

**From:** [TDHCA](#)  
**To:** [Mailing List Emails](#)  
**Subject:** Guidance on the Use of Special Reserve Accounts for Tenant Benefit during the COVID-19 Pandemic  
**Date:** Thursday, April 09, 2020 11:14:05 AM

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The Texas Department of Housing and Community Affairs encourages developments with Special Reserve Accounts to use these funds to provide grants of assistance to tenants who have had a sudden loss of income or increased household costs due to the COVID-19 pandemic, and offers the following policy for implementation.

The grant from the Special Reserve Account would equal a monthly amount up to the household's portion of the currently scheduled rent transferred to the property's operating account, plus actual documented utility costs, which would be paid directly by the property to the utility on behalf of the tenant household.

Property Owners choosing to access Special Reserve funds in this way need to send the Department notice that they will be accessing these funds for the purpose of assisting tenants who have had a sudden loss of income or increased household costs, and must maintain an accounting of the units assisted and amount of assistance provided from the Special Reserve fund for each unit. Assistance through the Special Reserve Account may continue until the need has ended or the fund has been fully depleted.

Sufficient documentation of the household's income interruption is the responsibility of the Owner or their designees. An eligible tenant household must be an existing resident under a preexisting lease date on or prior to February 1, 2020. During the period of assistance, rent may not be increased, though renewal leases may be signed. If assistance from the Special Reserve Account is provided to a tenant, the tenant is to be considered fully current on rent for such month(s) and cannot be evicted for nonpayment or be classified as being in arrears. Furthermore, a household's utilization of these funds cannot be good cause to terminate or not renew the tenancy.

All tenants receiving assistance should be required to sign an application or other documentation for this assistance, and include a certification that they are receiving no other assistance for rent and utility payments or specify the amounts and source of additional assistance. A sample application for assistance can be found on TDHCA's website at <https://www.tdhca.state.tx.us/asset-management/announcements.htm>. Each tenant receiving assistance should be responsible for updating the landlord with their status of employment when it changes, and shall recertify their status regarding additional assistance each month at or around the time of receiving assistance under this program.

An accounting of all draws per tenant household must be kept, and shall be made available to the Department upon request. The Department may periodically request data on the status of the program to include the number of participants, number of draws, and total amount drawn.

Any program of assistance must be made available to any and all existing tenants who ask for assistance and have provided sufficient documentation of interruption of income or increased household costs as a result of the pandemic. While it is the Owner's decision, based upon the availability of Special Reserve resources, to make these funds available to any tenants, once that decision is made, the funds must be made known and available to all eligible tenants.

Any Owner wishing to participate and use their Special Reserve funds in this manner must commit to the guidance in this announcement and notify the Department in advance of doing so by submitting a request for the same to the Department's Asset Management Division, and disclose the total amount of Special Reserve funding available, the amount and source of any additional funds being accessed for this specific activity, and the number households anticipated to be served. The Owner must also assure they have developed, adopted, and will make available to the residents and the Department, upon request, their written policies and procedures regarding this activity. The Owner must also refund the Special Reserve Account if it later receives reimbursement of all or some of the costs from a third party, such as a Public Housing Authority or a disaster response agency.

Please note that this policy is only for Special Reserve Accounts and not applicable to Replacement Reserve Accounts.

To submit requests to use Special Reserve funds or for any questions, please contact your assigned Asset Manager, who can be identified by visiting <http://www.tdhca.state.tx.us/asset-management/contacts.htm> and entering the county in which the development is located.

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Listserv announcements and other TDHCA-issued guidance regarding COVID-19 can be found here: <https://www.tdhca.state.tx.us/covid19.htm>

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