FSS During COVID-19: A Conversation with HUD and Compass on HUD’s Guidance, Flexibility, and Innovation  
Webinar Question & Answer Session

This document is a written summary of the question and answer session from the April 30th, 2020 webinar, "FSS During COVID-19: A Conversation with HUD and Compass on HUD’s Guidance, Flexibility, and Innovation," hosted by Compass Working Capital. Citations have been added and responses have been edited and condensed for clarity.

FSS Enrollment During COVID-19
Questions in this section were answered by a representative from the Department of Housing & Urban Development (HUD).

Are electronic signatures an acceptable way to submit signatures to HUD or is a “wet signature” necessary?
HUD addressed the use of electronic signatures in the COVID-19 Frequently Asked Questions released on April 22, 2020. Please see below for more information.

OC21. Can we switch to electronic signatures for leases, procurement documents, and forms? Do we need a third-party verification software for validation? A. This answer depends on your state or agency’s own policies. There are no requirements for third-party verification for these documents in the public housing or HCV regulations. Requirements for Annual Contributions Contract (ACC) amendments for Capital Funds are described in OC27.

OC27. When HUD staff are teleworking, what is the best way to communicate with HUD? A. The best way to communicate with HUD is either by phone or via email as opposed to through the postal service or via an expedited delivery service. To the extent that an agency needs to transmit documents with signatures, the Department encourages PHAs to either sign the documents with legally binding digital signatures or to sign the documents – scan them – convert them to PDF and email the PDF document. There is one exception to this rule: because of specific language in HUD’s appropriation, the Department cannot accept Capital Fund Annual Contributions Contract (ACC) Amendments with digital signatures, but it can accept scanned Capital Fund ACC Amendments with written signatures in lieu of receiving hard copy signed ACC Amendments in the mail. If not already transmitted, PHAs should send the signed Capital Fund ACC Amendments by email since HUD offices are closed due to COVID-19. PHAs should not send Capital Fund ACC Amendments through the postal service or via expedited delivery service.
Can we send documents via USPS to get signatures and have them returned to us?
Yes.

If we are mailing contracts to FSS participants during the pandemic and a participant signs a contract in one month, but the mail doesn't arrive until the following month, what month is the contract effective date?
Please refer to the Contract of Participation instructions:

Term of Contract: The effective date is the first day of the month following the date the contract was signed by the family and the HA’s representative.

Escrow and Interim Disbursements
Questions in this section were answered by a representative from HUD.

If the FSS participant is furloughed, should the escrow be adjusted if we have completed a downward interim change?
If a participating family experiences any loss of income they should comply with PHA rules regarding re-certification. As always, a decrease in earned income resulting in a decrease in the monthly rental payment will also decrease their monthly escrow credit.

Do you have guidance on how flexible a PHA can be with requests for interim escrow disbursements?
HUD does not have rules or regulations on this specifically and it is up to the PHA to make these decisions. We first suggest that you look at your FSS Action Plan to understand your current interim disbursement policies. Please keep in mind 24 CFR 984.395(c)(2)(ii):

If the PHA determines that the FSS family has fulfilled certain interim goals established in the contract of participation and needs a portion of the FSS account funds for purposes consistent with the contract of participation, such as completion of higher education (i.e., college, graduate school), or job training, or to meet start-up expenses involved in creation of a small business, the PHA may, at the PHA’s sole option, disburse a portion of the funds from the family’s FSS account to assist the family to meet those expenses.

We encourage PHAs to think expansively about what constitutes “purposes consistent with the Contract of Participation” during this period of crisis. Please also document your expanded policies clearly and be sure to apply them fairly across all FSS participants. At this time, Compass is encouraging its housing partners to be flexible with interim disbursements for FSS participants in order for them to meet their immediate needs during this health crisis.

If an interim disbursement is made as a result of COVID-19 for debt to help with a goal, is this allowed if you do not typically allow for this type of interim disbursement?
Please see above.
**Contract Extensions and Graduation**

*Questions in this section were answered by a representative from HUD.*

**Will there be any PIC issues for a waiver request that extends a contract past seven years?**
Currently, PIC will allow for extensions of the Contract of Participation (COP) past seven years. If the COP is then longer than 7 years, it will issue a warning but not a fatal error.

**What if someone refuses an FSS contract extension?**
First determine whether the participant meets the graduation requirements by their contract end date. If not, it is ultimately up to them if they want to take it. Be sure to explain that they won’t be able to access their escrow if they don’t graduate.

**Will the individual field offices guarantee approval of waivers to extend two-year extensions for a third year because of COVID-19 or will this be on a case-by-case basis?**
If field offices receive a request for an extension for reasons related to COVID-19, it will be sent to HUD HQ for processing. The FSS team plans to be expansive in its review and approval.

**If an FSS participant wants to graduate prior to the end of the COP but is furloughed (and expects to return to work with the company) due to COVID-19, should we try to encourage them to continue to participate, or proceed with an early graduation?**
If the participant has met the requirements for graduation, this is up to the participant. Remember that a requirement for graduation is the completion of all of the goals in the CoP and participants should always be working on a goal while in the program. We do recommend discussing the benefits of remaining in the program through the end of the contract, like additional coaching and more opportunities to escrow before they make a decision, but this is their decision to make.

**Can I graduate a participant if they reach zero Housing Assistance Payment (HAP) and meet the “30% rule”\(^1\), but the head of household is not employed?**
The answer to this is always yes. If an FSS participant meets the “30% rule,” which is not the same as reaching zero HAP, they do not need to be employed in order to graduate. This 30% rule only applies to Housing Choice Voucher (HCV) participants.

**Financial Coaching and Service Delivery**

*Questions in this section were answered by Compass Working Capital staff.*

**How is Compass Working Capital enrolling clients virtually?**
This can be a great time to enroll in FSS, especially for those whose income has been affected by the pandemic. Compass has been connecting virtually with potential clients using services such as Google Voice, RingCentral, and Google Hangouts. We have conducted outreach online and held one-on-one FSS orientations over the phone or in group settings via video chat.

---

\(^1\) 30% of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on the PHA’s occupancy standards
Compass uses an online scheduler (youcanbookme.com) that allows clients to book appointments with staff based on their availability. Using DocuSign as a tool to obtain signatures virtually for COPs, interim withdrawal requests, etc. has been useful for us as well. Finally, we are careful to only use secure email (Virtru) when personal information such as credit reports and pay stubs are being transmitted. Respecting the privacy of our clients is always an essential component of our services. Learn more about how Compass has transitioned to remote services.

Do the services Compass is using right now for remote coaching and enrollment such as Virtru, Docusign, YouCanBookMe, have a cost associated with them? Are they mobile friendly?
Most have a fee, although Google Hangouts is a good free platform and many of these services will offer some sort of free trial so that you may decide to try if they work for your needs. They are all mobile friendly.

Do you see remote services during COVID-19 as a way to open up partnerships in areas you might not have been able to reach in the past?
Absolutely. Before COVID-19, Compass Working Capital planned to launch its own remote service pilot by creating an artificially remote environment to test how we deliver services from start to finish. Now we have been forced into this environment and are accelerating our learning. Because we have all been put into this virtual environment, the interest in partnerships around remote services has only increased.

You mentioned that students can get a loan interest waiver for six months. Please explain.
For students who have federal student loans, in particular direct student loans, the interest waiver applies for six months beginning on March 13th, 2020. Check with the servicer to ensure that it has been applied, but it should have been done for everyone automatically. If student loans are on autopay, have clients check that payments are not still being withdrawn from their account during the six-month payment hiatus. This moratorium does not cover private student loans, so if a client has those, they should contact their lender to determine what options are available.

COVID-19 Waivers and Additional Questions
Questions in this section were answered by a representative from HUD.

For all COVID-19 Waiver and CARES Act questions, please refer to the documents available on the HUD PIH COVID-19 Resources page:
Please direct all questions to either PIH-COVID@hud.gov or PIH-COVIDWAIVERS@hud.gov.

You mentioned that for rent there are “no late fees during this time.” Does this apply to landlords with the Housing Choice Voucher (HCV) program?
Yes. Please refer directly to Eviction Moratorium COVID-19 FAQs for Public Housing Agencies for details on this waiver.
Does a PHA have to notify all participants about all waivers being used or only those who are directly impacted by use of the waiver?
Please refer directly to PIH Notice 2020-5 for additional information and see excerpt below.

If a PHA chooses to apply any of the waivers provided for in this notice, the PHA is required to notify residents and owners of any impacts that the waiver and alternative requirement (where applicable) may have on them by whatever means it considers most effective as soon as practicable. HUD recognizes that the COVID-19 public health emergency presents unique challenges from a staffing and communication perspective and encourages PHAs to adapt their communications in consideration of local conditions and resources. For example, a PHA may need to initially provide this notification by placing information on its website and as a voice-mail message and following up with more formal written notice as circumstances allow.

HUD reminds PHAs that all materials, notices, and communications to families regarding the use of the waiver authorities must be clearly communicated and provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act (Section 504) and HUD’s Section 504 regulation, and Titles II or III of the Americans with Disabilities Act (ADA) and implementing regulations. Section 504 and the ADA require recipients to ensure effective communication with applicants, participants, and members of the public and to provide appropriate auxiliary aids and services where necessary to afford individuals with hearing, vision, and other communication-related disabilities an equal opportunity to access information. PHAs must provide appropriate auxiliary aids and services necessary to ensure effective communication in all notices and communications, which includes ensuring that information is provided in appropriate accessible formats as needed, e.g., Braille, audio, large type, assistive listening devices, and sign language interpreters, accessible websites and other electronic communications (See 24 CFR 8.6, 28 CFR 35.160, and 28 CFR 36.303). PHAs must also continue to take reasonable steps to ensure meaningful access to their programs and activities to Limited English Proficient (LEP) individuals. As an aid to recipients, HUD published Final Guidance to Federal Financial Assistance Recipients: Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (LEP Guidance) in the Federal Register on January 22, 2007 (72 FR 2732). LEP guidance and information is available here.

Does the extension date in the waivers reflect when we need to be caught up? For example, do canceled inspections need to be made up by October?
Please refer directly to PIH Notice 2020-5 for the details of each waiver.
Has there been any mention of an extension for the Section 8 Homeownership program participants who will be reaching their 15-year timeframe in the next few months?
No. There are waivers for Homeownership HQS Inspections and for counseling requirements, but not for this particular question. Please email HUD at either pih-covid@hud.gov or pih-covidwaivers@hud.gov with feedback if you believe this should be considered in the future.

Are there any waivers for the homeownership employment requirement?
No. Please see above.

Has the community service and self-sufficiency requirement (CSSR) been suspended or do we have the option to offer it as a waiver?
Please refer directly to PIH Notice 2020-5 for details on this waiver.

PH-5: Community Service and Self-Sufficiency Requirement (CSSR) Statutory Authority: Section 12(c) of the USHA of 1937 Regulatory Authority: 24 CFR § 960.603(a) and 960.603(b) Description: The statute and regulations require that each adult resident of public housing, except for any family member that is exempt, must contribute 8 hours per month of community service or participate in an economic self-sufficiency program or a combination of both. A family’s noncompliance with the service requirement is grounds for non-renewal of the lease at the end of the lease term. HUD is waiving this requirement and is alternatively suspending the community service and self-sufficiency requirement. If a PHA adopts this waiver, tenants will not be subject to this requirement until the family’s next annual reexamination. Upon the family’s next annual reexamination, PHAs should report on Form HUD-50058 each individual’s CSSR status as either exempt for those that are exempt, or pending for those that are otherwise eligible but for which the suspension prevents a housing authority from determining compliance. After a PHA completes an annual reexamination for any family, the CSSR becomes effective again for family members for the subsequent annual reexamination cycle. Period of Availability: The period of availability ends on March 31, 2021.

How should we budget the state unemployment insurance (UI) income? We have always budgeted the UI using the 52-week frequency; however, why would we use 52 weeks when this would go beyond the actual Maximum UI benefit amount.
For clarity on this question, please reach out to the PIH COVID-19 mailboxes at pih-covid@hud.gov or pih-covidwaivers@hud.gov.

Who should we contact about FSS stories for the HUD website?
Please email us at fss@hud.gov.

What is HUD’s FSS email address for future questions?
Please email us at fss@hud.gov. Multifamily housing questions can be directed to mf_fss@hud.gov.