



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

July 6, 2020

MEMORANDUM FOR: Owner/Owner Agents of Multifamily Properties Assisted Under Section 8, Section 202/811 PRAC and Project Assistance Program (PACs)
Contract Administrators
All Multifamily Regional Directors
All Multifamily Asset Management Division Directors
All Multifamily Asset Management Branch Chiefs

FROM: Tobias Halliday, Director Office of Asset Management and Portfolio Oversight (OAMPO), HTG

SUBJECT: Processing of Special Claims for Vacancy During the COVID-19 Pandemic

This memorandum provides instructions for the processing of special claims for vacancy for properties affected by COVID-19 during the period of March 27, 2020 through September 30, 2020. The Department of Housing and Urban Development's (HUD) Office of Multifamily Housing (MFH) has temporarily modified the start date for vacancy claims to accommodate for delays in filling vacant units as a result of impediments caused by COVID-19. Impediments resulting from state and local "stay-at-home" orders include, but are not limited to delays in units being prepared for occupancy as noted in Section 3-2.B.4 of the Special Claims Guide, staff showing units to prospective residents, or meeting eligible applicants to process move-in documentation. During this time, MFH will accept vacancy claims for 60 days starting from the prior Tenant's Move-out Date as opposed to the Ready-for-Occupancy Date, in instances where preparation of the unit for occupancy was prevented due to the impact of COVID-19. In addition, certain documentation submission requirements are amended, as noted below, for processing vacancy claims relating to COVID-19. Eligible properties under this memorandum include Section 8, Section 202/811 PRAC and Project Assistance Program (PACs).

Overview of temporary processing requirements for claims for vacancy during the COVID-19 period above:

I. Special Claims for Vacancy During Rent-up (Rental Assistance Demonstration (RAD) properties only)

Special claims for vacancy loss during rent-up are compensation to property owners for rental loss attributed to vacancy units during the initial rent-up period of the property. The claim must be received by HUD within 180 days from the date the unit was ready for occupancy or the contract effective date, whichever is later. Owners are encouraged to file claims as soon as is feasible. Multiple claims for HUD funding cannot be paid on a unit for the same period.

a) Owner/Agent Claims Submission Requirements

1. Claim forms:
HUD-52670-A Part 2, Special Claims Schedule
HUD- 52671-B, Special Claims for Vacancies During Rent-up
(for claims submitted under this Memo, mark top of form “COVID-19”)
2. Supporting Documentation:
 - A list of all units leased and available for lease as of the effective date of the Permission to Occupy (For HUD-92485) signed by the HUD Architect/Engineer or the effective date of the contract, whichever is later. In addition, justification must be provided for all units explaining why they remain vacant as a result of the COVID-19 pandemic.
 - A certification that property marketing is compliant under the Affirmative Fair Housing Marketing Plan (AFHMP).
 - All other documentation requirements remain the same with the exception of documentation related to owner efforts to process applicants that have been impeded by COVID-19.
3. Submit claim forms and documentation to your HUD Field Office.

b) HUD Field Office Claim Review

HUD Offices must process special claims for vacancy loss during rent-up by following the Special Claims Guide with the exception of following the date and documentation instructions specified above.

II. Special Claims for Vacancy Loss After Rent-up (Regular Vacancy)

A special claim for vacancy loss after rent-up is compensation to the property owner for the loss of rental income of a unit that was previously occupied by an assisted tenant but has become vacant for circumstances beyond the owner’s control. The claim must be received by HUD/ CA within 180 days from the date the unit was vacated by a former tenant. Multiple claims for HUD funding cannot be paid on a unit for the same period.

a) Owner/Agent Claims Submission Requirements

1. Claim forms:
HUD-52670-A Part 2, Special Claims Schedule
HUD- 52671-C, Special Claims for Regular Vacancies
(use the day after the prior tenant move-out date to calculate the vacancy loss payment not to exceed 60 days)
(for claims submitted under this Memo, mark top of form “COVID-19”)
2. Supporting Documentation:

- Documentation as noted in the Special Claims Guide except with respect to unit readiness.
- Owner certification that COVID-19 has impeded the owner's efforts to fill the vacancy.
- Justification for all units explaining why the units remain vacant as a result of the COVID-19 pandemic.
- Certification that property marketing is compliant under the Affirmative Fair Housing Marketing Plan (AFHMP).

3. Submit claim forms and documentation to HUD/CA.

b) HUD/CA Claim Review

HUD/CA must process special claims for regular vacancy loss following the Special Claims Guide with the exception of following the date and documentation instructions specified above.

In the event a property owner has submitted either of the vacancy claim types above prior to the issuance of this memorandum , and the special claim(s) has been processed for payment, the owner may submit a supplemental vacancy claim for the gap period from the prior tenant's move-out date to the unit's ready for occupancy date. The gap period of days added to the days claimed on the prior claim submission must not exceed 60 days. No overlap in days can be claimed for payment.

If you have any questions, please contact Belinda Koros at Belinda.P.Koros@hud.gov or via phone at 202-402-3615.