

Treatment of CARES Act Stimulus & Unemployment Payments

Many property owners/agents have contacted KHC requesting information on how to handle stimulus payment their tenants expect to receive. HUD recently provided guidance on this topic, updating its [Q&A for Office of Multifamily Housing Stakeholders](#) on April 16, 2020, as follows:

Household Stimulus Payments

Q4: Are household payments under the CARES Act reportable as tenant income?

A: Household stimulus payments of up to \$1,200 (which is technically an advance tax credit) and the temporary \$600 per week federal enhancement to unemployment insurance provided by the CARES Act are NOT to be included in calculations of income.

However, HUD notes that regular payments of unemployment insurance (issued by the state) are treated as income, as is customary under program rules.

This means HUD Multifamily is treating the additional \$600 in Unemployment Insurance as a stimulus payment that should not be counted as annual income.

Additional Guidance from HUD

KHC encourages property owners and managers to regularly review HUD's [Q&A for Office of Multifamily Housing Stakeholders](#). HUD has provided additional updates on the CARES Act, forbearance guidelines, recertifications, evictions, electronic signatures and more.

In addition, HUD's two-page memo titled [Annual and Interim Recertifications Protocol During COVID-19](#) offers succinct guidance on conducting recertifications during the COVID-19 pandemic.

For ongoing updates, check KHC's [COVID-19 Response](#) web page and subscribe to KHC [eGrams](#) for updates.