

**Emergency Rental Assistance Program  
State FY22 Administrative Plan and Scope of Services  
ATTACHMENT A (1 of 2)  
Updated January 1, 2022**

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## Overview

The federal Emergency Rental Assistance Program (ERAP) is a federally funded emergency housing assistance program for renters impacted, directly or indirectly, by COVID-19. Funds are provided directly to States, U.S. Territories, local governments, and Indian tribes by the U.S. Department of the Treasury (“the Treasury”). Massachusetts will administer a portion of its ERAP funding through the Regional Administering Agencies (RAAs) through the existing contracts between DHCD and the RAAs as well as through the Commonwealth’s existing Emergency Contract with the Nan McKay & Associates.

While funds are administered through the RAAs, ERAP is different from RAFT in some key ways, particularly around household eligibility, required documentation, and eligible expenses. This Administrative Plan outlines the guidance under which the RAAs will administer ERAP.

The guidance from the Treasury gives grantees—in this case, the Commonwealth of Massachusetts—discretion to design a program that complies with the federal guidance, but that may operate differently from other grantees’ programs. Therefore, although informational and program materials from the Treasury may be useful, RAAs should use this Administrative Plan as the predominant guidance for ERAP.

**This guidance amends and replaces the prior Administrative Plan by including new guidance on:**

- Requiring rent arrears under the “Pre-Court Rental Assistance” housing crisis (renamed “Pre-Court Rental Arrears” effective January 1, 2022)
- Ending recertifications
- Barring households from receiving RAFT after exhausting ERAP, or to supplement ERAP

## Applications (Updated January 1, 2022)

Applications for ERAP now come through the statewide centralized application for Emergency Housing Payment Assistance, also known as the “Central App.” DHCD routes applications to RAAs and the RAP Center based on geography and based on processing capacity at each organization. RAAs and the RAP Center are responsible for processing and reporting on applications in a timely manner in accordance with this Administrative Plan.

DHCD launched the Central App gradually between July and September 2021. RAAs and the RAP Center may still be processing some applications that came in before the Central App was fully launched, and may also process paper applications in the rare instances where an applicant is unable to submit an electronic application. All paper applications received by the RAA must be keyed into the Central App as “advocate applications” by RAA staff as soon as possible (within three business days of receipt) and processed as usual through the Central App. RAAs may not process paper applications separately or outside of the Central App.

## Household Eligibility

Households must meet the eligibility criteria below in order to be served through ERAP. A household that does not qualify for ERAP may still qualify for RAFT, although DHCD anticipates it will be rare that a household will not qualify for ERAP at this time.

## COVID-19 Impact (Updated January 1 2022)

Households must certify that they have experienced a financial hardship that occurred during the pandemic, or that related directly or indirectly to COVID-19. **Completion of the Central App will satisfy this requirement, since the application requires households to check off one or more responses related to how they were affected by a financial hardship after March of 2020.**

Below are the options that applicants may choose in the Central App:

- Lost a job
- Collected unemployment benefits
- Had less income than usual (lower pay, fewer hours, or fewer clients if self-employed)
- Had to miss work, or stop working, or work fewer hours due to a health or medical need
- Had to miss work, or stop working, to take care of someone with health or medical needs
- Had to miss work, or stop working, or work fewer hours because a child’s school or daycare was closed, or because a child had online school
- Had a roommate or household member move out, stop paying rent, or die, leaving the household with higher housing costs
- Had higher bills than usual (for example, medical bills, transportation costs, childcare costs, funeral costs, rent, utilities, etc.)
- Had income that was too low to pay for basic household expenses (for example, food, clothing, rent, utilities, cleaning supplies, etc.)
- Other financial problem (applicant to explain)

DHCD launched this new version of the Central App COVID hardship question on October 11, 2021. RAAs and the RAP Center may still be processing applications that came in before October 11 on the old application that used a “yes/no” question about COVID impact. In these cases, if a household checked “no,” the RAA or the RAP Center staff must use the COVID-19 Impact Addendum, available on the RAA Resource Portal, to determine if the household experienced any of the above situations after March 2020. If they did, the RAA should consider them having a sufficient COVID-19 related financial hardship and attempt to serve them with ERAP before resorting to RAFT. The addendum should be used by the staff person in conversation with the applicant. The staff person does not need to obtain anything in writing from the applicant to use the addendum.

## Risk of Homelessness or Housing Instability (Updated January 1 2022)

Households must demonstrate that they are, at the time of application, at risk of homelessness or of housing instability. DHCD will continue to use the existing RAFT Housing Crisis list as the list of eligible circumstances under which a household may access emergency housing assistance, with one change, detailed below. Because ERAP is only available for renters (see “Renter, or Moving into Rental Housing”) below, the housing crisis options that apply to homeowners do not apply for ERAP. Below is the list of eligible housing crisis options for ERAP along with the documentation that may be used to verify the housing crisis.

Housing crisis	Description	Verification accepted (examples, not comprehensive)
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Pre-court rental arrears*	Household needs assistance with rent arrears but does not yet have a court notice	<ul style="list-style-type: none"> <li>• Verification of arrears, such as a notice to quit or notice from landlord</li> <li>•</li> </ul>
Eviction	Household has a court summons for eviction, or has already been to court. This could be for arrears or for another reason	<ul style="list-style-type: none"> <li>• Court summons (Summary Process Summons and Complaint)</li> <li>• Court agreement</li> </ul>
Doubled up and must leave/Overcrowding	Household is staying with family or friends and has been asked to leave, or household is residing in overcrowded housing and must leave	<ul style="list-style-type: none"> <li>• Letter from primary tenant or landlord with address that verifies the household is being asked to leave</li> <li>• Other documentation to demonstrate that unit is too small for number of people living there, such as, but not limited to, a letter from the landlord verifying the number of people and bedrooms in the unit</li> </ul>
Health and safety	Household is living in housing or other situation that presents a health or safety risk	<ul style="list-style-type: none"> <li>• Documentation to demonstrate a serious health or safety risk that necessitates monetary assistance, such as, but not limited to, a condemnation order from the Board of Health or a failed inspection report</li> </ul>
Domestic violence	Household is at risk of homelessness or housing instability because of domestic violence	<ul style="list-style-type: none"> <li>• Documentation to support a domestic violence allegation connected to an inability to stay safely in current housing</li> <li>• Other verification, including a self attestation from applicant</li> </ul>
Fire/Flood/Natural disaster	Household is at risk of homelessness or housing	<ul style="list-style-type: none"> <li>• Report of fire, flood, or natural disaster</li> </ul>

	stability because of a fire, flood, or natural disaster	
Utility shutoff/Utility arrears	Household is at risk of utility shutoff, has already had services shut off, or owes arrears	<ul style="list-style-type: none"> <li>• Current shutoff notice or bill showing past due balance</li> <li>• Verification that service has been disconnected or a bill is owed from a prior unit</li> </ul>
Other crisis that will result in imminent housing loss or instability	Household is at risk of imminent homelessness or instability for a verifiable reason not listed above	<ul style="list-style-type: none"> <li>• Documentation to demonstrate the housing crisis and imminent risk of homelessness or housing instability</li> </ul>

\*Effective January 1, 2022, the “Pre-Court Rental Assistance” crisis has been renamed to “Pre-Court Rental Arrears” to reflect a new policy requiring at least one month of arrears for households not yet in court, and not experiencing another housing crisis. Households seeking ERAP (or RAFT) may no longer be found eligible for prospective rental assistance (stipends) under the “Pre-Court Rental Arrears” crisis without first owing at least one month of rent arrears. Households with any other eligible housing crisis (listed below) may still be found eligible for stipends as part of their overall award (without needing to show rent arrears in addition to their housing crisis). However, the housing crisis “Pre-Court Rental Arrears” can only be used by households who owe at least one partial or full month of rent at the time of eligibility determination.

The list of eligible housing crises for RAFT and ERAP is listed above and has not changed. However, “Pre-Court Rental Arrears” will now only apply to those with a notice of arrears (such as, but not limited to, a letter from the landlord or a rental ledger) or Notice to Quit from the landlord, and not those who have not yet fallen behind on rent. Households with a court summons will continue to be served under the “Eviction” housing crisis.

This change is effective for any payment not yet locked into HAPPY by January 1, 2022, regardless of the date of application. Starting on January 1, 2022, the Central Application will require applicants seeking stipends to certify they have rent arrears as well.

This change does not apply to “movers.” Households needing to move to a new location may receive assistance with moving costs, including up to three months of rental stipends, whether or not they have current arrears. This change does not impact the administration of ERAP-Enhanced HomeBASE.

[Income at or Below 80% Area Median Income \(AMI\)](#)

The household income limit for ERAP is 80% AMI. Income eligibility may be presumed or verified using a variety of methods, outlined below in the section labeled “Income Documentation.”

ERAP will use the HUD Income Definitions when calculating annual household income, unless the household produces their 2020 Form 1040 in which case RAAs will use the Adjusted Gross Income (AGI) listed on the 2020 Form 1040.

### Renter, or Moving into Rental Housing (Updated January 1, 2022)

ERAP is only for renter households, including those in market-rate housing as well as those in subsidized housing. This includes those seeking funds to remain in their current rental housing, as well as those seeking funds to move into new rental housing. DHCD anticipates that some households who are currently homeless (such as those who are doubled up, those who are living in unsafe situations, et cetera) will use ERAP to move into new rental housing. Homeowners are not eligible for ERAP.

### Priority Applicants

The Treasury grants priority to two groups of applicants: 1) those where one or more members of the household has been unemployed for 90 days or longer at the time of application, and 2) those with income at or below 50% AMI. In order to implement these priorities, a minimum of 50% of federal funds disbursed will be reserved for households in one of these two categories. DHCD will monitor spending to ensure this percentage is upheld by asking in the Central App whether the applicant is unemployed longer than 90 days; income bands will continue to be recorded in HAPPY.

### Other Eligibility

ERAP does not have an immigration status requirement. Households may be found eligible regardless of immigration status.

### Benefit Cap (Updated January 1, 2022)

The ERAP benefit limit is 18 months of assistance. As of June 15, 2021, ERAP has two funding sources. These sources differ *only* in how many months of assistance a household can receive; all other requirements remain the same.

1. ERAP 1: The benefit cap for ERAP 1 is a maximum of twelve (12) months' worth of assistance, including both arrearage payments and any forward stipend, with an additional three (3) months of assistance available for those households with continued risk of housing instability.
2. ERAP 2: The benefit cap for ERAP 2 is a maximum of **eighteen (18) months'** worth of assistance between full or partial arrearage payments and any forward stipends.

For both ERAP 1 and ERAP 2, no household may receive more than the equivalent of its monthly contract rent amount for any given month, and three months of forward stipends can be awarded for those households with continued risk of housing instability.

Households may receive ERAP multiple times, or receive ERAP 1 then ERAP 2, so long as:

- a. The total for ERAP 1 in particular does not exceed 12 months arrears/15 months total
- b. The total combined between ERAP 1 (if any used) and ERAP 2 does not exceed 18 months total between arrears and stipends.

Households who are moving multiple times due to multiple eligible housing crises may receive moving expenses each time they move.

Until further notice, households who need up to the original ERAP 1 limit (up to 12 months arrears, or up to 15 months total) should be paid out of ERAP 1. Households who are being found eligible for assistance beyond what ERAP 1 could have covered (i.e. households who are requesting arrears assistance that covers more than 12 months after March 13, 2020; or households who are requesting additional stipends beyond the original 15 month limit on assistance) should be paid out of ERAP 2.

Assistance with prospective rent (stipends) may still only be paid three months at a time.

The chart below indicates which funding source should be used for which payments.

Received already	Needs now	Funding source to use for current need
<b>0-12 months arrears</b>	Arrears up to 12 months total (including what was already received)	ERAP 1
<b>0-12 months arrears</b>	Arrears 13-18 months total (including what was already received)	ERAP 2 (so as not to issue 2 separate arrears checks to the landlord)
<b>Any level of assistance, up to 18 months of assistance</b>	More stipends	ERAP 1 up until month 15, then ERAP 2 for months 16-18 if needed

### Combining ERAP and RAFT (NEW January 1, 2022)

Households may not use RAFT to supplement the ERAP award and may not use RAFT after ERAP, at least until the start of FY23. DHCD will issue more specific guidance in FY23.

This will apply in two kinds of scenarios:

1. **Households who have already received the maximum ERAP benefit (18 months of rental assistance or \$2,500 of utility assistance) and who reapply for additional assistance.** These households will not be eligible for funds through the RAFT program until at least the start of FY23.
2. **Households who are eligible for ERAP, but who are seeking assistance beyond what ERAP can cover (such as: rent from before March 13, 2020, or utility assistance in excess of \$2,500).** These households may be awarded ERAP only, instead of a combination of ERAP and RAFT, and may apply other sources (other program funds or household income) to cover the expenses that are not allowable by ERAP. (For households receiving three months of rental stipends at 100% of contract rent, the alleviated rent burden for those three months may free up household income to cover any expenses that ERAP cannot pay for.)

There are no restrictions on prior RAFT recipients accessing ERAP. For example, a household who received RAFT in July 2021 and who reapplies for emergency rental assistance in January 2022 may be

found eligible for ERAP. Having received RAFT will not prevent them from receiving ERAP if they are otherwise eligible.

This change is effective for any payment not yet approved by the RAA or RAP Center by January 1, 2022, regardless of the date of application.

## Eligible Uses of Funds

ERAP may be used for the following expenses on behalf of households who are experiencing an eligible housing crisis:

### *Rental Arrears*

Rental arrears may be paid only for rent due on or after March 13, 2020, and arrears assistance payments cannot cover a period exceeding 18 months (up to 12 months for ERAP 1 and up to 18 months for ERAP 2, not to exceed 18 months total). Rental arrears must be documented by a Notice or Letter that breaks out the amount owed per month and year (e.g. Notice to Quit, Notice of Arrears, Rent Ledger, Court Agreement, or Court Summons).

### *Prospective Rent Payments (“Stipends”)*

Prospective rent payments, also known as stipends, may be paid for rent due after the time of the application, only if the household has an eligible housing crisis. If the household is using the “Pre-Court Rental Arrears” housing crisis (formerly “Pre-Court Rental Assistance”), they must first have rental arrears. If an applicant has rental arrears, at least a portion of the arrears must be paid in order for the applicant to receive an ERAP stipend. Parties may agree to a mix of arrearage payments, stipends and/or repayment agreement, so long as some arrears are paid.

Prospective rent will not be paid if the tenant’s rent is calculated as a percentage of income (e.g. public housing, rental voucher).

Each ERAP monthly stipend will pay for 100% of the household’s full monthly rent amount, regardless of the household’s income, for a maximum of three (3) months at a time. Households who request assistance with prospective rent should be offered three months of stipends at 100% of monthly contract rent. If a household states that they do not need three full months, they may request one or two months instead.

### *Recertification for Additional Stipends (Updated December <> 2021)*

Effective January 1, 2021, households may no longer recertify for additional stipends using the shorter “recertification” application hosted by DHCD via Formstack. DHCD will sunset the “recert” application on December 31, 2021 and, moving forward, any household who would like to request additional ERAP assistance must reapply through the Central Application.

DHCD will send a final invitation to recertify at the beginning of December 2021 to those households whose last scheduled stipends are for December 2021. This group of households will have the opportunity to recertify for up to three months of stipends (January, February, and March 2022). The recertification program will end once all “recert” applications in an RAAs queue are paid; while no new recerts will be accepted after December 31, 2021, RAAs can continue to process and pay recerts already in their pipeline until all have been processed.



Households approved for ERAP will continue to be offered three months of rental stipends equal to 100% of the full contract rent. Households in need of additional assistance after this award will be eligible to reapply for ERAP using the Central App and may receive up to 18 months of aggregate assistance (including their initial award) if they are eligible at the time of their second application. (If the household has not yet fallen behind on rent or experienced another eligible housing crisis at the time of reapplication, they will not be eligible—see “I. Rent Arrears Required for ‘Pre-Court Rental Arrears Crisis,’” above.)

#### *Moving-Related Expenses*

ERAP may cover moving-related expenses for those experiencing an eligible housing crisis. Moving-related expenses include: security deposits, travel expenses, moving trucks, and furniture. These payments do not count as “months” of assistance and are separate from the 18-month limit. Furniture payments should not exceed \$1,000 per household. Other moving-related expenses should be reasonable. For moving-related expenses outside of furniture and security deposits, RAAs should aim to keep total assistance below \$5,000 per household (and less if the most economical solution is lower). DHCD can approve waivers for moving-related requests above \$5,000. Moving-related expenses do not include first month’s rent or last month’s rent, which are considered prospective rent payments and count toward the overall 18-month limit on assistance.

Households may access funds both to pay arrears at a current (or preceding) unit and to move to new housing. If an applicant is moving to a new rental unit and is receiving ERAP for stipends and/or moving costs, **and** the applicant is known to owe arrears at a current or preceding unit that were accrued after March 13, 2020, ERAP must first cover some portion of the accrued arrears before the tenant can access stipends and/or moving costs for the relocation. As with all arrearage payments covered under ERAP, the arrearage payment may only cover actual arrears as documented by the landlord, cannot cover more than 12 months of arrears, and cannot cover any arrears for the period prior to March 13, 2020.

#### *Utilities*

ERAP may cover up to twelve (12) months of eligible utility arrears for service on or after March 13, 2020, up to a maximum of \$1,500 per household, and ERAP 2 may cover up to eighteen (18) months of eligible utility arrears for service on or after March 13, 2020, up to a maximum of \$2,500 per household. Households are still limited to no more than 18 months of utility arrears combined between ERAP 1 and ERAP 2. Utility arrears must be demonstrated by a current overdue notice (within 60 days of application). If the participant cannot provide a current overdue notice, RAAs may verify the total amount owed by contacting the utility. Under ERAP, a utility shut-off notice is not required to make a payment. The following utilities are eligible:

- Gas arrears
- Electricity arrears
- Water/Sewer arrears

ERAP may also pay for one delivery of heating fuel such as oil, propane, and wood pellets or an arrearage for such fuel. The cost of this delivery will count toward the total maximum \$1,500 benefit.

If the applicant's service has been shut off or if the applicant needs to pay down a balance to start service at a new location, the RAA may contact the utility to determine the minimum amount required to restore service (typically 25%). This amount may still not exceed the ERAP limit of \$2,500.

### Utility Referrals for Households @ 60% State Median Income or lower

RAAs shall provide households applying for utility assistance with a referral to the LIHEAP (fuel assistance) program, but may serve the household with ERAP before LIHEAP determines eligibility.

RAAs shall recommend that eligible customers work with the utilities to qualify for a discounted rate and, if applicable, start an Arrearage Management Plan and provide appropriate contact information for the utility.

RAAs shall also refer the household to their local Community Action Program (CAP) agency or LIHEAP Local Administering Agency (LAA) to help them access other protections and assistance, including the discounted utility rate and, if applicable, the Arrearage Management Program. Contact information for the LIHEAP agencies can be found here: [DHCD Resource Locator \(hedfuel.azurewebsites.net\)](https://www.dhcd.mass.gov/resources/energy/hedfuel). LIHEAP intake and application information is available here <https://www.toapply.org/MassLIHEAP> and more information about LIHEAP is available here: <https://www.mass.gov/doc/cold-relief-brochure/download>

## Direct Payments to Tenants

Starting on June 28, 2021, RAAs may pay tenants directly for rent through the Emergency Rental Assistance Program (ERAP) that would otherwise be paid directly to the landlord (arrears, stipends, security deposits, etc.). Arrears payments made directly to tenants are limited to a maximum of \$15,000. In situations where tenant arrears exceed \$15,000, ERAP will only cover 100% of arrears if the landlord agrees to accept payment from the RAA.

There is no dollar cap on direct tenant payments for other costs (stipends, first/last month's rent, or security deposits) that would normally be paid to the landlord. However, as with all of ERAP, stipends are capped at the amount equal to the monthly contract rent, stipend commitments cannot exceed three months without reapplication or (prior to December 31, 2021) recertification, and stipend payments are scheduled for each month due (not paid in a lump sum).

Per IRS guidance, payments to **tenants** are not considered taxable income to the tenant and a Form 1099 does not need to be issued to the tenant.<sup>1</sup>

The Rental Assistance Processing (RAP) Center will not process any direct payments to tenants. The RAP Center will send the client file back to the RAA if a tenant has been determined eligible for ERAP but their landlord is refusing assistance or has not responded to outreach within the timeframes below.

Direct tenant payments may only occur if the following criteria are met:

1. **RAAs and the RAP Center must attempt to pay the landlord first** in all cases and with statement that not accepting may result in a tenant payment.
  - Per US Treasury guidance, tenant payment is to be issued when the landlord is non-responsive after 7 days to a letter sent via certified US postal mail with return receipt requested; non-responsive to three (3) phone, email, or text messaging attempts over 5 days; OR when landlord confirms in writing that they choose not to participate.

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<sup>1</sup> <https://www.irs.gov/newsroom/emergency-rental-assistance-frequently-asked-questions>

- Letters, phone, email, or text attempts must be documented by the RAA in the client file.
- Given the delay in US postal mail and the tendency to screen phone calls, DHCD recommends as a best practice at least one outreach by telephone, followed by subsequent text messages or emails. If the tenant does not have email or cell phone contact information for the landlord, or if the landlord’s voicemail is full, then the RAA must contact the landlord via letter by certified mail.
- All emails or letters to the landlord should include the following language, which should also be used in all phone calls to the landlord:

“You should be aware that refusal of emergency rental assistance (including by refusing to provide required program documentation) *may, under some circumstances, violate* Chapter 151B of the Mass. General Laws, which prohibits discrimination against a tenant receiving housing subsidies. A civil rights enforcement agency, such as the Massachusetts Commission Against Discrimination (MCAD), the Massachusetts Attorney General’s Office, the Boston Office of Fair Housing and Equity, or a local fair housing agency, may bring or investigate a complaint against landlords who refuse funds or who refuse to provide documentation in violation of c. 151B or similar local codes.”

In addition, if you, as landlord, do not respond to this communication by [DATE] or refuse to accept this emergency rental assistance, then our agency may issue a payment directly to the tenant. The amount paid to the tenant may be capped at an amount less than if you, as landlord, accepted the funds directly.”

Text messages must include this language: “Refusing to accept rental assistance may be a violation of Massachusetts law that prohibits discrimination against persons with housing subsidies. If you do not respond by [DATE], assistance may be paid to the tenant directly. Failure or refusal to accept this payment from the tenant may additionally violate fair housing law.”

**2. RAAs must comply with new due diligence pre-payment processes prior to issuing payment to the tenant, as listed below:**

- **Verify in HAPPY that the same months of rent requested were not previously paid** to the tenant or their landlord.
- **Conduct public records check** (through [masslandrecords.com](http://masslandrecords.com), Registry of Deeds, or local assessor’s website) to confirm that the landlord listed on tenant application is actually the owner of the property.
  - If not, RAA must reach out to owner identified in public records check. If tenant listed a completely false owner, tenant not eligible to receive payment. If tenant listed an owner’s broker, family member, or other representative or agent of the owner, RAA must attempt to contact actual owner.

- If RAA has alternate contact information for that owner from prior payments to that owner, RAA must attempt outreach using that contact information.
  - **Engage in a face-to-face meeting** (virtual or in-person) with the tenant before funds can be issued to the tenant.
    - RAA to verify identity, checking the person applying against a photo ID (not necessarily a driver's license or passport). In situation where tenant is unable to produce a photo ID in a reasonable timeframe, RAA managers may approve waivers to accept alternate documentation. When alternate documentation is received, the RAA managers should document the reason for accepting such documentation, for audit purposes.
    - RAA to review Terms of Funding Agreement and confirm tenant understanding that (1) they may face civil or criminal penalties if they do not use funds for paying rent to the landlord as intended, and (2) tenant must collect and retain a receipt or some other documentation to show they have become current on rent, to be provided to RAA, DHCD, or DHCD's fraud prevention or compliance consultant as requested.
    - RAAs may, at a manager's discretion, waive the need for a face-to-face meeting as part of a reasonable accommodation or based on the applicant's technology or transit needs. In this situation, a phone meeting is required.
  - **Conduct new outreach attempts to landlord** if tenant returns for additional rental assistance, including recertifications for future rental stipends.
3. **RAAs must require tenant to sign a Terms of Funding Agreement letter as provided by DHCD** outlining program requirements and expectations, including returning the payment to the RAA if landlord does not accept it or if the tenant fails to pay the landlord within 30 days of signing the Agreement. Tenants may not use the funds to pay other costs, even if those costs are also housing-related. For example, if a landlord refuses the payment from the tenant and the tenant chooses to move instead, the tenant may not apply the arrears payment to rental costs with the new landlord. Instead, the tenant must return the funds to the RAA and request that the RAA make a new payment to the new landlord.
4. **RAAs must transmit by email or US mail the signed Terms of Funding Agreement Letter to both the tenant and landlord** so that the landlord will anticipate that rent payment is pending. The letter will include the amount, address, and intended use of funds (i.e. arrears).
- Landlords must provide official written receipts to the tenants once they receive payment, and they should retain copies of these receipts, as the landlords may be asked to provide copies of such receipts to the RAAs or DHCD during audits or other inquiries.
  - The letter will direct the landlord to notify a point person at the RAA, if the tenant does not make the payment within 30 days of signing the Agreement.

5. **If landlord contacts the RAA and says tenant did not make a payment, RAA will send a termination of assistance letter to both parties with language provided by DHCD explaining that:**
  - Rental assistance was paid to the tenant on [DATE]. However, because there was a dispute as to whether the tenant paid the rent to the landlord, all ERAP assistance has been terminated.
  - Termination can be avoided if, within seven (7) days, the tenant returns funds to RAA, or one party produces a receipt or other documentation (such as a cancelled check or transaction history) showing that rent was paid.
  - If rent remains unpaid, the landlord has the right to evict for nonpayment.
  - Tenant retains the right to an administrative review at the RAA.
  - Where an RAA has information indicating that a tenant has violated the Terms of Funding Agreement, the RAA will notify DHCD. DHCD will review each case and determine whether to refer the matter for criminal prosecution or civil penalties.
6. **DHCD or their contracted entity will conduct periodic post-payment audits** of households where the tenant was paid directly. If an audit reveals that the tenant did not use ERAP to pay their rent:
  - The tenant becomes ineligible for any additional ERAP1 or ERAP2 funds for the lifetime of the program
  - The tenant may become ineligible for other forms of housing assistance administered by DHCD through RAAs (RAFT, MRVP, and Housing Choice Vouchers)
  - DHCD will review each case and determine whether to refer tenant's case to appropriate authorities for investigation.

## Income Verification

Income eligibility may be verified using one or a combination of the following verification methods.

### *Department of Transitional Assistance (DTA) or MassHealth Verification*

The RAFT emergency regulation (760 CMR 57) grants presumed income eligibility to households who are verified participants of any DTA or MassHealth programs. DHCD will allow this same presumption to apply to households found eligible under ERAP, and RAAs should follow the same process for verifying DTA/MassHealth participation through those agencies that is currently used for the RAFT program.

### *Categorical Income Verification*

If an applicant's household income has been verified to be at or below 80% AMI through another state or federal government assistance program, RAAs are permitted to rely on a determination letter from the government agency, or government-contracted agency that administers the benefit, so long as the determination letter for such program is dated on or after January 1, 2020. The following benefit determination letters are acceptable:

- Benefit determination letter from any DTA administered benefit program that serves households 80% AMI or lower, including SNAP, TAFDC, EAEDC, SSI, SSP (Note: RAAs should not request this and should instead use the existing DTA check through Interchange. However, if an applicant submits the letter as part of their application, the RAA may use it.)
- Eligibility letter for MassHealth (Note: RAAs should not request this and should instead use the existing MassHealth check through Interchange. However, if an applicant submits the letter as part of their application, the RAA may use it.)
- Income-based rent determination letter from a Local Housing Authority or Regional Administering Agency for state or federal public housing or subsidized housing vouchers (HCV/Section 8, MRVP/AHVP, DMH, DDS vouchers)
- Benefit determination letter from DHCD-contracted Local Administering Agency for LIHEAP program or Fuel Assistance
- Benefit determination letter for childcare financial assistance from the Department of Early Education and Care (EEC) or one of their contracted Child Care and Referral Agencies
- Benefit determination letter for Chapter 115 Assistance from the Department of Veterans Services

#### *Applicant-Provided Income Verification*

RAAs may accept income verification provided by the applicant, or by someone assisting with their application on behalf of an applicant, such as a landlord, advocate, or service provider. This is also known as “third-party income verification.”

Federal guidance allows a household to demonstrate income eligibility based on either 2020 annual income or current monthly income. For annual income, RAAs may use adjusted gross income as stated on a copy of a household’s IRS 2020 Form 1040 series. If a household demonstrates income eligibility based on 2020 annual adjusted gross income, RAAs do not need to verify current monthly income.

Alternatively, an applicant may demonstrate income eligibility based on current monthly income. The acceptable income documents for applicant-provided or third-party verification of current monthly income are as follows:

1. Wage income: Two paystubs dated within the last 60 days
  - a. The paystubs do not need to be consecutive
  - b. Multiple working household members do not need to provide paystubs from the same dates
  - c. The two-paystub requirement is in effect regardless of whether pay is weekly, biweekly, or monthly (further explanation below)
    - i. If pay is weekly, multiply average of pay stubs x 52
    - ii. If pay is bi-weekly, multiply average of pay stubs x 26
    - iii. If pay is monthly, multiply average of pay stubs x 12
    - iv. If pay is at a different interval than above, then use alternate formula to annualize the total.
2. Social Security or Supplemental Security Income (SSI): most recent benefit letter dated within the last 12 months OR bank statement showing deposit dated within the last 60 days
  - a. Benefit letter can be last year’s benefit letter (no older than January 1, 2020) or a current benefit letter showing next year’s benefit

3. Unemployment benefits: printout showing weekly payment amount dated within the last 60 days OR bank statement showing deposit dated within the last 60 days
4. Child support through DOR: DOR printout dated within the last 60 days OR bank statement showing deposit dated within the last 60 days
5. Child support not through DOR: letter from parent paying the child support, dated within the last 60 days, stating the child support amount and the frequency of payments OR bank statement showing deposit dated within the last 60 days
6. Other sources of income: letter or other verification showing current income dated within last 60 days

#### *Database-Verified Income*

Income can also be verified in two databases: UIOnline for unemployment benefits, FAST\_UI for Pandemic Unemployment Assistance, and WageMatch for reported wages. If applicants submit applications that are missing income verification that can be verified from one of these sources, such verification should be the RAA's first method of verifying income, before resorting to contacting the applicant for documentation. RAAs only need to access the database that corresponds to the income stated on the application. Users at the RAAs with authorized access can verify these types of income using the following methods:

1. Earned Wages
  - a. Look up the individual in WageMatch to verify any stated wage income on the application. To do this, RAA needs the individual's First Name, Last Name and Social Security Number.
  - b. Annualize the verified income for the most recent available quarter preceding the date of RAFT application.
  - c. Save the WageMatch report that includes the verification result in the applicant file.
  - d. Use this verified income when determining income eligibility.
2. Unemployment Insurance (UI)
  - a. Look up the individual in the UI Online Database to verify stated unemployment insurance income on the application.
  - b. Annualize the most recent weekly benefit amount and dependency allowance paid to the individual, before other deductions and adjustments.
  - c. Record the verification of UI income in the applicant file.
3. Pandemic Unemployment Assistance (PUA)
  - a. Look up the individual in the FAST-UI database to verify any stated federal pandemic unemployment assistance on the application.
  - b. Annualize the most recent weekly benefit amount and dependency allowance paid to the individual, before other deductions and adjustments.
  - c. Record the verification of PUA income in the applicant file.

#### *Self Attestation of Zero Income*

If an adult in the household has zero income, their zero income status may be self-attested in the application and does not require additional documentation.

## Required Documentation (Updated January 1, 2022)

A file (digital or physical, or a combination of the two) must be retained for all applicants—both approved and denied households—that includes any documentation submitted as part of the application and records of any communication with the applicant, landlord, service provider, or other party involved in the application. In addition, the following documentation is required for all approved applicants (“participants”):

1. Application
2. Identification for head of household
3. Verification of current housing (e.g. lease, tenancy agreement or tenancy at will form)
4. Verification of eligible housing crisis (e.g. notice of arrears or balance overdue, court summons, notice to quit, notice of eviction, or letter from host if doubled up)
5. Verification of income, or verification of presumed income eligibility (see “Income Verification” above)
6. W-9 for property owner or authorized agent
7. Authorization of agent, if applicable
8. Proof of ownership for unit

Only in cases where the payment going directly to the tenant, RAAs must also retain the following documentation:

1. Log of attempts to contact the landlord
2. Signed tenant letter acknowledging Terms and Conditions of accepting ERAP payment

In the interest of streamlining applications during a time of high volume, RAAs are expected to refrain from requesting additional documents not listed above from households for the purposes of processing an ERAP application.

## Hierarchy of Funds (Updated January 1, 2022)

ERAP funds should be prioritized over RAFT for all applications. ERAP funds should always be spent first, although RAFT may be used to make payments for households who are ineligible for ERAP. DHCD anticipates this will be rare and that most applicants for emergency housing assistance will qualify for ERAP, but that there are some applicants—namely those with arrears from before March 13, 2020—who will access RAFT instead. Renters with arrears from both before and after March 13, 2020 should use ERAP instead of RAFT if at all possible (i.e., if applicant can resolve housing crisis by addressing post-March 13, 2020 arrears or can access other funds to cover pre-March 13, 2020 arrears). Effective January 1, 2022, households who are eligible for ERAP will no longer be able to use RAFT to supplement the ERAP award.

## Required Notifications to Applicants, Utilities, and Landlords (Updated January 1, 2022)

Applicants must be notified by email, phone, or mail at the following status changes. These notification requirements apply to all applications received, regardless of which program the applicant is ultimately served with.



- Receipt of application
- Upon review, if there is missing documentation, a request for missing documents that clearly states deadline to submit before application will be closed out (not less than 10 business days)
- Upon application close-out or denial, stating reason and process for requesting administrative review (see “Denials and Administrative Reviews” below)
- Upon approval of benefit, copying the tenant on any transmission of payment to the landlord, utility, or vendor

If the person completing the application is the landlord or an advocate using the landlord or advocate versions of the Central App, the above notifications must go to the landlord/advocate as well as the tenant, unless the advocate did not indicate on the Central App that they had consent to communicate on behalf of the tenant.

## Budget and Administrative Fee

A budget is attached in the RAFT contract amendment as Exhibit C-1. As with the RAFT budget, the ERAP budget and RAA allocations are subject to change throughout the contract period, based on spending rates across regions, application volume, and other factors.

Exhibit C (Approved Compensation) outlines the Administrative Fee paid to RAAs for applications processed for RAFT and ERAP.

## Data Tracking and Reporting

ERAP participation and payments will be tracked in Housing Pro (“HAPPY”), a product of MRI Software, under a new Program. ERAP is a Program in HAPPY, and not an Increment of the RAFT Program.

Because funds are limited to 12 months of arrears for ERAP 1 and up to 18 total months for ERAP 2, and arrears are paid in lump sums without specification of the months that they cover, RAAs will be required to complete data fields in the ERAP Program tab in HAPPY. The following data fields were added at the program launch for all households served through ERAP, with new data fields added as necessary based on new DHCD or Treasury guidance:

- Earliest date of arrears covered (date field)
- Total number of months spanned by arrears payment (number field)
- Monthly rent amount

*For example, if a household receives an arrears payment that covers partial rent for December 2020, January 2021, and February 2021, the RAA would fill in “12/1/2020” for “Earliest date of arrears covered” and “3” for “Total number of months spanned by arrears payment.”*

RAAs will use the DHCD custom Fiscal Report in HAPPY to provide monthly backup on expenditures to DHCD.

## ERAP 2 Payments in HAPPY

ERAP 2 payments will be tracked as a new increment in HAPPY, increment 19. The existing ERAP increment, increment 17, will now be considered the “ERAP 1 increment.”

If a household returns for a new application (not a recertification) and receives additional assistance, RAAs should enter a new program line in HAPPY.

However, RAAs should not create a separate program line in HAPPY for households who receive ERAP through a recertification. Instead, they should add payments to the existing ERAP program line and select the appropriate increment number in the payment record. RAAs should update the Initial Data Screen increment number with the most recent increment out of which a household received a payment.

*Example: Tenant received ERA1 payments (increment 17) from May 2021 through October 2021, at which point she hit her 15 month ERA1 limit. In November 2021 she recertifies for additional stipends and is approved for payment out of the ERA2 increment (increment 19). At that time the RAA must update her Initial Data Screen increment from increment 17 to increment 19.*

## Denials, Close-Outs and Administrative Reviews

A household may be found ineligible for ERAP during the application process or after their application is complete. A household may also have an application “closed out” due to applicant or property owner non-response.

### *Ineligibility Letters (“Denials”)*

Households who are found ineligible must receive a Notice of Ineligibility/Termination with the appropriate ineligibility reason marked. The notice may be issued by email or mail. The ineligibility reasons are described below. Note that if a household is not eligible for ERAP but *is* eligible for RAFT or ERMA and is served with one of those programs, the household does not need to receive an ineligibility notice. If a household's application is "closed out" due to applicant or property owner non-response, the RAA should send a close-out notice and not an ineligibility notice (see below).

- Over income: a household was found to have income over 80% AMI.
- Participant noncompliance: a household was noncompliant with ERAP requirements.
- Not at risk of homelessness: a household did not demonstrate an eligible housing crisis.
- Receiving other benefits: a household has already received, or will receive, other benefits to cover the same expenses requested through the ERAP.
- Other: a household is ineligible for some other reason.
- No funding: a household does not receive ERAP because available funds have been fully expended.

Denials must be tracked in Housing Pro (HAPPY), but RAAs do not need to provide as much data for a denied application as an approved application. If the denial occurs before full household data has been entered into HAPPY, RAAs may exclude other household members from the data entry and only enter head of household data in the Household screen. RAAs do not need to enter data in the Unit Data or Owner tab for denied applications. The Initial Data and Program tabs still need to be completely filled out. For applicants denied due to suspected fraud, select ‘other’ on the Status Notification, and enter into Happy as Denial Reason ‘suspected fraud’.

Households who are found ineligible for ERAP and who disagree with the ineligibility decision may request an administrative review of their denial or close-out. The applicant’s right to a review must be

described in the Notice of Ineligibility/Termination. Each Administering Agency must fill in the appropriate address on page 2 of the notice before sending it to any applicant who is ineligible or whose application is being closed out. The applicant has 10 days from the date of the notice to request a review. Reviews will be performed, within 15 days from the request for a review, at the Administering Agency level by a supervisor who is familiar with the program but unfamiliar with the particular case being reviewed. The decision should be sent to the client and a copy of the written finding should be placed in the applicant's file. There is no appeal to DHCD of this finding.

#### *Close-Out Notices*

Households who fail to supply required documentation may have their applications closed. Similarly, households whose landlords fail to supply required landlord application may also have their applications closed. For applications closed for applicant OR landlord non-response, the applicant must be given a "close-out" notification. The "close-out" notice will explain that a landlord's failure to provide necessary documentation may constitute a violation of fair housing law and refer applicants to the appropriate fair housing agencies. Applicants with "close-outs" do not have a right to an administrative review but can request that their application be reopened.

### File Reviews, Approvals, and Quality Assurance

As with the RAFT program, each file should be reviewed by at least two individuals—including the staff person who worked on the file—throughout the course of the RAA's work with the application. However, to ensure prompt processing of applications and payments, the second reviewer does not necessarily need to be a supervisor unless the benefit exceeds \$10,000 per household. RAAs should develop a review process that ensures compliance with this Administrative Plan and any other guidance administered by DHCD or the Treasury.

Any application may undergo a DHCD quality assurance review, confirming that all necessary documents are in the file, and to verify that payment was issued in accordance with this administrative plan.

While applicants may receive ERAP, RAFT, or ERMA multiple times, RAAs are expected to review HAPPY to ensure households do not receive benefits for the same costs in the same period (i.e., do not cover the same arrears from the same month).

RAAs are not expected to check for duplication of benefits with sources beyond RAFT, ERMA, and ERAP prior to payment. However, DHCD will perform additional post payment audit checks to identify duplication of benefits with other similar programs administering federal ERA funds and RAAs will be expected to respond to file requests in a timely manner, review all potential duplicate payments under \$10K, and implement recoupment efforts for confirmed cases, as applicable.

### Rental Assistance Processing (RAP) Center

The RAP Center is a supplemental processing center that supports the RAAs during this time of extreme need and high application volume. As needed, DHCD will assign certain applications from the RAAs to be processed by the RAP Center, staffed by housing consulting firm Nan McKay and Associates. DHCD will select RAAs to participate in the RAP Center as needed based on criteria determined by DHCD, including but not limited to an RAA's reported application backlog, application processing times, regional eviction rates, and RAA staff capacity. DHCD may dictate which and how many applications are sent to the RAP Center for processing.

The RAP Center will complete HAPPY data entry and schedule transactions in HAPPY for RAAs, which will then be processed by RAAs in their regular check runs. DHCD may require additional check runs on top of the RAA's normal check run schedule, depending on the volume of applications processed by the RAP Center.