

**Texas Department of Housing and Community Affairs**  
**2022 CEAP Flexibilities**  
**Questions & Answers**  
*March 2022*

UA/CA/Lump Sum Payments

**What are the lump sum payments based on? How are they different than paying arrears with the first UA payment?**

The lump sum payment is based on the household's annual usage, which can be determined by reviewing their 12-month billing history for the previous year. If this billing history is unavailable, you may use your Department-approved Alternative Billing Method (ABM) to obtain an appropriate lump sum payment amount. You may pay this full amount as long as you do not exceed the household's maximum benefit allowance. With the new flexibilities, you will pay the arrears in full (no cap and they do not count towards maximum benefit allowance) and then pay the lump sum payment for the household's annual usage.

**Do vulnerable and non-vulnerable households receive the same amount of payments with this new flexibility? Are households that apply later in the year eligible for 12 months' worth of payment or just for the remaining months of the program year?**

Yes, the intention is that all households you serve, vulnerable and non-vulnerable, will receive a single lump sum payment for their annual utility usage. There is no need to make forward pledges or determine how many months a household should be covered, as they will all receive a payment intended to cover a full 12 months of bills. All 2022 households are eligible for 12 months' worth of payment in a lump sum. This is true whether they applied in January of this year or any month going forward this year.

**What happens if the lump sum payment does not cover their entire usage this year? If a client comes in with a crisis later in the year and does not meet crisis criteria, could an additional payment be made from UA if they still have money left within their maximum benefit allowance?**

Households served with lump sum Utility Assistance payments may return for future assistance under Crisis Assistance if they meet crisis criteria. They may not receive additional UA after receiving their lump sum annual usage payment.

**Are the lump sum payments temporary or indefinite? Are they for PY21 and ARP funding only?**

The new CEAP flexibilities are for this year only, and they will expire after December 31, 2022. They are intended to be used for all current unexpended CEAP contracts – 2021, ARP, and 2022.

**Are we required to pay the lump sum payments? What if we do not have enough funding to serve the rest of the household in our service area? What if we have fully obligated ARP and PY21?**

The intention of these flexibilities is to expend CEAP funds in a timely manner. You will need NEW clients to expend PY22 funds, if you've used PY 21 and ARP funds towards full obligation. Therefore, we strongly recommend that you pay the lump sum payments on every households you serve. Additionally, all households should be treated the same way, so if you make lump sum payments for one, you must do it for all. If you get close to running out of funding, after fully expending your PY21, ARP, and PY22 contracts, contact the Department to see if additional CEAP funding is available to serve more households in your service area.

**Will the payment of arrears not count towards their payment if we choose not do the lump sum?**

Payments of arrears will not count towards a household's maximum benefit allowance for 2022. We ask that all Subrecipients also move forward with making a lump sum payment for households' annual utility

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usage, which will count towards their maximum benefit allowance. This will allow you to expend funds in a timely manner.

**If the first payment doesn't count towards the max benefit amount, and they owe say \$4000 in arrears, can we pay that and then also make a lump sum payment of \$1200 to cover future payments?**

Correct. Arrears may be paid without counting towards maximum benefit allowance, and there is no cap on the arrears. Then, you would make a single lump sum payment for the household's annual usage, up to their maximum benefit allowance. The lump sum payment must be based on their actual billing history or their Alternative Billing Method.

**How is the current bill paid with the new flexibilities?**

The flexibilities allow for arrears (all past due bills) to be paid in full, without counting towards the household's maximum benefit allowance. You may also pay the household's full annual usage (without exceeding maximum benefit allowance) as a lump sum payment, and the current bill would be included in that annual usage.

**If after averaging out the annualized billing history and the amount is less than the client's benefit level, can the entire benefit allowance be paid to assist the household?**

The payment of the lump sum annual usage must be based on the household's actual billing history. You cannot pay them their maximum benefit allowance unless it matches their billing history or Alternative Billing Method.

Arrears

**What are arrears? What do we pay if there are no arrears?**

Arrears refers to past due amounts. The current bill is not considered arrears. If there are no arrears, then you are simply making the lump sum payment for the household's annual usage.

**Will arrears be paid with CA funds or regular UA?**

Arrears and lump sum payments are to be paid with Utility Assistance funds unless the household meets the criteria for Crisis Assistance.

**Are the arrears and the 12-month lump sum payments allowed to be all paid as one single payment? Or are we making 2 separate payments?**

You may make one payment and indicate in the client file which portion covers the arrears and which portion covers the annual usage amount. If you choose to make two separate payments, the first is unduplicated and the second is duplicated.

**For clients that we already started payments on this year, how do we determine what to pay going forward?**

For clients you have already served in 2022, determine the total of their annual usage based on their 12-month billing history, subtract any payments already made, and then make a lump sum payment of the balance.

**Can we pay \$7000 worth of arrears?**

There is no cap on payment of arrears with the new flexibilities.

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**If our Alternative Billing Method (ABM) provides a greater benefit than the household's 12-month history, can we use either method?**

Unfortunately, no. We ask that you obtain a household's 12-month billing history and only utilize the ABM when the billing history is unavailable.

TRR

**When we use the TRR households for eligibility, what do we put in clients' files for monitoring purposes?**

Please document in writing that the household was determined income eligible via TRR, and then maintain a copy of the TRR email along with the full list of TRR households on file for future monitoring visits. The TRR list and Department email may be kept in a Master File.

**What do we do with households on the TRR list who are out of our service area?**

This is likely a data error. Please disregard any households that are not within your service area.

**What do we do with TRR households that have different composition than when they applied for TRR?**

All TRR households should complete a CEAP application, and you should base your determination off of the application information they provide. If household composition has changed since they applied for TRR assistance, please collect income documentation on any household member 18 years of age or older, and/or change in household size, to verify they remain eligible.

**Is there any way to verify the months that a household is receiving utility assistance through TRR in 2022 so we do not duplicate UA benefits with CEAP?**

Any assistance by TRR for these households would have counted towards arrears of 2021, so you do not need to worry about duplication of benefits.

**Do TRR households still need to complete a CEAP application?**

Yes, TRR households still need to complete a CEAP application and provide citizenship and identification documents. Additionally, income documents will be required for any household identified for "outreach" on the spreadsheet. All CEAP requirements apply, except for income documentation for those who have not had a change in household size and are identified as "eligible."

Charges on Bills

**What if a deposit is included in the billing history? Do we need to subtract that amount?**

Yes. You cannot pay deposits with CEAP funds. Since you are making payment for annual usage, we encourage Subrecipients to negotiate waiver of the deposit with vendors.

**Our clients have utilities lumped together, like water, sewer and garbage. Do we still have to take those away from the amount we pay?**

Yes. You cannot pay water/sewer/garbage with CEAP funds. You may pay water and sewer with upcoming LIHWAP funds, if you have a vendor agreement. This is an optimal time to secure those agreements.

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If the vendor will not accept a lump sum payment and apply it only to “home energy” costs, then the new lump sum payment flexibility is not an option for this vendor. Subrecipients can continue to make monthly payments, per usual CEAP UA processes, in compliance with the TAC.

Credits on Bills

**What about clients that apply while they have a credit on their account. Can we still pay the 12-month lump sum up to the max benefit allowance?**

In the instances in which clients have credits, please calculate their annual usage, subtract the amount of the credit, and then make a lump sum payment for the difference and documents this in the client file. If the client has a big credit, you may wish to communicate with the client that it might be worth coming back and applying later in the program year.

**What will happen if the clients has to move? Does the credit with the utility company follow the client or will the grantees/contractors need to request reimbursement from the utility companies and remit the funds to a new utility company or the same, but under a new account for our clients?**

If a household you have made payment on has to move or change utility companies, the vendor will apply the lump sum payment to the household’s account, and then the balance will be returned to the Subrecipient to be reused for direct client services.

**Paying the full 12-month lump sum payments in the later months, the clients will most likely have credits on their accounts starting in 2023. How will that effect the payments we will be able to make next year?**

At this time, we ask that clients be served throughout 2022 with their full annual usage in a lump sum payment, regardless of how this will impact future assistance. This request is made in order to ensure all current CEAP contracts are fully expended and all clients are treated equally. Subrecipients will need to conduct outreach for new clients. Department guidance for dealing with utility credit in 2023 will be provided at a later date.

HVAC Service and Repair

**Can we provide A/C repair at this time or only the heating repair?**

HVAC service and repair applies to both heating and cooling systems, whenever a household has an inoperable system

Vendor Questions

**Have the vendor agreements been revised pertaining to the return of funds from the vendor if services are terminated or if the client closes their account?**

This should be covered under the current vendor agreement your vendors have already signed. There is no need for new vendor agreements. Your current vendor agreement should cover all of the provisions of the new flexibilities. See below:

“If the Agency has paid for an initial deposit **or similar refundable instrument**, upon the termination of service to the Certified Customer, the Vendor shall return funds including interest (after any balance owed) to the Agency in accordance with PUC regulations or **10 Texas Administrative Code §6.312(f)** (as applicable).”

**How do we assist with funds for a client that gives us new vendor information?**

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Please ensure you have a signed vendor agreement with any vendor before making payments on a household's account.

**If the client moves to another address within the service area, but still would like the services, would we have to wait for the refund from the previous provider before helping them with the remainder of their benefit at the new address with the new provider?**

Yes.

**Looking at slide 15, "If a client closes their account, the vendor should apply the CEAP funds to any balance due and then return unused funds to the Subrecipient." Does "any balance due" apply to anything outside of electric or gas usage?**

No. There is no change in the usage of CEAP funds.

Fiscal and Reporting Questions

**In drawing funds for lump sum payments, do we include admin and program services since they are not expended yet? Can we have additional CEAP funding in order to be able to implement these new flexibilities?**

Subrecipients are provided Admin and Program Service budgets in all contracts. There is no change in activities for these categories.

Please read Exhibit A of your Contracts:

- PY 21 and PY 22 Contracts: 7.22% Admin; 13.29% Program Support
- ARP Contracts: 9.09% Admin and Coordination; 13.29% Program Support

Once you have obligated PY21 and ARP contracts, contact the Department for PY22 access.

**Do we report households that receive arrears payment on the MPR?**

Yes. This will be the first "unduplicated" payment. The lump sum payment will be considered "duplicated."

**Will TDHCA provide a funding advance, if needed?**

Yes, this is possible. Please contact fiscal staff.

**Will we still need to meet benchmarks on the 2022 contract?**

We ask that you focus on expending funds as quickly as possible. The Department has implemented the 2022 CEAP Flexibilities in order for CEAP Subrecipients to fully expend all contracts by contract end dates.

**Do we need to we move clients served under CEAP 2022 contract to the CEAP ARP contract?**

Any pending 2022 expenditures will need to be moved to your unexpended PY21 or ARP contract performance and expenditures.

Misc.

**Do these flexibilities begin now?**

These flexibilities are retroactive, dating back to January 1, 2022.

**Is ARP only for households impacted by COVID-19?**

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No, there is no COVID requirement for ARP funding. It is to be used exactly the same as regular CEAP funds.