

**From:** CHFA Multifamily <chfainformation@chfa.org>

**Sent:** Thursday, September 24, 2020 01:00 PM

**Subject:** Compliance Monitoring Process During COVID-19 and Safe Practices

## CHFA MULTIFAMILY ANNOUNCEMENT



### **CHFA/Spectrum Restrictive Covenant Properties Compliance Monitoring Process During COVID-19 and Safe Practices**

#### **Frequently Asked Questions (FAQs) September 25, 2020**

In support of Governor Lamont's request for social distancing during the COVID-19 outbreak, CHFA suspended onsite physical inspections of Restrictive Covenant properties and units in March of 2020. CHFA will not perform onsite physical inspections until December 31, 2020 or until a time that a determination has been made that it is safe for staff, residents and owners to resume physical inspections.

CHFA has been conducting compliance monitoring file reviews remotely since the pandemic commenced. CHFA will continue to proceed with remote, electronic file reviews for the foreseeable future. However, owners will not be penalized for not performing tenant income re-certifications for the period beginning April 1, 2020 and ending December 31, 2020.

Additional questions can be addressed to Colette Slover at [colette.slover@chfa.org](mailto:colette.slover@chfa.org). To review all CHFA-related COVID-19 guidance and updates, refer to CHFA's website at <https://www.chfa.org/covid19-updates/>.

#### **Q1: Will CHFA/Spectrum compliance monitoring be suspended?**

**A1:** CHFA will not perform onsite physical inspections until December 31, 2020 or until a time that a determination has been made that it is safe for staff, residents and owners to resume physical inspections. However, Spectrum has been and will continue to perform file reviews remotely for the foreseeable future. If your project is scheduled to be audited in 2020, Spectrum will contact the owner/agent and provide guidance on how to submit files electronically. Owners will not be penalized for not performing tenant income re-certifications for the period beginning April 1, 2020, and ending December 31, 2020.

**Q2: Will annual re-certifications be required during COVID-19?**

**A2:** Owners/Agents are not required to perform annual re-certifications for the period beginning April 1, 2020 and ending December 31, 2020. Additional CHFA approval is not required.

**Q3: If owners/agents are not required to perform annual re-certifications through the end of 2020, how should the physical file be documented?**

**A3:** The owner/agent should notate in the physical file that the annual recertification was not required to be performed in accordance with CHFA COVID-19 guidance dated September 25, 2020.

**Q4: If the owner/agent does complete the annual re-certification, will it be subject to an audit with potential findings?**

**A4:** Yes, the annual recertification performed would be subject to an audit and potential findings.

**Q5: What safety considerations and mitigants are recommended for owners/agents performing move-in certifications or electing to perform annual re-certifications through the end of 2020 during COVID-19?**

**A5:** Safety for all persons remains a high priority and owners, agents and residents should continue to practice social distancing and other safe practices. Typical practices and procedures may need to be modified. Modifications should be adequately documented in each file. Some modifications to regular practices may include measures such as:

1. Documents may be sent/received via electronic mail, mail service or hand delivered (i.e., door to door drop-off and scheduled pick-up). Owners and management agents are asked to continue to take appropriate care when processing and/or transmitting personally identifiable information.
2. Interviews for certifications/re-certifications may be performed via telephone, teleconferencing, email or utilizing video conferencing software. The physical file should include a notation of the date, time and the name of the individual interviewed as well as the responses. This would need to be done for all adult household members.
3. When a 3<sup>rd</sup> party (independent party) verification response is not available due to closures or limited operations, a review of documents (such as by a related 2<sup>nd</sup> party) for verification of income or assets should be conducted to determine eligibility.

**Q6: Are documents such as questionnaires, verifications, affidavits, and other necessary documents that are obtained electronically acceptable to determine a household's income eligibility?**

**A6:** Yes, this would be acceptable. Any tool available to help complete the certification process is allowable (e.g. electronic signatures, emails, drop off/pick up of documents, phone verifications). Owners and management agents are asked to continue to take appropriate care when processing and/or transmitting personally identifiable information.

**Q7: Can the Tenant Income Certification (TIC) signatures be obtained electronically? If yes, is there a requirement to obtain an original signature at a future date, or is the electronic signature sufficient for the documents in the permanent file?**

**A7:** As a consequence of social distancing due to the COVID-19 health crisis, electronic signatures are valid and acceptable for TICs. Electronic signatures should be dated and received from the signatory. At a future date, original signatures should be obtained. The acceptance of electronic signatures for TICs is not a permanent change.

**Q8: At a future point when original signatures are required again, what penalty would be imposed if an original signature is not obtained prior to an on-site file review? Would noncompliance be cited?**

**A8:** We would not cite this as noncompliance if the file contains notations as to why original signatures were not obtained due to social distancing and/or COVID-19. The determination regarding the relation to COVID-19 would be based on the dates on the material (given the timing of the COVID-19 crisis) and/or file documentation attributing the electronic signatures to COVID-19. It is our intent to be flexible during this time to ensure the health and safety of residents, owners, property managers and staff. However, the expectation is that once business returns to normal original signatures will be obtained.

**Q9: Are there any special considerations for modifying the 3<sup>rd</sup> party verification requirements during COVID-19 crisis?**

**A9:** While 3<sup>rd</sup> party verifications remain the preferred method of verification, they may not be available due to organizational closures or limited operations. The file should contain notations of attempts to obtain 3<sup>rd</sup> party verifications and why alternative procedures are being conducted; all procedural changes that are attributable to COVID-19 should be clearly documented in each file. For new move-ins, multiple alternative forms of verification to ensure eligibility should be obtained (i.e., pay stubs, self-certification, tax returns).

CHFA | <http://www.chfa.org>  
860.721.9501

Follow us on Social Media!

