Federal Emergency Rental Assistance Program (ERAP)

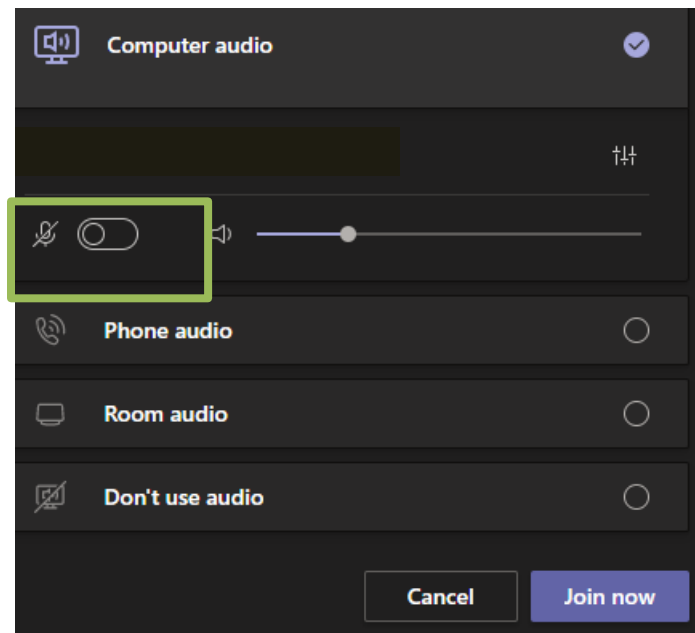*Compliance: Common Findings & Best Practices*

September 17, 2021

WELCOME

Please Mute

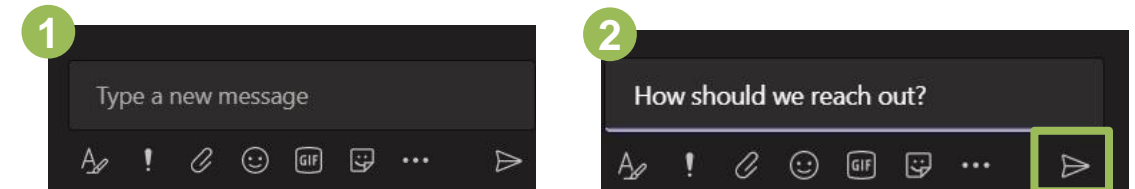Please join the meeting muted during the session to keep interruptions to a minimum

Engage During Meeting

1. Teams Chat

Send a message in the **Teams Chat** panel
1. Type in your **question**
2. Hit Enter

2. Questions

- We will be monitoring the Teams Chat for questions throughout the session
- We will triage questions during designated checkpoints

Our Journey Today

1 HOUR

📋 **Objective & Introduction**	5 mins
🗄 **Compliance: Common Findings & Best Practices**	30 mins
💡 **FAQs**	
📝 **Processing Goal Update**	
⏳ **Questions**	20 mins
⇨ **Wrap Up**	5 mins

Purpose

Review common findings from the Compliance file reviews and provide tips and best practices to ensure complete files

Goal

Provide RAA staff with **guidance and continued support** related to ERAP and other EDI programs

COMPLIANCE

- Incomplete Documentation
  - Documents that are not complete, dated, and/or signed
- Missing Documentation
  - No award/approval letter, updated ledger or other proof of arrears, W-9, MassHealth/DTA verification, or income verification
- Data Entry Errors
  - Transaction data in HAPPY reflects incorrect amount of arrears, total arrears and stipends not entered
- Inaccurate Timing of Payments
  - Arrears and all stipends being paid at the same time instead of the stipends being allocated to each month
- Discrepancies within the Applicant File
  - Award letter amounts differ from what is in HAPPY, different addresses listed for landlord (please note that the accuracy of the award letter will be critical during audit)
- Communicating the Award Amount prior to Secondary Review and Approval
- Requesting additional documents that are not necessary (i.e., if a tenant's income is verified through MassHealth/DTA/other, there is no need to collect additional income documentation)

FILE REVIEWS – Tips to Avoid Common Errors

- Incomplete Documentation
  - Review documentation for completeness
- Missing Documentation
  - We recommend using the checklist that we provide with our weekly request and check off documents as you receive them
- Data Entry Errors
  - Review after entering data into HAPPY, comparing with info in file and award letter
- Inaccurate Timing of Payments
  - Make sure arrears and all stipends are not being paid at the same time, they must be allocated to each month
- Discrepancies within the Applicant File
  - This can be avoided by reviewing the Award letter, HAPPY data and approver checklist/staff approval page to ensure accuracy and alignment
- Communicating the Award Amount
  - The award letter should be the last document sent to inform landlord/tenant of the award amount after approval from second reviewer
- Avoid Collecting Unnecessary Documents
  - For example, if a tenant's income is verified through MassHealth/DTA/other, there is no need to collect additional documentation
- Some RAAs find it helpful to use a cover page/checklist, though this is not mandatory and ultimately up to RAAs to implement

Applicant Documents:

- ✓ Application
- ✓ Evidence of Housing Crisis
- ✓ Household Income Documents, Income Calculation, and Income Verification
- ✓ Verification of Current Housing (i.e., lease, tenancy agreement, tenancy at will form, or landlord attestation of current rent amount and any fees)
- ✓ ID for the Head of Household
- ✓ Proof of Utility Arrearages or need for Heating Fuel verified with an overdue notice
- ✓ Documentation to support moving-related expenses (i.e. security deposits, moving trucks, and furniture)

Evidence of Housing Crisis:
- Notice of arrears or balance overdue
- Health and safety documentation
- Court summons
- Notice to quit
- Notice of eviction or letter from host if doubled up
- Pre-foreclosure mortgage assistance rental/mortgage stipends
- Mortgage arrears
- Self-attestation of domestic violence
- Report of natural disaster
- Current utility shut-off notice
- Or other documentation demonstrating that household will become homeless within 30 days

Property Owner/Landlord Documents:

✓ Rental Ledger from the Landlord (or other proof of amount owed per month)

✓ Landlord's Proof of Property Ownership

✓ Landlord's Banking Documentation if paid via Direct Deposit

✓ Owner W-9

Other:

✓ Evidence that applicants were notified of application status changes, such as notifying receipt of their application, notifying the applicant for missing documents, and approval of benefit.

✓ Any additional correspondence with the applicant or property owner that supports decisions made by case owner.

✓ Award Letter

✓ Evidence that the file was reviewed by at least two individuals (including the staff person who worked on the file). For benefit awards exceeding $10,000 per household, the secondary reviewer must be a supervisor.

COMPLIANCE QUESTIONS

FREQUENTLY ASKED QUESTIONS (FAQs)

The ERAP Recert SOP says: *"If ineligible or timed out due to nonresponse after 10 business days, issue ineligibility/close-out letter…."* What does the 10-day window refer to?

Applicants have 10 business days (2 weeks) to submit any required information or documentation for ERAP/RAFT/ERMA applications, including ERAP recerts. "Nonresponse" includes not responding to the RAA outreach (if outreach was needed) or not providing the requested documentation.

Can the ERAP Direct Payment to Tenant policy apply to ERAP recerts?

- Yes, but we anticipate this will be infrequent
- RAAs must attempt to make the recert payments to the landlord/owner
- RAAs should always attempt new outreach to the landlord/owner before moving to pay the tenant directly

If the property owner doesn't want to participate and the tenant doesn't have a copy of the lease, can the application still be submitted? Does the landlord still need to submit the W-9 and other forms?

- Though a lease is not required, some proof of the tenancy is needed (e.g. tenancy agreement, tenancy at will form, NTQ, proof of arrears, etc.)
- RAAs should start the process to pay tenant directly if app is complete, following Paying Tenants policy and steps

If the RAA pays a tenant directly, and then the tenant gets evicted due to the landlord refusing payments, can the funds then be used for moving costs?

- Tenants must use funds in accordance with terms of agreement for agreed upon expenses
- If the landlord does not accept the payment, the tenant must return the payment to the RAA
- Thereafter, the RAA can assist the household with different funds for moving expenses, paid directly to the vendor or new owner unless that owner is also nonresponsive

If an applicant is only seeking utility assistance, would that trigger a rental stipend offer automatically?

- All applicants approved for ERAP should be offered rental stipends (unless they have an income-based subsidy)
- Applicants may decline additional assistance if they do not want or need it
- All ERAP applicants who decline rental stipends must have a note made in their tenant record in HAPPY confirming that they declined the stipends
  - No notes are required for households with income-based rental subsidies, who may not be offered stipends

What should RAA staff do if an applicant did not certify on their application that they were affected by COVID, but the application seems to indicate that they were affected by COVID?

- RAA staff should reach out to the applicant and confirm whether or not they have been affected by the COVID-19 outbreak
- Applicants must attest in writing that they have a COVID-19 impact in order to be served by ERAP, but this attestation could occur over email, if the applicant did not check off the COVID-19 box on the application when they first submitted it
- The email, or other form of written attestation, must be maintained in the files for audit and review purposes
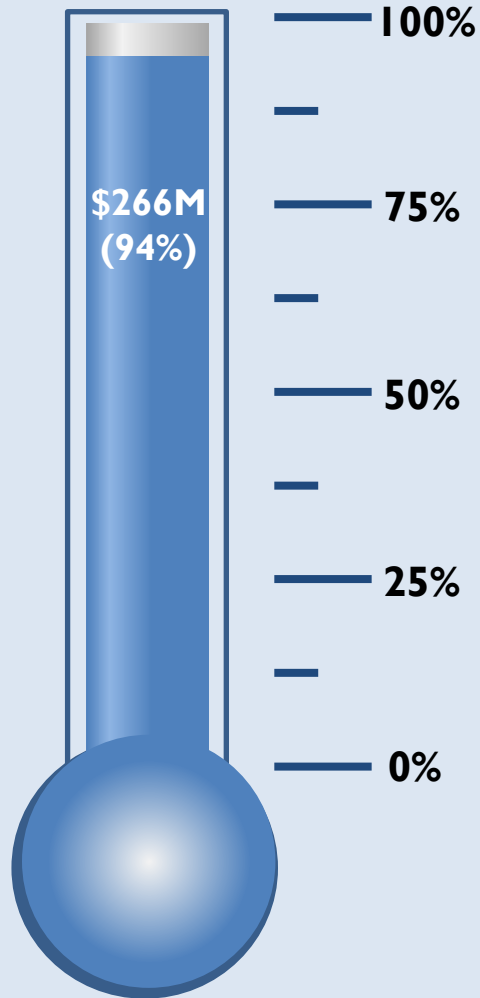
PROCESSING GOAL UPDATE

GOAL: $283.7M*

$266M (94%)

100%

75%

50%

25%

0%

- 61% of ERA1 funds have been spent or committed as of 9/10 ($266.3M)*
  - Includes $40M admin
  - $6M stabilization
  - $6M SHERA
  - $40M COVID RAFT allocated to ERA1 in June
  - **The majority—$173M—is from ERAP**
- Gap of $17M to be made up by 9/30 to hit 65% goal
- In addition, 7% of ERA2 funds have been spent or committed ($23M, with **$18M** from ERAP)

*65% of ERA1 funds must be spent or committed by September 30, 2021
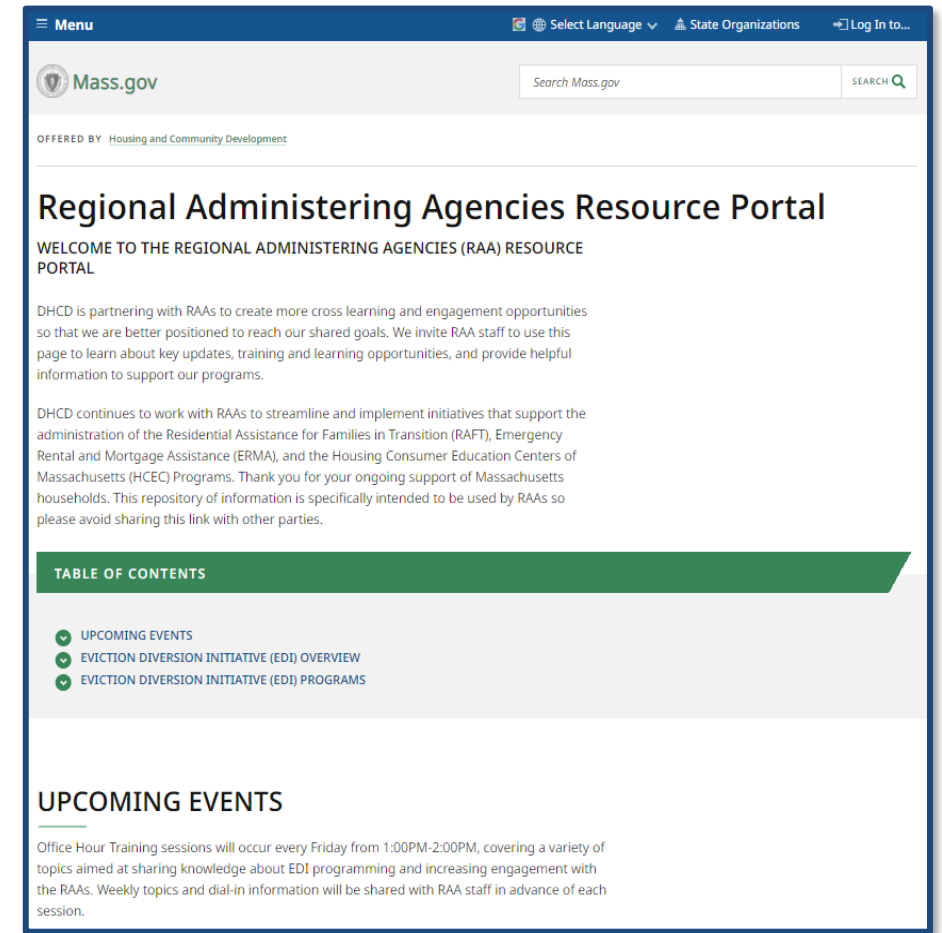
QUESTIONS

RESOURCES

RESOURCES

① **RAA Resource Portal**
Central resource to provide RAA staff with key updates, training and learning opportunities, and helpful information to support programs

② **FAQs**
Comprehensive list of FAQs spanning a variety of topics

Further Questions

Direct questions to your supervisor and then contact the RAA support inbox (dhcdraaraft@mass.gov) as a point of escalations for questions. A member of the RAA Support Team will respond.

- *Time-sensitive Questions*: Critical questions that require responses within 24hrs should be submitted with a subject line that includes "**URGENT**."

- *Example:* Tenant is facing imminent loss of housing (24 hours) and applicant does not necessarily fit guidelines.

Best Practice

Please **specify the program** that you are reaching out about to ensure that the DHCD RAA Support team is best positioned to provide policy guidance.

THANK YOU!

Is an applicant eligible for rental or moving assistance if the applicant is currently renting a room in the same unit from a family member who owns the property?

There are no rules against renting from a family member, *but* RAAs should do their due diligence to confirm that the rental agreement is legitimate and documented.

Can ERAP be used by tenants to cover units with income-based rental subsidy? Is there a dollar limit on subsidized housing arrears and stipends for ERAP?

- Yes, ERAP can cover up to 18 months of arrears for the tenant-paid portion of rent in units with an income-based rental subsidy (e.g. Section 8 or MRVP)
- Remember that tenants with income-based rental subsidies are *not* eligible for any months of stipends, including first month's rent
- There is no dollar limit on assistance specific to those with income-based subsidies
  - The same restrictions outlined in the Admin Plan apply

If an applicant has received ERAP assistance in the past and has submitted a new application requesting additional assistance, should RAAs direct the applicant to recertify or reapply?

If an applicant who has previously received ERAP benefits is reapplying for additional assistance and meets the criteria for recertification, RAAs should accept their application and process it using the rules for recertification. However, if the applicant has not started another application, they should be directed to the Recertification Form.

Does an applicant need to complete two separate applications if they are moving and have arrears?

No, an applicant should only complete one application in this scenario.

However, an applicant will need to submit two landlord packets if ERAP will be used to pay two different owners

Do first and last month's rent count as prospective rent or moving expenses?

First and last month's rent count as prospective rent. Therefore, they do count toward both the 3-month limit on stipends as well as the 18-month limit on total assistance.

Can tenants with income-based subsidies receive ERAP assistance?

Tenants with income-based subsidies are not eligible to receive ERAP assistance for first or last month's rent because these amounts are considered prospective rent, but can receive assistance for arrears.

What is considered proof of COVID-19 impact?

A COVID-19 impact can be direct or indirect.

Some examples:
- Having a COVID-19 impact might include one or more household members
- Having qualified for unemployment benefits, having hours reduced, losing a job, experiencing a reduction in household income
- Having incurred significant costs, directly or indirectly, due to COVID-19 outbreak
- Losing access to childcare or dependent care
- Having experienced other financial hardship, directly or indirectly, due to COVID-19 outbreak

Applicants should select yes on the application if their situation was either directly caused by COVID-19 OR has become worse since March 2020. Applicants must describe their situation, but documentation is not required.

Can tenants use both ERAP and RAFT funds at the same time?

Confirm answer accuracy

Households currently receiving ongoing benefits from RAFT or ERMA may receive ERAP after their existing benefit ends but may not be enrolled in multiple programs at the same time.