



**RBD Suggestions Re: HUD's Annual Recertification Process  
the COVID-19 Pandemic  
Revised 3/3/2021**

Understanding that we have done our best to create suggestions for our clients and that **HUD has not approved or endorsed the methodology outlined below**, this is what we're suggesting.

We're suggesting that owner/agents get as many documents as possible either through resident portals, secure document exchange systems or other safe and secure methods.

In some cases, residents are not available. In some cases, verifiers are not available or do not respond.

Review HUD Notice 2020-10 [Electronic Signature, Transmission and Storage - Guidance for Multifamily Assisted Housing Industry Partners](#)

Obtain original or electronic signatures if possible.

Develop a policy for submitting certifications using Extenuating Circumstance Codes.

Develop a policy for accepting electronic signatures on key documents if you are going to adopt policies to accept electronic signatures.

Always note the file when you do something that is not standard. Add something like "*accepted electronic signature in compliance with HSG Notice 2020-10*".

- Conduct analysis of the file to determine what documents you need to complete the AR. This is especially important if you are going to implement Streamlining. We provide a free sample analysis form on our [RBD/Resources/COVID-19](#) page.
- Send all required Reminder Notices **including the 60 Day Notice** until certification is signed by the resident (electronically or wet signature) or until the certification is finalized using the Extenuating Circumstance Code – we recommend providing an AR Questionnaire for the resident to complete or, if possible, have residents use a resident portal. We provide a sample AR Questionnaire's as part of our FASTForms library [Questionnaire AR](#). We have modified our application and AR Questionnaire to include a request for permission to communicate with the resident electronically. We have also created a separate request available as part of our FASTForms library. [Consent Contact Electronic](#).
- Provide required documents. We have consolidated all the required AR documents (9887 Package, EIV & You Brochure, etc.) in to one electronic document that can be emailed to residents if that is the resident's preferred method of delivery. This includes an Acknowledgement of Receipt of Required documents. We created one for S8 and one for 202 PRAC. These are large documents but are available on our [RBD/Resources/COVID-19](#) page. These documents can be provided electronically, through a resident portal or by providing a link where residents may obtain the documents. If you provide the documents electronically, you must make it clear that you will provide a paper copy upon request. Make sure you get appropriate signatures on the 9887/9887A and the Acknowledgement of Receipt of Documents.
- Review EIV Reports as required. If you're new and need assistance with review of EIV Reports, We provide EIV AR/IR Checklist as part of our FASTForms library [Checklist EIV AR & IR..](#) EIV training is available online. Check out our classes at <https://www.rbdnow.com/online-training>
- Schedule a meeting. Attempt at least a phone interview or web conference with the resident using an AR Questionnaire.
- Collect as much information as possible

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- Based on income information provided by the resident, determine if this is a Fixed Income Family (90% of income is from a fixed income source). We provide a Self-certification of Income and we include this self-certification in our AR Streamlining Questionnaire which are part of our FASTForms library [Streamlining Bundle](#) and [Questionnaire AR](#)
- Termination of Employment
  - If the resident reports termination of employment attempt third-party verification and if that is not possible, document the file and accept resident self-certification. We provide a free standardized note to the file on our [RBD/Resources/COVID-19](#) page.
- Income that is not Fixed Income
  - Attempt third party verification of income that is not fixed and if that is not possible, document the file and accept resident self-certification. We provide a free standardized note to the file on our [RBD/Resources/COVID-19](#) page.
- Social Security Income
  - If the resident receives Social Security, owner/agents should use EIV whenever possible
- Fixed Income
  - If any fixed income was verified last year, use Streamlined Verification of Fixed Income. Be sure to include in the tenant file, verification of the increase. For example, if you have a resident who receives SSA Survivor's Benefits and their information is not in EIV, you can access the SSA web site and print the COLA Fact Sheet and attach it to last year's verification. <https://www.ssa.gov/news/press/factsheets/colafacts2020.pdf>, then calculate new income.
- Stimulus Checks
  - CARES Act Stimulus income is excluded based on the income exclusion provided in HH 4350.3 Exhibit 5-1. Excluded Income: *Earned income tax credit (EITC) refund payments received on or after January 1, 1991, including advanced earned income credit payments (26 U.S.C. 32[j]);*
- Unemployment or Other Benefits. Conduct third-party verification including asking the resident to provide document, that is not more than 120 days old, showing proof of regular unemployment
  - Project regular unemployment for 52 weeks as specified in HH 4350.3 Paragraph 5-5 A1 even if the verification indicates an end date.
  - Advise resident to notify if they become employed or if unemployment stops
  - Unemployment provided through the CARES Act
    - Section 2102: Pandemic Unemployment Assistance (PUA). This is an unemployment benefit for individuals who are self-employed, seeking part-time employment, or whom otherwise would not qualify for regular unemployment insurance (UI). **HUD has determined that PUA benefits must be included as annual income.**
    - Section 2104: Federal Pandemic Unemployment Compensation (FPUC) program. This program provides eligible individuals who are collecting certain UI benefits, including regular unemployment compensation to receive an additional \$600 in federal benefits per week for weeks of unemployment ending on or before July 31, 2020. HUD has determined that **FPUC benefits meet the definition of temporary income and must NOT be included in annual income**
    - Section 2107: Pandemic Emergency Unemployment Compensation (PEUC) program. This program provides an extension to regular unemployment insurance benefits for eligible individuals, allowing them to receive up to 13 weeks of additional benefits (this extends UI from 26 weeks to 39 weeks in total). **HUD has determined that PEUC benefits must be included in annual income.**



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- Assets
  - If last year's verified assets were \$5000 or less, owner/agents should attempt to get a self-certification from the resident which is necessary to conduct Streamlined Verification. We provide two samples [Self Certification of Asset](#) as part of our FASTForms library. We also include this form as part of our [Questionnaire AR](#). If you cannot get tenant signatures or you cannot witness these signatures, obtain signatures later.
  - If last year's verified assets were more than \$5000 then attempt 3<sup>rd</sup> party verification. If that is not possible, owner/agents might consider using last year's number and correct later if necessary.
  - If the resident received an RMD last year, ask the resident if they have or if they plan to take the RMD this year. Under the CARES Act, withdrawing the Required Minimum Distribution is not required in 2020. If the resident says they will be drawing their RMD, attempt phone verification but if that is not possible, we suggest owner/agents use last year's number and correct later if necessary. If the resident says they will not be collecting the RMD, owner/agents should attempt to verify the value of the asset and income from the asset even accepting resident provided information which they can usually access from a web site (*we realize not all residents have computers or internet skills*). If that is not possible, we have decided to recommend that owner/agents do not include the Retirement Account on the 50059 sent using the Extenuating Circumstance Code and correct later, when possible. We don't really don't have any other recommendation since so many IRAs have lost value.
- Medical Expenses & Disability Assistance Expenses
  - If appropriate, use Medicare Premium information provided in EIV
  - Ask the resident to provide documents required to verify out-of-pocket medical expenses. If the resident cannot provide appropriate medical expense verification documents, accept self-certification or use recurring medical expenses/disability assistance expenses from the previous year. You should have an Extenuating Circumstance process. We suggest you specify how property managers handle medical expenses/disability assistance expenses. One option is to use recurring medical expenses/disability assistance expenses from the previous year and verify these medical expenses/disability assistance expenses later. If a change is necessary, owner/agents can correct the certification if the medical expense deduction/disability assistance expense deduction is not correct.
  - Watch for changes introduced in the CARES Act
- Childcare Expense
  - If appropriate, attempt to verify child care expenses. If that is not possible, decide if you want to accept self-certification. While not required, you may decide to verify child care expenses later and correct the certification. If you do so, you must be sure to provide appropriate notices to your residents.
- Students
  - If a resident is a student, request verification documentation from the resident. He/she should be able to obtain required information from a student portal.
- Citizenship Eligibility
  - If citizenship eligibility status changed, owner/agents need to collect new documents and a new Declaration, Citizenship Consent, a new Family/Owner Summary and SAVE verification if possible
  - If citizenship eligibility status has not changed, no action is required



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- Signatures
  - Obtain an original or electronic signature
  - If the certification process is not complete due to COVID-19 or if the resident cannot provide signatures, submit certifications using Extenuating Circumstance Code
    - 1-Medical,
    - 2 – Late AR Due to Reasonable Accommodation or Extenuating Circumstance or
    - 10 - Other.
  - When using Extenuating Circumstance Codes, owner/agents are required to document the tenant file explaining why the certification was sent without a tenant signature and when the tenant signature may be obtained. We have created a free sample form, that can be modified to meet your own policy, on our [RBD/Resources/COVID-19](#) web site.
- Notices
  - Provide the Initial Notice if certification is complete and all signatures have been provided
  - If certification sent using Extenuating Circumstance Code
    - While not required by HUD, we recommend owner/agents send a Notice to residents explaining that
      - The 50059 was sent without signature
      - The new Tenant Rent
      - The resident will be required to sign later or face termination
      - Information may have to verified and/or be corrected
      - Any corrections are retroactive to the AR effective date including changes that cause an increase in Tenant Rent. This is allowed based on information provided in the 60-Day Notice. See HH 4350.3 Paragraph 7-8
      - We have created a free sample notice, that can be modified to meet your own policy, on our [RBD/Resources/COVID-19](#) web site.
- Submit to TRACS
- If certification was sent using the Extenuating Circumstance Code and when the nation returns to business as usual, owner/agents will need to notify the resident that they are required to meet and provide required signatures. We have created a free sample notice, that can be modified to meet your own policy, on our [RBD/Resources/COVID-19](#) web site.
- Meet with residents(s) and complete certification and collect required signatures.
- Provide Initial Notice
- Correct the certification removing the Extenuating Circumstance Code and adding the HOH signature date.
- Submit certification to TRACS