

FASTFacts
GRs – Signature Rules & COVID-19

*Copyright 2017-2020 Ross Business Development, Inc.
All rights reserved. Not for duplication.*

All other brands and product names are trademarks or registered trademarks of their respective owners.



Ross Business Development, Inc.
3134 Shumard Way
Marietta, GA 30064
770-424-1806
www.rbdnow.com
info@rbdnow.com

Disclaimer

“The material contained in this document is not comprehensive of the continually emerging issues surrounding policies in The Multifamily Housing industry. In addition, the handbook guidance is derived from The HUD Handbook 4350.3 Rev 1 Change 4 released in August 2013 and in December 2013 and subsequent notices and memos from HUD.

The reader should understand that these materials are not designed for, nor should be relied upon, as a source of legal guidance or as a final authority with respect to any particular circumstance.

Ross Business Development makes no warranty of merchantability or fitness for a particular purpose or any other warranty of any type with regard to these materials.

Owners and management should seek competent legal advice in developing and carrying out housing policies and procedures.

We have been diligent in our efforts to provide comprehensive and accurate regulatory instruction; Ross Business Development shall not be responsible for errors or inaccuracies.”

FASTFacts GRs – Signature Rules & COVID-19

In order to ensure that 50059 transactions can continue to be submitted, HUD provided clarification re: signatures for 50059s during the COVID-19 crisis.

- Owner/agents may collect original signatures from residents before submitting certifications
- Owner/agents may accept esignatures and collect original signatures later
- Owner/agents may submit certifications using Extenuating Circumstance Codes 1 - Medical, 2 – Late AR Due to Reasonable Accommodation or Extenuating Circumstances or 10- Other and collect original signatures later

We've received so many questions about what to do for GR/UA changes, that we have created this RBD FASTFacts in hopes that it will help. Please let me know if you have any questions. Be well.



When new Contract Rent (CR) and/or new Utility Allowances (UA) are approved, Gross Rent Change transactions are entered in to site software. Site software creates either a 50059A Gross Rent Change or, if a full cert (AR/IR/MI) is effective on the same day as the GR, the new CR/UA is included on that cert.

SIGNATURE RULES FOR GROSS RENT CHANGES

OAs must sign all certifications. Currently, HUD has provided guidance saying that electronic signatures are acceptable as long as original signatures are

The HOH signs the 50059A when there is a change to tenant rent. All adult household members must sign any 50059 when there is a change to tenant rent.



Owner/agents are required to provide the resident with a copy of the new certification and a copy is maintained in the tenant files.

Resident signature rules vary depending on whether you are submitting the Gross Rent Change as a partial certification (HUD Form 50059A) or as part of a full certification (MI, AR, IR or IC – HUD Form 50059)

GRC 50059A

If you are submitting the Gross Rent Change as a partial certification (HUD Form 50059A), the following signature rules apply.

No change to Tenant Rent: If the tenant portion of the rent **does not increase or decrease** (UA change), the HOH is not required to sign unless required by state law. These certifications may be submitted without tenant signatures. Make a note to the file that the HOH signature was not provided because it is not required.

A copy of the certification must be provided to the resident and a copy is maintained in the tenant file.

Tenant Rent Goes Up or Down: Residents (HOH) must sign if the tenant portion of the rent increases or decreases (UA change). Owner/agents have 60 days from the date the GR appears on the voucher to obtain the tenant signature. So, if the GR appears on the 5/1 voucher created 4/1, you have until 6/1 to get the signatures.

Owner/agents must notify residents if there is a rent change. If the tenant rent increases, owner/agents must provide a 30-day notice.

A copy of the certification must be provided to the resident and a copy is maintained in the tenant file.

When you Cannot get HOH Signature. Currently, since many residents are “sheltering in place” make a note to the file explaining that the HOH signature will be collected the later of 1) within 60 days from the date the GR appears on the voucher or 2) the date the federal government recommends commencing business as usual. For a GR submitted using HUD Form 50059A, only the owner and the HOH sign.

NEW FULL CERTIFICATIONS

If you are submitting the Gross Rent Change as part of a full certification (MI, IC, AR, IR - HUD Form 50059), the following signature rules apply.

Sometimes an approved GR effective date is the same as the effective date of a new full certification that has not yet been signed. When this is the case, the GR must be included on the 50059 and the 50059 signature rules apply; all adult household member sign the certification.

Signatures for GR Generated Corrections to Existing Full Certifications

If a GR effective date causes your software to generate a correction to a full certification (AR/IR/MI/IC) that has already been signed and submitted to TRACS and **if there is no change to the tenant rent**, no tenant signature is required (unless required by state law). **Use Extenuating Circumstance Code 8 No Signature Required.** Make a note to the file saying that Extenuating Circumstance Code 8 was used because no signature is required.

A copy of the certification must be provided to the resident and a copy is maintained in the tenant file.

If a GR effective date causes your software to generate a correction to a full certification (AR/IR/MI) and there is a change to the tenant rent, tenant signature is required within 60 days. To go ahead and send these transactions, **Use Extenuating Circumstance Code 9 No Signature Required For 60 Days.**

When you Cannot get Signatures for Adult Household Members. Currently, since many residents are “sheltering in place” make a note to the file explaining that the signatures for all adult household members will be collected the later of 1) within 60 days from the date the GR appears on the voucher or 2) the date the federal government recommends commencing business as usual.

Owner/agents must notify residents if there is a rent change. If the tenant rent increases, owner/agents must provide a 30-day notice.

A copy of the certification must be provided to the resident and a copy is maintained in the tenant file.

Please let us know if you have any questions or comments.