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## CHFA Multifamily COVID-19 Financial Relief Overview

CHFA understands that many owners and operators may experience a financial set-back due to tenants' inability to pay rent due to COVID-19. Any mortgagor of a multifamily rental housing development in CHFA's portfolio who is experiencing financial distress due to circumstances beyond the mortgagor's control and beyond the financial ability of the mortgagor to correct or mitigate, may contact CHFA to request its assistance.

CHFA has streamlined its process to provide timely response to the mortgagor by instituting a two-step process (1) Initial Determination, and (2) [Application for Forbearance Due to COVID-19](#). CHFA will not charge a processing fee to assist its mortgagors during this time of need.

### Initial Determination

The mortgagor should provide its Asset Manager with a written request for forbearance affirming that the request is due to financial hardship related to COVID-19. PLEASE NOTE: by submitting a written request for forbearance, mortgagor agrees to abide by all CHFA program terms if an Initial Determination is made to provide a 30-day forbearance including, without limitation, renter protections and financial restrictions. Upon review of this initial request, CHFA will endeavor to respond within 5 business days, with an Initial Determination to provide a 30-day forbearance of principal and interest. Upon the Initial Determination, CHFA will provide an Application to the mortgagor for submission. Subject to the expiration of the COVID-19 public emergency originally declared by the Governor on March 10, 2020 and subsequently extended, the latest date for submitting a request is June 1, 2021. Refer to Other Considerations section below, for additional criteria used by CHFA when evaluating the forbearance request.

To qualify for COVID-19 Financial Relief, the mortgagor must be current on its principal, interest, and escrows payments for the month prior to the requested relief period, and be in compliance with CHFA reporting and compliance obligations. Please use this link to locate your assigned Asset Manager:

<https://www.chfa.org/compliance-reporting-and-property-look-up/>

### Application for Forbearance

Following an initial determination of approval of 30-day forbearance, the mortgagor shall be required to sign a forbearance agreement describing the term and conditions of the forbearance, including without limitation, the obligation to repay the sums not paid during the forbearance period. The mortgagor will be required to provide certain information and return the Application for Forbearance Due to COVID-19 along with the backup documentation to CHFA within 10 days of the approval email notification. If the completed Application is not submitted within 10 days of the email notification, the request for forbearance beyond an approved 30 days period will be denied.

Upon receipt of the completed Application for Forbearance Due to COVID-19, CHFA will review the requested additional forbearance for its relation to a COVID-19 financial hardship. Depending on the volume of requests received, CHFA will endeavor to complete the reviews within 10 business days.

If it is determined that a forbearance was not related to a COVID-19 financial hardship, the request for forbearance beyond an approved 30 days period will be denied and delinquent amounts will be due in accordance with the forbearance agreement.

With sufficient documentation, CHFA may consider an initial 30 to 90-day forbearance, or granting extensions for up to two (2) additional 30-day periods in addition to the initial determination of 30 days forbearance. Additional terms and conditions and requirements may accompany approved extensions.

The maximum forbearance period will be 90 days (3 consecutive monthly payments) and will need to be fully approved by CHFA prior to the earlier of: June 30, 2021, or the expiration of the COVID-19 public emergency, which was originally declared by the Governor on March 10, 2020 and subsequently extended.

### **Types of Relief**

Mortgagor relief may take the form of deferral of a mortgagor's obligation to make loan payments in whole or in part during a specified period, depending on project need and the availability of reserves or other resources or other project specific factors.

### **Other Considerations**

CHFA will also consider the following in determining whether to grant forbearance on amortizing loans:

- Section 4023 of the CARES Act includes renter protections that are applicable in the case of forbearances for federally backed multifamily mortgage loans
- Compliance with the owner/management agent's reporting and other non-monetary or LIHTC or other programmatic obligations
- Replacement Reserve Escrow Account: Owners may use the replacement reserve for COVID-19 related expenses in consultation with their Asset Manager
- Residual Receipts Accounts
- Deferred developer fee payments
- Investor servicing fees
- Distribution approved in the 30 days preceding a request for relief
- Management fees in identity of interest situations
- Rental assistance subsidy received (Section 8, state, local, other type of assistance)
- Determine whether consent from investor and/or other funders in the development has been issued already or is necessary prior to CHFA approval

CHFA will comply with applicable requirements of the CARES Act. CHFA reserves the right to apply additional criteria in order to verify the circumstance impacting operations or to render a decision.