



August 27, 2020

HCV PROGRAM NEWS

PIH Issues Notice on CARES Act Funding and Waivers for Mod Rehab

Yesterday HUD's Office of Public and Indian Housing (PIH) issued Notice [PIH 2020-20](#) to implement funding provisions for the Section 8 Moderate Rehabilitation ([Mod Rehab](#)) program under the [CARES Act](#). The notice also establishes discretionary waivers and alternative requirements that PHAs may implement to expedite or facilitate the use of these funds to prevent, prepare for, and respond to coronavirus. The notice only applies to the Mod Rehab program administered by PIH. It does not apply to the Section 8 Moderate Rehabilitation Single Room Occupancy ([SRO](#)) program. Below are some highlights of the 12-page notice:

Funding: The CARES Act allocated \$1 billion for project-based rental assistance (PBRA). Of that amount, HUD is allocating \$10 million to the Mod Rehab program. Funds will be obligated to all PHAs by no later than the week of August 24, 2020.

Calculation methodology: Amounts will be calculated by considering the average monthly Mod Rehab renewal funding amount per PHA and applying a proration factor to make sure that the combined allocated amount does not exceed the \$10 million. PHAs will request these funds by contacting their financial analysts at the Financial Management Center.

Eligible expenses: PHAs must use the CARES Act Mod Rehab funding for housing assistance payments to owners or for vacancy payments. PHAs cannot use the funding for administrative expenses or the repayment of debts or any amounts owed to HUD or program participants.

Period of availability: Until the end of calendar year (CY) 2020, unless extended by HUD.

Reporting requirements: Recipients of \$150,000 or more of CARES Act funding must submit, not later than 10 days after the end of each calendar quarter, a report containing information regarding the amount of funds received.

PHA audits: Documents related to all financial management and activities funded under the Mod Rehab program must be kept for a period of five fiscal years after the fiscal year in which the funds were received.

Waivers:

- PHAs are required to keep written documentation that records which waivers they applied and their effective dates.
- PHAs do not need to notify HUD that they are beginning to use these waivers, however, HUD may request this information at a future date.
- PHAs are required to publicly post or make available to the public a list of the waivers and alternative requirements and notify affected families and owners.
- In general, the period of availability ends on December 31, 2020
- The waivers include the following:
 - **MR-1: Family income and composition: delayed annual examinations:** PHAs may delay annual reexaminations of Mod. Rehab. families.
 - **MR-0: Family income and composition: annual examination; income verification requirements:** HUD is waiving the requirement to use the income hierarchy and will allow PHAs to forgo third-party income verification requirements for annual reexaminations, including the use of Enterprise Income Verification (EIV), if the PHA wishes to conduct the annual recertification. During the period of this waiver, PHAs may consider self-certification as the highest form of income verification to process annual reexaminations.
 - **MR-3: Family income and composition: interim reexaminations:** HUD is waiving the requirement to use the income hierarchy and will allow PHAs to forgo third-party income verification requirements for interim reexaminations, including the use of EIV. During the period of this waiver, PHAs may consider self-certification as the highest form of income verification to process interim reexaminations.
 - **MR-4: Enterprise Income Verification (EIV) monitoring:** HUD is waiving the mandatory EIV monitoring requirements. Since EIV data is overwritten, PHAs must download monthly or quarterly reports to preserve the data.
 - **MR-5: PHA inspection requirement: annual inspections:** PHAs may delay annual inspections for Mod Rehab units. Delayed inspections must be completed as soon as reasonably possible but no later than one year after the date the annual inspection would have been required.
 - **Adjustment of utility allowance:** PHAs may delay the annual review and update of utility allowances.

Further details can be found in the [notice](#).

GENERAL NEWS

PIH-REAC Updates FDS Line Definition Guide

Recently, HUD's Office of Public and Indian Housing (PIH)–Real Estate Assessment Center ([REAC](#)) published an updated version of the [Financial Data Schedule \(FDS\) Line Definition Guide](#). The 68-page document supersedes the FDS Line Definition Guide issued in July 2014. The guide was updated to provide additional information and clarity on RAD transactions, HOTMA regulations, GASB statement 68, 75, and 87 financial reporting. According to the document, the changes were necessary to facilitate the financial reporting in FASS-PH. The updates in this issue are summarized in Appendix A, Table 1, starting on page 63 of the document. You'll find a link to the revised guide on [this page](#).



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