceed with a vacated unit application.

What if an application was declined in the past because the tenant moved out before the assistance was paid out?

Similar to a withdrawal, the tenant can re-apply from their online dashboard or contact 211 for assistance getting started.

The program will continue to decline applications where the tenant is no longer in place at time of processing. To expedite converting an application from an in-place to vacated unit, the tenant can contact 211 to withdraw and re-apply as a vacated unit.

Is there a limit on assistance?

The Emergency Rental Assistance program is a time-limited program and all claims are subject to funding availability.

These federal Emergency Rental Assistance resources are still subject to the standard program rules.

First, the rent debts must have been incurred on or after March 13, 2020. For most households this is April 2020 rent and beyond.

Second, assistance is limited to 18 months per household, even if the household moves and the assistance is paid to/on multiple properties. For example, accessing assistance for 12 months of rent arrears to pay rent debts would leave 6 months of assistance if the household falls behind again at the new address.

Third, the assistance is only for months that the tenant had exclusive access to the unit and a rental obligation for the unit.

There is no cap on the amount of assistance that can be paid, so long as the household meets all of the eligibility requirements and falls within the time limitations stated above.

Can a tenant apply at their old address and their new address for assistance at once?

Unfortunately, our system is not set up to have both payments come from one application. The tenant will need two separate applications. The tenant can connect with 211 to get assistance from a field partner in having both applications move forward. We will advise you to prioritize assistance on your current unit to prevent eviction while you work with the team to submit an application to address rent debts.

Does this mean a landlord can move forward with evicting tenants and still collect unpaid rents?

If a renter has a 'pending' application, the renter cannot be evicted for non-payment of rent through June 1, 2022.

If a landlord has evicted a tenant from their property and there is a rent debt remaining, these debts may be paid only at the tenant's request and participation due to federal requirements.

Can a landlord request this assistance without the participation of the tenant?

No. Both the federal guidance and the Program Guide are clear that the assistance for a rental arrears payment for a former unit must be requested by the tenant.

What if a landlord will not agree to the terms of accepting the funds, such as not pursuing collections?

If a landlord does not agree to the terms required under federal guidance, Minnesota Housing will offer the assistance directly to the tenant for the tenant to use in resolving their rental arrears.

If the debt has been sent to a collection agency can payment go directly to that company?

No. RentHelpMN can pay either the landlord or the tenant directly, but not a third party. If the landlord accepts the funds they will need to resolve the collection demand and any associated fees. If the tenant receives payment directly they can use the assistance funds to resolve the debt.

What happens if the landlord does not provide the tenant with documentation that the debt has been resolved?

Minnesota Housing may request verification of this step and may pursue repayment of the assistance for failing to meet the terms.

If an application is being processed by an Emergency Rental Assistance program that does not allow past unit rent assistance, what options does the applicant have?

If the application was made through RentHelpMN we may be able to transfer it to a program that does allow past arrears. If the application is with another program, such as Zero Balance Project, it cannot be transferred.

How long will it take to review my application for vacated unit rent?

We expect a surge of applications starting on October 15 as there is pent-up demand for this assistance. This is in addition to continued strong demand for rent assistance for renters who need this assistance to maintain housing stability. Please expect additional processing time and as always, check with 211 and the online dashboard to track progress of the applications.

What if the tenant has died between applying and funding being received?

We recognize that this tragic circumstance does happen with applicants to RentHelpMN. If this happens to your tenant, please call 211 to let us know.

If there is another adult in the household who will continue to live there, the application can proceed with that person as the main applicant.

If the person who is deceased is the only occupant and prior to their death they provided sufficient information to submit a request assistance and demonstrate eligibility, the application will move forward up to and including payment for the months the tenant occupied the unit. However, if the application is incomplete and/or the tenant was not involved in the process prior to their death, the application is not eligible for assistance.