



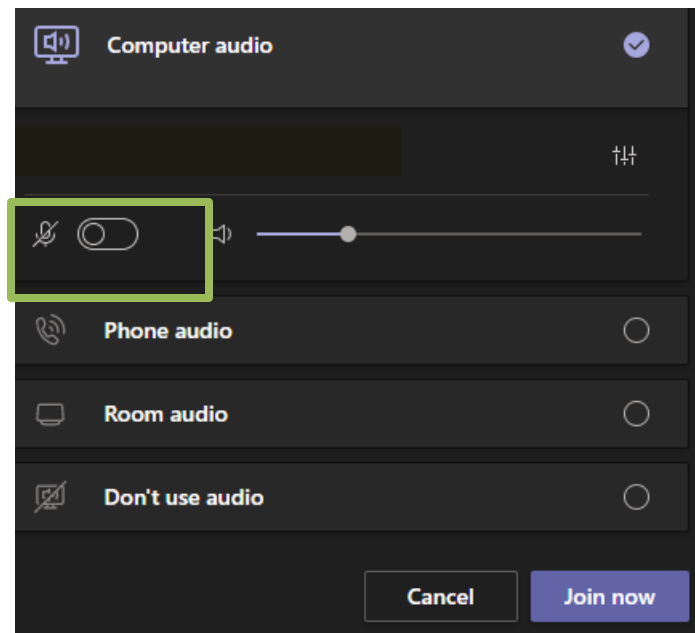
Federal Emergency Rental Assistance Program (ERAP) 2

Review of Direct Payment to Tenant Policy

July 2, 2021

Please Mute

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

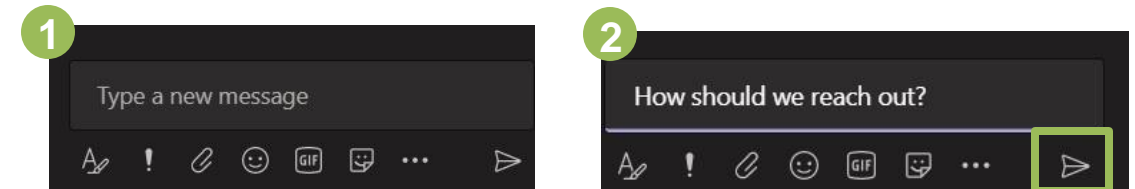


Engage During Meeting

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



WELCOME

THIS CALL IS BEING RECORDED





Our Journey Today

1 HOUR



Objective & Introduction

5 mins



ERAP 2 : Direct Payment to Tenant



Paying Tenants in HAPPY

30 mins



Policy Updates/Reminders



Questions

25 mins



Wrap Up

Purpose



A review of **ERAP 2: Paying Tenants Policy** which rolled out on Monday June 28, 2021

Goal



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



ERAP 2: DIRECT PAYMENT TO TENANT POLICY



Starting on June 28, 2021, RAAs may use ERAP to pay tenants directly for rental payments that would otherwise be paid directly to the landlord (arrears, stipends, security deposits, etc.)

- ✓ Arrears payments to tenants are limited to a maximum of \$15,000
- ✓ In situations where tenant arrears exceed \$15,000, the landlord must agree to accept payment from the RAA for ERAP to cover 100% of arrears
- ✓ 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

ERAP Eligibility criteria still must be met in order to direct payments to tenants:

80% AMI, COVID Impact, Risk of Homelessness/Housing Instability, Currently Renting or Moving to a New Rental, 18 Month Limit

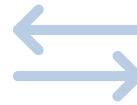
DIRECT PAYMENT TO TENANT OVERVIEW (CONT'D)



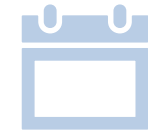
As with all ERAP benefits



Stipends are capped at the amount equal to the monthly contract rent



Stipend commitments cannot exceed three months without reapplication or recertification



Stipend payments are scheduled for each month due (*not paid in a lump sum*)

PAYING TENANTS: CRITERIA OVERVIEW



ATTEMPT TO PAY LANDLORD

Tenant payment can only be issued if the landlord is non-responsive or confirms that they choose not to participate.



VERIFY THAT PAYMENTS HAVEN'T ALREADY BEEN MADE

Need to confirm in HAPPY that months of rent being requested haven't previously been paid to the tenant or landlord.



CONDUCT PUBLIC RECORDS CHECK

Confirm that the landlord listed on the tenant application is actually the owner of the property.



ENGAGE IN FACE-TO-FACE MEETING

Need to meet (virtually or in-person) with the tenant before funds can be issued in order to verify their identity and clearly explain the rules to them.



SIGN TERMS OF FUNDING AGREEMENT LETTER

RAA must require the tenant to sign letter (provided by DHCD) outlining program requirements/expectations and payment details.



TRANSMIT TERMS OF FUNDING AGREEMENT LETTER

RAA must transmit the signed letter to both the tenant and landlord.

DIRECT PAYMENT TO TENANT RESOURCES



Resources added to RAA Portal

1

Paying Tenants Checklist

2

Paying Tenants Overview Guide

3

Paying Tenants Procedural Guidance

Paying Tenants Checklist

This checklist is designed to aid RAA Staff during the process of paying tenants directly.

Direct payment to tenants may only occur if the following criteria are met:

Tenant Name: _____ ID: _____

☐ **Step 1:** Attempt to pay the landlord (must make 3 attempts by phone/email/text, or send via US mail if no electronic options are available). *Letters, emails, texts (if applicable) should be included in client file as well as the outcome of all attempts.*

ATTEMPT #1: Landlord Name: _____ Date: _____

☐ Phone ☐ Text ☐ Email ☐ Letter (email/letter/text (if applicable) included in client file)

Outcome: ☐ No response ☐ Made contact w. landlord ☐ No answer left voicemail
☐ Voicemail full ☐ Landlord not available ☐ Other _____

ATTEMPT #2: Landlord Name: _____ Date: _____

☐ Phone ☐ Text ☐ Email ☐ Letter (email/letter/text (if applicable) included in client file)

Outcome: ☐ No response ☐ Made contact w. landlord ☐ No answer left voicemail
☐ Voicemail full ☐ Landlord not available ☐ Other _____

ATTEMPT #3: Landlord Name: _____ Date: _____

☐ Phone ☐ Text ☐ Email ☐ Letter (email/letter/text (if applicable) included in client file)

Outcome: ☐ No response ☐ Made contact w. landlord ☐ No answer left voicemail
☐ Voicemail full ☐ Landlord not available ☐ Other _____

☐ **Step 2:** Verify in HAPPY that the same months of rent requested were not previously paid to the tenant or their landlord.

☐ **Step 3:** Conduct public records check (through 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.

☐ **Step 4:** Engage in a face-to-face meeting (virtual or in-person) with the tenant before funds can be issued to the tenant.

☐ **Step 5:** IF tenant returns for additional rental assistance, including recertifications for future rental stipends, conduct new outreach attempts to landlord.

☐ **Step 6:** Have the tenant sign the Terms of Agreement letter

☐ **Step 7:** Transmit the Terms of Agreement letter (via email or US mail) to the tenant and landlord.

☐ **Step 8:** Enter the payment in HAPPY

☐ IF landlord contacts the RAA and says tenant did not make a payment, then send a termination of assistance letter to both parties

Department of Housing and Community Development

7



QUESTIONS



PAYING TENANTS IN HAPPY

- Payments in HAPPY are made to ‘contacts’ – think of the contact as the payee
 - Owner
 - Vendor
 - Tenant
- HAPPY automatically creates a contact record for each Head of Household
 - RAA staff do not need to add a contact record for tenants

Happy Contact Record Types

CONTACT	
Type	Tenant
Prefix, First Name	<input checked="" type="checkbox"/> Owner
Middle Name	PHA
Last Name	Utility Company
Corporate Name	Vendor
Sort By	Employee
Name Usage	Other
	Contact Name <input type="text"/>

PAYING TENANTS IN HAPPY



- In the owner tab, enter/select the actual property owner or use a fake owner record
 - Think of this like tenants who are getting UTL or FUR payments only
- When locking in a payment – the tenant will always be an option as the contact (payee)
- Check will be made out to the tenant, with the HOH name as the payee

T88610 - Testy McTesterson - Pending 1 found | 109930 total

Initial Data	Household	Unit Data	Owner	Eligibility	TTP	Program	FSS/WTW	Por
UNIT OWNER								
Unit Owner	<div>FAKE Owner Record</div>			Mailing Address	<div>FAKE Owner Record Do not send payments</div>			
Tax ID	<div></div>			Check Address	<div>FAKE Owner Record Do not send payments</div>			
Account #	<div>0130005</div>							
Direct Deposit	<div><input type="checkbox"/></div>							
Internal Notification	<div></div>							

PAYING TENANTS IN HAPPY



Step 1: Notifications — Step 2: Schedule — Step 3: Review

TRANSACTION

[+ More Details](#)

Tenant Name	Testy McTesterson
Tenant ID	T88610
Action Type Code	A
Action Type Description	Accounting Adjustment
Effective Date	06/01/2021
End Date	06/30/2022
Port Status	
Agency	RCAP Solutions, Inc.
Program	6

Funding Limit	\$37,000.00
Tenant Actual Payments	- \$0.10
Tenant Projected Payments	-
Tenant Remaining Balance	= \$36,999.90

TRANSACTION ITEM SUMMARY

Edit and confirm payment types, payees, frequency, amounts, and hold status.
Click continue to create the full schedule of payments for review on the next screen.

Type	Account	Contact
ARR	Payable	

Contact Lookup

Owner

Enter Name, Account #, Tax ID, or Status



FAKE Owner Record, Owner

Status: Active

Do not send payments

Account #: 0130005, Tax ID:

Testy McTesterson, Tenant

Status: Pending

1 Testing Way

Account #: T88610, Tax ID: 686959595

Tenant is available as a
contact payee when
locking in the transaction

2 Records



POLICY UPDATES/REMINDERS

RECERTIFICATION DATA ENTRY



- Do not create new program lines for recerts
- Add Formstack ID for each recertification
- Total # months paid should be a count of all past and future payments
 - ARR (Arrearage)
 - FMR (First Month's Rent)
 - LMR (Last Month's Rent)
 - STP (Stipend)
- Expecting to see a difference of 6 between first arrearage # and total months paid (may be different in some cases)

T88610 - Testy McTesterson - Pending 1 found | 109956 total

Note History Find Print

Initial Data	Household	Unit Data	Owner	Eligibility	TTP	Program	FSS/WTW	Portability	Transactions	Documents
ERAP * Start Date: 7/1/2021 Inactive				SELECTED PROGRAM DETAILS						
RAFT Start Date: 6/30/2021 Inactive				Program Status: Inactive						
HomeBASE Start Date: 1/1/2021 Inactive				Start Date: 7/1/2021						
ERMA Start Date: Inactive				End Date: 6/30/2022						
				Funding Limit Type: 12 Rolling Months						
				Linked Program:						
				Screening Questionnaire:						
				Funding Limit: \$35,000.00						
				Actual Payments: - \$0.10						
				Projected Payments: -						
				Remaining Balance: = \$34,999.90						
SELECTED PROGRAM UDF FIELDS										
TEXT			NUMBER			VALUE LIST				
			Monthly rent: 1200			Housing Crisis: PCRA				
			Total arrearage amount: 12000			Income: 15-30				
						Arrearage # Months Paid: 10				
						Earliest date of arrears paid: C June -				
						# Times Recertified: 01				
						Total #months paid(ARR+future): 16				
						Recert Denial/Timeout:				
Landlord Door Y/N: N										
						DATE				
						Approval / Denial Date: 3/18/2021				
						Application Date: 1/1/2020				



QUESTIONS



RESOURCES

1

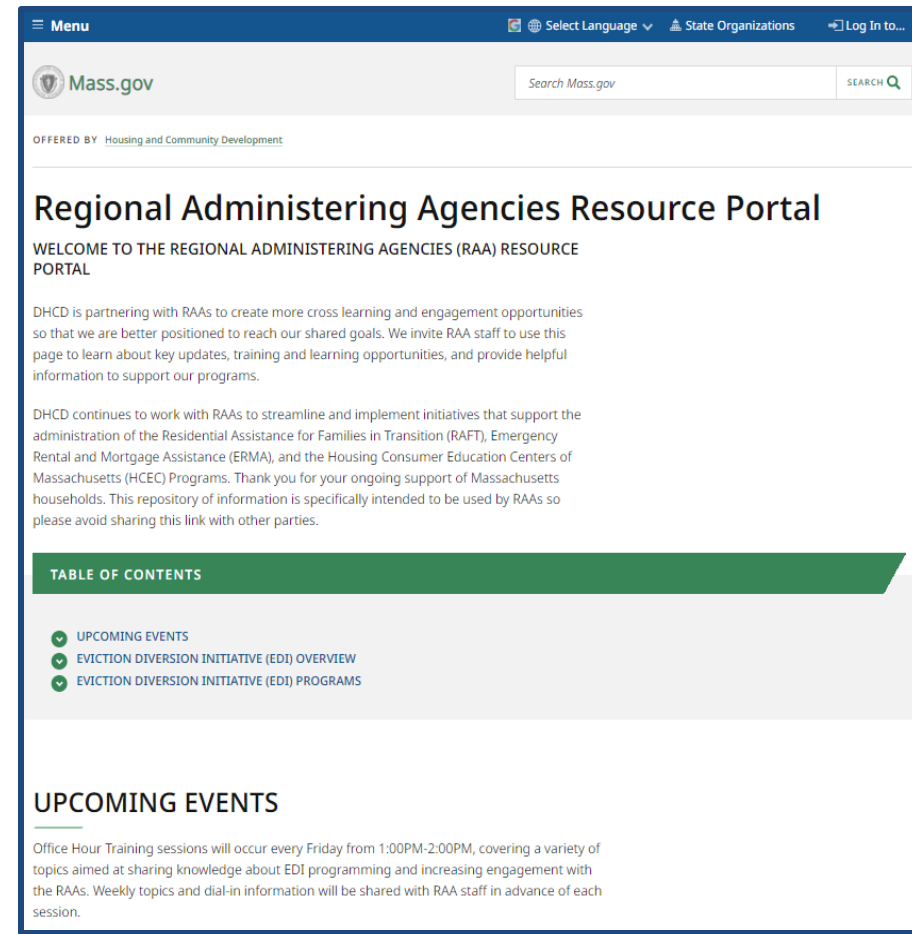
[RAA Resource Portal](#)

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

2

Further Questions

Contact the RAA support inbox (dhcdraaraft@mass.gov) as a point of escalations for questions. A member of the RAA Support Team will respond.





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!





APPENDIX: PAYING TENANTS CRITERIA

ATTEMPT TO PAY LANDLORD



- **RAAs and RAP Center MUST attempt to pay the landlord first in ALL cases**

- **Per U.S. Treasury guidance, tenant payment must be made 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 **3 phone, email, or text messaging** attempts **over 5 days**
 - OR when **landlord confirms** in writing that they choose **not to participate**

- **Outreach best practices:**
 - 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

ATTEMPT TO PAY LANDLORD (CONT'D)



All contact attempts **MUST** be documented in the client file

For phone calls

- All phone call attempts should be documented in the client file showing that the attempt was made and the outcome of the call
- Phone attempt (3) – Called **Insert Owner/Landlord Name** on **Insert Date** at **Insert Phone Number** – (**Outcome** – either No answer, No answer left voicemail, Voicemail full, Landlord not available, Spoke with landlord, etc.)

For emails

- Save or upload a copy of all email attempts/replies and attach in the client file

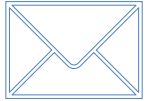
For texts

- Upload a screenshot of the text/replies and attach in the client file
- If no screenshot available, add a note similar to the following: Text Attempt (#) sent to **Insert Owner/Landlord Name** on **Insert Date** with following text: (**RAA to add text**)

For letters sent via certified mail

- Scan a copy of the letter and attach in the client file
- Upload any landlord responses either confirming or refusing direct payment

ATTEMPT TO PAY LANDLORD (CONT'D)



All emails or letters to the landlord requesting Property Owner documentation or participation must include the following language (RAAs must add this language to any existing Property Owner Packets by Monday, June 28):

“You should be aware that refusal of emergency rental assistance *may, under some circumstances*, violate Chapter 151B of the Mass. General Laws, which prohibits discrimination against a tenant receiving housing subsidies.

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. Any payment to the tenant for arrears shall not exceed \$15,000.”



Text messages must include this language:

“Refusing to accept rental assistance may be a violation of Massachusetts law that prohibits discrimination. If you do not respond by [DATE], assistance may be paid to the tenant directly.”

VERIFY THAT PAYMENTS HAVEN'T ALREADY BEEN MADE



Prior to processing the payments, RAA's must look in **HAPPY** for both the Tenant and Landlord listed in the application/contact file and review the amount of assistance, property address and unit, and months of assistance applied for to make sure payments haven't already been made or scheduled



Because of **the risk of fraud/nonpayment**, it's especially important to do this step before paying a tenant



If payment has already been made for the same month(s) requested, **do not proceed with payment**

CONDUCT PUBLIC RECORDS CHECK



Confirm that the landlord listed on the tenant application is actually the owner of the property by checking at least one of the following:

- 1 masslandrecords.com
- 2 County Registry of Deeds
- 3 Local assessor's website

If...	Then...
<i>Someone else is listed as the owner</i>	RAA must attempt to reach out to the owner identified in the public records check
<i>Tenant found to have listed a completely false owner</i>	Tenant not eligible to receive payment and denied for suspected fraud
<i>Tenant listed an owner's broker, family member, or other representative of the owner who is nonresponsive</i>	RAA must attempt to contact actual owner
<i>RAA has alternate information for owner from prior payment to that owner</i>	RAA must attempt outreach using that contact information

ENGAGE IN FACE-TO-FACE MEETING



- **RAA must engage in face-to-face meeting (either virtual or in-person) with the tenant before funds can be issued to them**
- **RAA to verify identity by checking the person applying against a photo ID**
 - Such as, but not limited to, a driver's license or passport
 - If tenant is unable to produce photo ID in a reasonable timeframe, RAA managers may approve waivers to accept alternate documentation
 - If a waiver is approved, RAAs must document reason for accepting alternate documentation (auditing purposes)
- **RAA to review Terms of Funding Agreement and confirm tenant understanding that:**
 - They may face civil or criminal penalties if they do not use funds for paying rent to the landlord as intended
 - They must collect and retain a receipt or some other documentation to show they have become current on rent
 - They must repay rent if landlord does not accept it

Need for face-to-face meeting can be waived by RAA (at manager's discretion) as part of a reasonable accommodation or based on the applicant's technology or transit needs. In this situation, a phone meeting is required.

Outreach Best Practices

- Initial outreach should be via **phone**, followed by **text/email** with an explanation of the **purpose of the meeting**
- Confirm **preferred format** for interview



In-person



Web Conference (Zoom, Skype, Teams, etc.)



FaceTime



Other

- Confirm that tenant wants to move forward with the interview

ENGAGE IN FACE-TO-FACE MEETING (CONT'D)



Interview Guidance

- Start by reviewing key application info to confirm that it is correct (*update as needed*)
 - Personal ID info
 - Renter info
 - Landlord info
 - Rent amount
 - Arrears
 - Stipends requested
- Review the applicant's **photo ID**
- Go through **Terms of Funding Agreement** item by item
 - Stress that they must give payment to landlord within 30 days of signing agreement
 - Stress that they must collect a receipt

SIGN TERMS OF FUNDING AGREEMENT LETTER



- **RAA must require the tenant to sign a Terms of Funding Agreement letter as provided by DHCD**
 - If interview is in person, tenant should sign a copy in person
 - If interview is virtual, send tenant a copy to be returned in 7 days (payment cannot be issued until returned)

- **The Terms of Funding Agreement letter outlines program requirements and expectations, namely:**
 - Payment must be returned to the RAA if the landlord doesn't accept it
 - Payment must be returned to the RAA if the tenant fails to pay the landlord within 30 days of signing agreement
 - Tenants may not use the funds to pay other costs, even if those costs are also housing-related

- **The Terms of Funding Agreement letter also includes:**
 - The amount of the payment
 - The address of the unit it is paying for
 - The intended use of the payment (i.e., arrears, stipends)

TRANSMIT TERMS OF FUNDING AGREEMENT LETTER



RAA **must transmit by email or US mail** the signed Terms of Funding Agreement letter to **both** the **tenant** and the **landlord** (*so that the landlord will anticipate the rent payment is pending*)



Landlords **must provide official written receipts** to the tenants once they receive payment (and retain copies of these receipts)



The letter will inform the landlord that they **may notify the RAA** if the tenant does not make the payment within 30 days of signing the agreement