FHFC CRF Training #11: December payments, Forbearance and Revisiting Reimbursements

December 8, 2020
Our Thanks to the Florida Housing Catalyst Program

Sponsored by the Florida Housing Finance Corporation
Presenters

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Questions answered by Robert Dearduff, Assistant Director of Special Programs, Florida Housing Finance Corporation
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Technical Assistance is Available

Recent technical assistance provided:
• Hardship Scenarios
• Encouraging the removal of limiting local policies including Maximum Awards
• Timing saving ideas
• Identifying new ways to expend CRF
• Providing updated forms
CRF
Webinar 12
Scheduled

Thursday, December 17 at 2:00 pm

https://attendee.gotowebinar.com/register/1776701250738094351
Webinar Overview

• Forbearance Policy
• December Payments and Program Completion
• CRF Reimbursements
• Additional CRF Topics
Forbearance Policy
Forbearance Policy Clarification

November 23 email from Robert Dearduff provides clarification on using CRF funds to pay mortgage payments in forbearance:

• Since the payment is past due, it is eligible as long as the applicant has a documented COVID hardship and is within the 140% AMI limit.

• Pay taxes for payments 30 days past due

• Forbearance payments are limited to the time period of March 1, 2020-December 30, 2020
December Payments and Program Completion
December 30
CRF Report

• Add administrative costs to the Report
• Do not press the SUBMIT button until all funds are expended
December 31 Question

**Question:** Some tenants have rent due on the 15th of the month. We know to prorate only the portion of the rent through December 30 since no assistance can be provided after that date. **Most rents are due on the first of December for housing through December 31**—do we need to prorate rent up to but not including December 31?

**Answer:** The guidance from Treasury staff is to cover the whole monthly payment and not prorate out December 31.
Timing of Requests for Additional Funding

**Question:** We plan to incur expenses all the way up to December 30. If we run out of our CRF allocations will FHFC provide additional funds in January for those cases approved at the end of December?

**Answer:**

Yes, funds will be available to pay for end of December assistance. All CRF funds must be for housing assistance from March – December 2020.
Program Income Deadline

- All program income must be expended by December 30 or returned to FHFC
- Examples of CRF Program Income:
  - Bank Interest
  - Repayment of CRF Emergency Repairs
Administration After December

• Admin Limitation: You may only spend 10% of the actual CRF expenses for admin

• CRF cannot pay for administrative activities after December 30

• Solutions:
  • Complete work on final report in December (so December 30 and February 15 reports both show final numbers.
  • In December review CRF cases in preparation for monitoring
  • Spend all CRF admin by December 30
Allowable Administrative Expenses

- Salaries, benefits, wages
- Payments to subrecipients
- Project Delivery Costs
- Legal services
- Office Space

- Office Supplies and Equipment
- Audits
- Advertising
- Travel
Period of Performance versus Expenditure Deadlines

• **Activities** on or before December 30, 2020
• **Payments** for those activities can occur in 2021. Cut checks in January at the latest

Possible SCENARIO: Emergency Repairs are delayed and work is completed at the end of December

Solution– pay the contractor in January for services completed by December 30. **CRF cannot pay for repairs delayed until January**
Payments in January: More Guidance

• In January, CRF staff may finish processing Rent and Mortgage Assistance applications received before the end of December.

• Any CRF checks written in January must be for eligible CRF assistance for the time period from March - December 2020.

• Document that work was completed prior to December 30, 2020, the end of the time period for the eligible CRF assistance.
January Payment Considerations

- **PRO:** Provides time to finish up your final applications
- **CON:** CRF Admin cannot pay for any January activity, so cover staff time from an alternative source
- **PRO:** Increase the amount of CRF Expenses to maximize the amount of CRF that can pay for admin expenses prior to December 30
- **PRO:** More time to finalize Reimbursements
CRF Reimbursements
Identify COVID-related Housing Assistance

- SHIP
- General Revenue
- Charitable Donations
- CRF dollars cannot reimburse other CARES Act Funds
City of Melbourne Example

• Numerous community organizations have spent funds for rent and utility assistance and housing reentry since March 2020

• The City proposes for local groups to make CRF-consistent files

• Designate a single local private foundation to serve as fiscal agent

• City pays the fiscal agent out of FHFC-CRF funds to reimburse for housing assistance to households with a COVID Hardship

• Those reimburse cases will be audited
Leon County Example

- $7.5 million of General Revenue paid for rent/mortgage assistance
- Now: CRF pays to Reimburse most of this General Revenue
Guidance on Reimbursements

• Reimburse Administrative Expenses up to 10% of the amount of reimbursed assistance

• To reimburse local government expenditures (e.g., General Revenue), the expenditures must not have been accounted for in a local government’s budget approved before March 27, 2020

• All reimbursed expenses are subject to monitoring by Florida Housing, so files must be consistent with CRF rules and documentation requirements (e.g., COVID hardship, DOB, eligible activities)
Reimbursement Next Steps

Email chaney@flhousing.org with a summary:

☐ How much for CRF to Reimburse?
☐ What COVID-related Housing Assistance was provided?
☐ What funding source paid for the Assistance?

Review COVID assistance file:

☐ Application with demographics
☐ Explanation of the Hardship
☐ Signed self-certification of hardship with witness signatures
☐ No income documents for Rent/Utility Assistance
Additional Guidance on Reimbursements

You May:

• Finalize reimbursements in January
• Reimburse from the second CRF payment or additional funds
• Reimburse in cases where the program rules have changed but practices were allowable at the time
Additional CRF Topics
Reminders about Removal of Income Restriction for Rental Assistance

• Income limit restriction of 120% AMI for rental/utility assistance has been removed
• Applies to ‘Utility Only’ assistance as well
• Only collect ID for applicant(s) claiming a COVID Hardship
• CRF Rent Assistance cannot pay Attorneys Fees or Eviction-related Fees
Preparing for Closeout

• Reconcile expenses with your finance department
• Reconcile expenses in client files
• Monitors will provide 2 months of advance notice to get documents together and upload them

More to come on Monitoring in the next webinar
Update on CRF Monitoring

- All local governments will be monitored in the next 3 years
- SHIP, CRF and HHRP Monitoring completed together
- Total number of files across all programs: monitor 10%
- Review “Preparing for CRF Monitoring”
  Recording: https://vimeo.com/452144938
CRF Monitoring Metrics

- Administrative Requirements
- Programmatic Requirements
  - Eligible Person/Household
  - Activity and Delivery of Assistance
  - Documentation of Payments
- Subgrantee and Sponsor-Related
Technical Assistance is Available

Call: 1-800-677-4548
Or Email:

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Questions and Answers

Please complete webinar evaluation