CRF Training #4: Reimbursing SHIP
Review of Agreement
Mortgage Payment Guidance

Coronavirus Aid, Relief, and Economic Security (CARES) Act
Our Thanks to the Florida Housing Catalyst Program

AFFORDABLE HOUSING CATALYST PROGRAM

Sponsored by the Florida Housing Finance Corporation
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Webinar Overview

• Upcoming Events
• CRF Reimbursing SHIP
• Review of Agreement
• Mortgage Payment Guidance
Next CRF Webinar

August 20 from 10:00 to 11:30 am

Webinar 5: CRF Tracking and Reporting and Preparing for the CRF Monitor

https://attendee.gotowebinar.com/register/8268930382014959628
Next FHC CARES Office Hours

• August 20 from 1:30 to 2:30 pm Eastern
  • And every other Thursday
• Q&A, Discussion, and Practical Tips for CARES Act funding
  • ESG-CV
  • CRF
  • CDBG-CV

Register
https://attendee.gotowebinar.com/rt/5533310267441757968
http://www.flhousingsconference.org/

- Highly Reduced Registration Fee
- Disaster Forum
- Even more content!
- Scholarships!
- Get your Credits
- Year Long Access
- Come as you are!!
CRF Documents Available

- Handout: CRF Award Letter
- Handout: Notice of Funding Availability
- Handout: CRF Application – Updated
- Handout: Questions & Answers from CRF Webinar 3 on August 5

- Self-Certification of income/hardship,
- Income Certification Form Spreadsheet
- CRF Subgrantee Contract
- Duplication of Benefits Form
CRF Technical Assistance available

• Ten webinars
• Eleven virtual site visits
• Offsite hours: calls and emails
• Add to list of Frequently Asked Questions
• Answers provided have been reviewed by FHFC
Reimbursing SHIP COVID Assistance with CRF
Reimburse SHIP Expenses back to March 1

- Priority use of CRF
- Reimburse from first CRF payment received
- Examples of Reimbursement:
  - Rent and Utility Assistance
  - Mortgage and Utility Assistance
  - Administrative expenses associated with these
Preparing for Reimbursement

Confirm:

• Assistance occurred from March 1, 2020 forward

• The Activity had not been previously budgeted for those SHIP funds

• Examples of Eligible Activities:
  • SHIP originally budgeted for Purchase Assistance was redirected for COVID Rental Assistance
  • Unencumbered SHIP funds were expended on COVID assistance after March 1st
Rehabilitation not Reimbursable

- Rehabilitation work was regularly budgeted and planned for as housing assistance.
- Previously budgeted assistance was not provided because a homeowner could not afford repairs due to a COVID hardship.
Review the SHIP File

• Documentation of COVID hardship
  • Often unemployment or underemployment
  • Documentation may include proof of filing for unemployment, receiving unemployment benefits, or letter from employer.

• Income Verification and Certification: at or below 120% AMI
Can local governments reimburse CSBG or other grant funds that provided COVID rental or mortgage assistance?

Yes, as long as other funding sources do not prevent reimbursement and the amounts being reimbursed are for CRF eligible expenses for eligible applicants.
Once SHIP is Reimbursed, when must it be expended?

CRF reimbursement is 20/21 Program Income

• Encumber by June 30, 2022
• Expend by June 30, 2023
SHIP COVID Assistance while waiting for CRF

Since CRF will reimburse SHIP in the next 30 days, can SHIP COVID cases we process now follow the CRF streamlined process?

- Still request the regular third-party verification
- Applicant signs self-certification of income and hardship
- Interview applicant about COVID hardship loss of income
- If you do not quickly receive third party documentation of income and hardship, eligibility is solely based on applicant provided information and the self-certification
Reimburse versus Replace

- SHIP funds expended on COVID Assistance may be **Reimbursed** now
- SHIP funds encumbered on COVID Assistance may be **Replaced** by CRF
  - This is not reimbursement. Instead SHIP funds are unencumbered and freed up to remain in fiscal year in which they were allocated
- May SHIP be reimbursed up until December 30? Possibly, but it is more commonly completed earlier
Reimbursement on the SHIP Annual Report

Treat CRF Reimbursement like program income from repayment of assistance

Example: CRF reimburses 17/18 SHIP funds:

1. Include rent or mortgage assistance on the closeout 17/18
   • This is first time SHIP funds were expended

2. Reimbursed SHIP funds are reported as program income revenue on 20/21 report

3. Funds reported as expended on 20/21 for assistance from a LHAP strategy
   • This is second time SHIP funds were expended
Reimbursement on the CRF Report

CRF DATA spreadsheet: include one SHIP case per row
Monthly activities report starts October 1

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Questions and Answers
Review of Subrecipient Agreement – Federal Requirements
• Section L (pg 8) – lists provisions all contracts made by the non-Federal entity under a Federal award must contain, as applicable.

• Not all provisions in Section L are applicable to the CRF funding – they are simply required provisions by regulation.

• **Takeaway:** any contract a LG makes with a sub-grantee will need to contain the provisions at section L.

• Consult with your LG attorney to ensure that all the provisions are contained in a sub-grantee agreement.

• **Remember:** all applicable federal laws will apply to the LG, regardless of if included in Section L.
Section L of the Subrecipient Agreement

• A) Contracts for more than $150,000 must address administrative, contractual, or legal remedies in instances where contractors violate contract terms, and provide for penalties as appropriate.

• B) Contracts over $10,000 must address termination for cause and for convenience including the manner by which it will be effected and the basis for settlement.

• C) If you use CRF for construction, all contracts must include the equal opportunity clause provided under 41 C.F.R. 60-1.4(b).
Section L of the Subrecipient Agreement

• D) **Davis-Bacon Act**: does not apply to FHFC CRF funding unless repair/construction over $2,000 is made on a “public building” or “public work.” Most likely will not apply to your LG.

• E) All contracts over $100,000 that involve employment of “mechanics or laborers” must include a provision for compliance with 40 U.S.C. 3702 and 3704 + 29 CRF Part
  • “Mechanics or laborers” – duties are manual or physical in nature.
  • If for rental/mortgage assistance only, will likely not apply.
Section L of the Subrecipient Agreement

• F) Will not apply to LGs.
• G) Contracts over $150,000 must contain a provision that requires sub-grantee to agree to comply with the Clean Air Act and Federal Water Pollution Control Act.
  • Contract should contain provision that sub-grantee agrees to report each violation to LG who will then report to Treasury and EPA.
  • Not likely to be violated here.
• H) Must not use federal funds to contract with parties on the governmentwide exclusions in the System for Award Management (SAM)
Section L of the Subrecipient Agreement

• I) Contractors that apply or bid for an award exceeding $100,000 must file required certification under the Byrd Anti-Lobbying Amendment.

• J) Contractors must comply with section 6002 of the Solid Waste Disposal Act regarding procurement of recovered materials.
Federal Contract Provisions Takeaways

• Read each provision and ask if it applies to your LG.
• Consult with your LG attorney with any specific issues.
Other Federal Requirements

Q: If the LG funds repairs or construction, does the LG need to do a lead-paint based assessment?
A: No.
Foreclosure Prevention Assistance
Can CRF pay the small portion of a mortgage payment for escrowed property taxes?

• Yes, if the homeowner is in default on the mortgage.

• Delinquent mortgages are in danger of foreclosure.

• Paying escrowed property taxes is a permissible CRF payment according to US Treasury exception for assistance designed to prevent foreclosure.
My applicant cannot locate the notice of default she received from her lender.

Collect the most recent mortgage statement, which will indicate that one or more mortgage payments are past due.

NOTE: Name this a Foreclosure Prevention Strategy.
Some Homeowners are:

- Struggling but paying each month
- Currently in Forbearance
  - Paying mortgage will not disrupt or terminate homeowner’s forbearance agreement
- Coming off Forbearance Period and need help paying

Do Not Pay Taxes for Recipients who are Not Delinquent
Assisting Homeowners Who Are Not Delinquent

- Identify the amount of escrowed property taxes
  - Review mortgage statement or online information
- Pay the amount due minus escrowed taxes for current and future mortgage payments
- Alert Homeowner: Partial payments do not eliminate risk of foreclosure
Additional Scenarios

CRF may assist a Homeowner with:

• SHIP Mortgage in any position
  • These monthly payments do not include escrowed property tax

• ‘Contract for Deed' purchase arrangement

• 50% homestead exemption or no exemption
  • Confirm mortgage is for applicant's primary residence
Housing Counseling is CRF Assistance

- Not a Project Delivery Cost, and not limited
- CRF recipients may solely receive counseling, which may fully address their need without mortgage payment assistance
- Possibly rental housing counseling- email Robert.Dearduff@floridahousing.org
Housing Counseling in Action


• One community has spent SHIP since April to contract with HUD agency for mortgage counseling

• Pays $75 per hour for counseling homeowners with COVID hardships by phone or virtual platform

• Homeowners learn about forbearance and repayment options
Technical Assistance is Available

Available Daily: 1 (800) 677-4548

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Questions and Answers

Please complete Evaluation