

Emergency Rental Assistance Overview

Affordable Housing Association of Indiana &
Indiana Affordable Housing Council Webinar

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Tuesday, May 4, 2021

AGENDA / LEARNING OBJECTIVES

- Disclaimers
- Authorization & Guidance
- Eligible Households
- Eligible Forms of Assistance
- Treatment of Income
- What Should You Do?



DISCLAIMER #1

The following 6 IN municipalities are administering their own program. IHCD cannot answer questions about these programs and the policies in these slides may or may not reflect the policies of these jurisdictions. This presentation is specific to IHCD policy.

- City of Fort Wayne
- Elkhart County
- Hamilton County
- Lake County
- Marion County
- St. Joseph County

DISCLAIMER #2

This program is **NOT** Round 3 of the 2020 Rental Assistance Fund (RAF) program.

Different federal and state rules apply.

Tenants who were assisted through RAF may apply for ERA assistance.

Tenants that were assisted through RAF may not receive ERA assistance for the same months where RAF assistance was provided.

AUTHORIZATION & GUIDANCE

Section 501 of Division N of the Consolidated Appropriations Act, 2020, Pub. L. No 116-260 (Dec. 27, 2020)

- **\$25B** to states, territories, tribes, & local governments with pop. 200,000+

US Dept of Treasury ERA webpage

<https://home.treasury.gov/policy-issues/cares/emergency-rental-assistance-program>

US Dept of Treasury ERA FAQs

- Released 2/22/21, revised 3/16/21 & 3/26/21
- Available on webpage above
- **IGNORE** the 1/19/21 edition

ELIGIBLE HOUSEHOLDS

Must be renters with a current lease obligation

Eligibility = three-pronged test

- COVID Impact
- Housing Risk
- Income Qualified (80% AMI)

No citizenship requirement, but must provide approved ID

Eligibility

An “eligible household” is defined as a renter household in which at least one or more individuals meets the following criteria:

- i. Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19;
- ii. Demonstrates a risk of experiencing homelessness or housing instability; and
- iii. Has a household income at or below 80 percent of the area median.

ELIGIBLE HOUSEHOLDS

TEST #1- COVID IMPACT

Household must be impacted by COVID-19

- Received unemployment benefits since 4/1/20
- Has experienced a reduction in household income on or after 4/1/20 due to an involuntary job layoff, furlough, reduced workdays or hours, or reduced pay
- Incurred significant costs or experienced a financial hardship due to COVID-19 since 4/1/20
 - Reduced income due to need to stay home due to pre-existing condition
 - Reduced income due to need to quarantine
 - Increased medical bills or medical costs associated with COVID-19 treatment
 - Incurred significant costs due to increase in dependent care due to closing of a school or care facility

Self-attestation is allowed for this qualification

ELIGIBLE HOUSEHOLDS

TEST #2- HOUSING RISK

What demonstrates a risk of homelessness or housing instability?

OPTION 1: Proof of Arrears or Pending Termination

- Notice of past due rent
- Eviction notice/ notice to vacate / notice of court hearing
- Notice of past due utility or utility disconnect

OPTION 2: Current Housing Cost Burden

- Household pays 30% or more of total household income as rent

OPTION 3: Doubling or Tripling up with Other Households

ELIGIBLE HOUSEHOLDS

TEST #3- INCOME QUALIFIED (80% AMI)

Definition of Income

- Categorical eligibility- SSI, TANF, SNAP, HIP, WIC
- IRS Form 1040 adjusted gross income;
- 24 CFR 5.609 annual household income; or

Verification/Calculation of Income

- 2020 annual income- verified by 1040
- Current monthly income as of time of application- use part 5.609 rules and annualize
 - Recheck at each 3-month recertification

Generally verified with third-party documents

Grantee may allow self-certs in “limited circumstances...to accommodate disabilities, extenuating circumstances related to the pandemic, or a lack of technological access”

ELIGIBLE HOUSEHOLDS

TEST #3- INCOME QUALIFIED (80% AMI)

Fiscal Year 2020 80% Low-Income Limit (LIL)							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$40,500	\$46,250	\$52,050	\$57,850	\$62,450	\$67,100	\$71,700	\$76,350

Fiscal Year 2020 50% Very Low-Income Limit (VLIL)							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$25,300	\$28,900	\$32,550	\$36,150	\$39,050	\$41,950	\$44,850	\$47,700

PRIORITY ELIGIBILITY

All ERA grantees are required to “prioritize” households in which:

- An individual has been unemployed for the 90 days prior to application
- Household income is below 50% AMI

IHCDA gives priority application review to these households

ARE HOUSEHOLDS WITH VOUCHERS ELIGIBLE FOR ERA?

Yes!

- ERA can cover the tenant-paid portion of rent for tenants that receive “monthly federal subsidy”. Can also cover utility arrears for these households.
- Cannot duplicate the subsidy portion
- FAQ specifically says this is allowable for tenants who:
 - Have a Housing Choice Voucher
 - Live in Public Housing
 - Live in Project-Based Rental Assistance units

DOES RENT-TO-OWN QUALIFY?

Yes!

- If the renter:
 - Is not the signor or co-signor to the mortgage on the property
 - Does not hold deed or title to the property
 - Has not yet exercised the option to purchase



DO MOBILE HOME RENTERS QUALIFY?

Yes!

- For mobile homes/manufactured housing, ERA can cover both:
 - The rent for the home; and/or
 - The lot rent for the parcel of land

ELIGIBLE ASSISTANCE

12 months maximum assistance

Rent

- If arrears exist, must provide arrears assistance
- Forward-facing rent approved in 3-month intervals
- Tenant recertifies for every additional 3 months
- Rent capped at IN statewide FMR

Arrears (rent or utility) = accrued since 4/1/20

Utility and Home Energy Costs

- Electricity, gas, water, sewer, trash removal, and home energy (e.g., fuel)
- Excluding utilities covered by the landlord
- Arrears only

“Other Expenses Related to Housing Incurred Due...to COVID-19”

- Reasonable accrued late fees
- Internet service for the rental unit- arrears only

ELIGIBLE ASSISTANCE- RENT LIMIT

Number of Bedrooms	Maximum Monthly Rental Assistance	Twelve Month Maximum Rental Assistance
Efficiency	\$678.00	\$8,136.00
One-Bedroom	\$781.00	\$9,372.00
Two-Bedroom	\$946.00	\$11,352.00
Three-Bedroom	\$1248.00	\$14,976.00
Four-Bedroom	\$1455.00	\$17,460.00

ERA ASSISTANCE- IS IT INCOME?

IRS ERA FAQ 3/26/21

- ERA assistance is not income to the renter (see Q1-Q3 of FAQ)
- ERA assistance is income to the landlord or utility vendor (see Q4-Q5 of FAQ)
- Does not matter whether assistance is paid directly to the landlord / utility vendor or to the renter
- IHCD will provide 1099s for assistance paid directly to vendors as required by law

ERA ASSISTANCE- IS IT INCOME?

Landlord will provide grantee Form w-9

IHCDA will provide landlord Form 1099

W-9
Form (Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

4 Exemptions (codes apply only to certain entities; not individuals; see instructions on page 3).

5 Address (number, street, and apt. or suite no.) See instructions.

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN), if you do not have a number, see *How to get a TIN*, later.

Social security number

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (cancelled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Cat. No. 10231X

Form **W-9** (Rev. 10-2018)

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.

1 Rents
\$

2 Royalties
\$

3 Other income
\$

PAYER'S TIN

RECIPIENT'S TIN

RECIPIENT'S name

Street address (including apt. no.)

City or town, state or province, country, and ZIP or foreign postal code

Account number (see instructions)

FATCA filing requirement

4 Rents
\$

5 Royalties
\$

6 Other income
\$

7 Fishing boat proceeds
\$

8 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale
\$

9 Crop insurance proceeds
\$

10 Fish purchased for resale
\$

11 Excess golden parachute payments
\$

12 State tax withheld
\$

OMB No. 1545-0115

2021

Form 1099-MISC

Miscellaneous Information

4 Federal income tax withheld
\$

5 Medical and health care payments
\$

6 Substitute payments in lieu of dividends or interest
\$

7 Gross proceeds paid to an attorney
\$

8 Section 408A deferrals
\$

9 Nonqualified deferred compensation
\$

10 State/Payer's state no.
\$

11 State income
\$

Form 1099-MISC (keep for your records) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service



WHAT SHOULD YOU DO?

Owner/Management Agents should:

- Identify all municipal programs that cover your portfolio
- Review policies from those programs
- Identify residents in need of assistance
- Encourage participation and assist residents in applying at www.indianahousingnow.org
- Distribute tenant flyers to your residents (available at www.indianahousingnow.org)

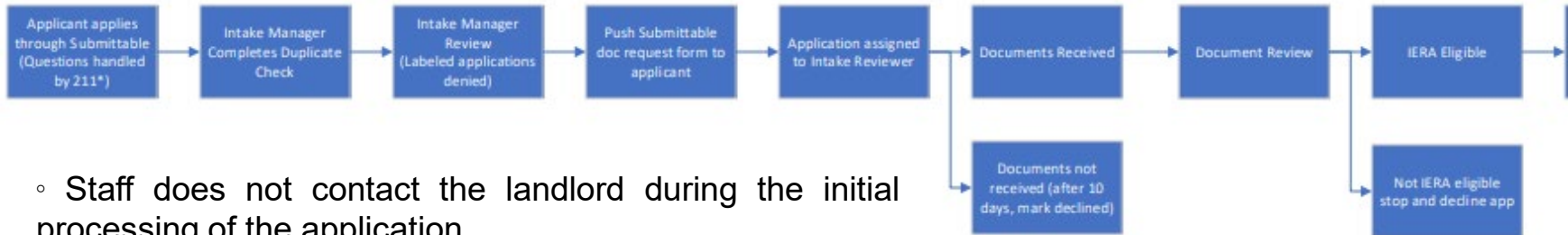
NOTE: Landlords are not required to participate in ERA. IHEDA must first try to work with the landlord but can issue a payment directly to a renter if the landlord is non-cooperative/non-responsive.

HOW CAN YOU CONTACT US ?

Your residents may call **211** for assistance submitting an online application

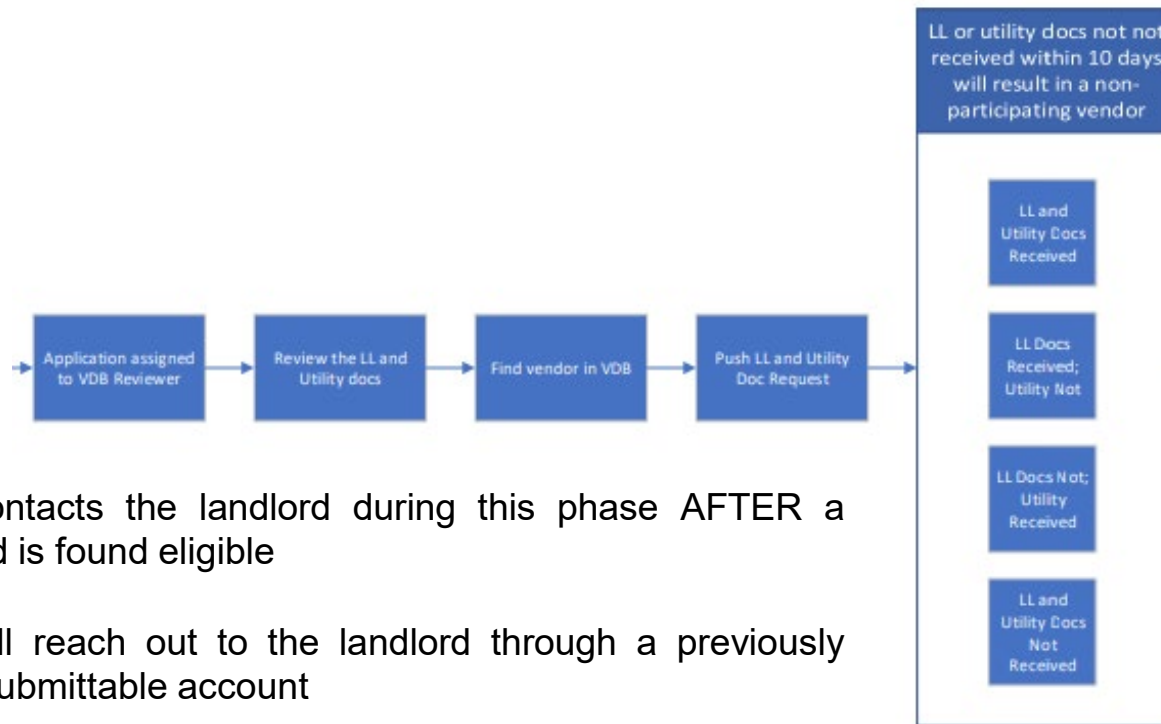
You or your residents may contact us at (317)800-6000 or IERA@IHCDA.IN.gov with general questions

WHAT HAPPENS AFTER AN APPLICATION IS SUBMITTED?



- Staff does not contact the landlord during the initial processing of the application
- Intake Staff works with the applicant to verify that the household meets all program requirements
- Applications may be declined if the applicants fails or refuses to provide requested information

WHAT HAPPENS AFTER AN APPLICATION IS SUBMITTED?



- Staff contacts the landlord during this phase AFTER a household is found eligible
- Staff will reach out to the landlord through a previously created Submittable account
- Landlords should check their email, junk/ spam folders regularly if residents have applied

WHAT HAPPENS AFTER AN APPLICATION IS SUBMITTED?

- After the Vendor information is acquired (landlord and utility) the file is assigned for a benefit calculation
- The vendor information is used to determine how much assistance the applicant can receive (recall that assistance is limited at twelve months)
- Once the benefit is determined the file is prepared for payment
- Payments are issued twice weekly
- Vendors are notified via email of payments
- Notifications are sent to the email address contained in the Submittable system from ierap.com
- Electronic payments may take 48-72 hours
- Checks may take up to 14 days due to ongoing USPS delays

HOW DOES A LANDLORD KNOW THE STATUS OF A FILE

- IHCDCA will only contact vendors for approved households
- Applicants receive three emails prior to the landlord contact- you may ask to see these emails
 - Email One confirms an application has been submitted
 - Email Two confirms the threshold criteria has been met
 - Email Three states a household has been found to be eligible and a benefit is being determined

Email Three:

Staff has completed the review of your application and the additional documentation that you provided. It has been determined that your household meets the criteria and is eligible to receive a benefit from IERA. IHCDCA's next step is to contact your landlord and utility providers (if you requested utility assistance) to confirm your past due obligations and necessary payment information. The information IHCDCA gathers from your landlord and utility providers will assist us in determining your household's benefit amount.

CONTACT INFORMATION

Call **211** for assistance submitting an online application

Call (317)800-6000 for program specific inquiries

Email IERA@IHCDA.IN.gov for program specific inquiries

Payment information emails will come from pay@ierap.com.
(This is a closed mailbox and cannot receive incoming email.)

Questions?