

Treatment of CARES Act Household Stimulus 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.

Resident Income Reductions

If a PBCA property resident reports a reduction to income, owners/managers should complete an IR reducing income and increasing the assistance payment. Assuming the resident reported in a timely manner, the effective date of the IR is the first of the month after the reduction. Please refer to the [HUD Handbook 4350.3](#), Paragraph 7-13 for more information.

This is addressed further in the [HUD Q&A](#) document under Asset Management, Question 8, page 15.

Additional Guidance from HUD

KHC encourages PBCA 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. therefore, it is very import for you to review the information provided in the Q and A document.

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.