

# Frequently Asked Question

## Landlord Mitigation Program

- ❖ **Is this program only for landlords that serve low income households?**
  - Eligibility is based on the tenant receiving a subsidy. While subsidies are primarily income based, we will not be reviewing income qualifications for landlords to receive an award.
  - Properties owned by a Housing Authority are the only properties that are not permitted to use the Landlord Mitigation Program.
  
- ❖ **Why do you require a Statewide Vendor ID (SWV) number?**
  - All payees from State offices are required to have a State Vendor ID number. This will require the payee to complete an application and W-9 and submit to the state.
  - Property Managers may use one SWV for all properties but the State will send the owner of the SWV a 1099 at the beginning of the following year. Commerce recommends using a unique SWV for each individual owner.
  - Important note: Do not submit a claim without this number. It will be denied if the number is not included.
  
- ❖ **Will Commerce consider claims for tenants that moved in/out prior to June 7<sup>th</sup>, 2018?**
  - Unfortunately, the Landlord Mitigation Program is not a retroactive law and claims for move-in or move-out repairs or rent loss that occurred prior to this date will not be considered. For clarification, post-move in claims will be considered for tenants that occupied the property prior to June 7<sup>th</sup>, 2018 so long as the damages occurred after June 7<sup>th</sup>, 2018.
  - As of June 7<sup>th</sup>, 2019 claims for damages that occurred over twelve months prior to the date of claim submission will not be reimbursed.
  
- ❖ **What if I didn't get a copy of the housing voucher or Housing Assistance Inspection form?**
  - The easiest solution to satisfy this requirement is to contact the housing assistance program that provided the landlord with the rent assistance and ask them to provide copies.
  - If a landlord not able to collect copies from the Housing Assistance program, a signed statement from the tenant or case manager stating the amount and length of rent assistance will suffice.
  
- ❖ **What is the difference between a Housing Assistance Inspection Report and a Move-In Condition Report?**
  - A Housing Assistance Inspection Report is the form that is completed to verify that the property is habitable and meets the minimum standards of the Housing Assistance program that is offering rental subsidy.
  - A Move-In Condition Report is a form that is completed by the tenant and landlord to document the condition of the property at the time of move-in. Often, this same form is used again to document the condition of the property at move-out for ease of comparison. Go to [comer.wa.gov/landlord\\_fund](http://comer.wa.gov/landlord_fund) for a sample form (Landlords have permission to use this form to satisfy this requirement).
  - Both documents are required for a landlord's claim.

❖ **When can I submit a claim?**

- Landlords may submit as many claims as needed during the life of a tenancy. It is important to note the consequences to being awarded a claim
  - Each individual claim must exceed \$500
  - Any combination of claims can be submitted but the maximum of all awarded combined claims cannot exceed \$5000.
  - Any claim awarded prohibits the landlord (or any collection agency) to take legal action against the tenant for damages attributable to the same tenancy.
- Landlords may only submit one claim for modifications required to pass an occupancy inspection.

❖ **How much can be reimbursed for a pre-move in claim?**

- Landlords can receive up to \$1000 in reimbursement for repairs required for the property to pass a housing assistance inspection. The initial \$500 of the repairs will not be reimbursed. Any amount (up to \$1000) over the initial \$500 will be reimbursed if the claim is approved.
- In addition to the amount listed above, landlords may claim up to fourteen days of rent loss that caused the move-in to be delayed by the needed inspection and/or repairs. Evidence of the delay must be submitted with the claim.

❖ **How much can be reimbursed for damages after move-in?**

- Landlords can receive up to \$5000 in repair reimbursement.
- The minimum claim must be at least \$500. Unlike the pre-move in reimbursement, the initial \$500 is claimable.
- Important note: Any monies paid on a post-move in claim will nullify the landlord's ability to pursue any other funds owed from the tenant through any means or agency.

❖ **What damages can a landlord claim?**

- Damages include (but are not limited to) physical damage to a property beyond normal wear and tear, unpaid rent and charges associate with tenancy including late charges, non-compliance charges, legal expenses and utility charges.
- Important note: The program does not pay fees or lease-break charges.

❖ **How do I use the Security Deposit?**

- Any claim that is submitted for move-out charges must first have the security deposit applied to the charges owed first.

❖ **How long does the review process take?**

- Landlords will receive receipt of their claim submission immediately upon submission of the online form. Claimants that mail the claim to Commerce will receive a receipt within ten business days.
- Claims are reviewed in order of submission. Commerce cannot guarantee a specific timeline, only that each application will be reviewed in the order received.

- Funds will be disbursed to claims upon approval and then fund availability. If funds are not available at the time of approval, the claim will be held in a pending status until funds are available in order of submission (approved claims will be paid in order received).
- Claimants with a denied claims will be notified immediately upon decision.
  
- ❖ **Can I appeal a denial of my claim?**
  - Most denials will be denied due to lack of supporting documentation, photos or simply lacking information on the form. If the claim is denied for any of these reasons, please submit a new claim with all corrected information and supporting documents included. The new claim will drop to the bottom of the cue and may significantly delay a decision.
  - Claims that are denied for any other reason may only be resubmitted with a judgement against the tenant included.
  
- ❖ **Can a Rental Assistance Agency obtain reimbursement from the program**
  - Unfortunately, this program is designed to reimburse landlords only. Third-party agencies and subsidy providers may not receive funds from this program.
  
- ❖ **Can a property management company collect reimbursement on behalf of a Housing Authority?**
  - The law is clear on the only exception that was included. That exception is that the program will not pay for damages to a property that is owned by the Housing Authority. This is primarily due to the fact that HUD offers their own form of a Landlord Mitigation Program.
  - in short, no, property management companies cannot claim funds on behalf of the Housing Authority. Details on the HUD reimbursement process can be found at <https://www.hud.gov/sites/documents/HSG-06-01GC5GUID.PDF>
  
- ❖ **Why is the information provided for a claim subject to Public Record Requests?**
  - Public Disclosure Act, chapter 42.56 requires that most information gathered for the purpose of State business be readily available for public review. While most information is readily available, landlord and tenant direct contact information is not publicly shared nor are the supporting documents, claim findings or fraud identification that contain sensitive information.

**Continue to the next page for example scenarios.**

# Situational Examples

- ❖ ABC Property Management has a new vacant one-bedroom apartment that is move-in ready available for \$875 per month. On June 6<sup>th</sup> Sandra applies for the apartment. On June 8<sup>th</sup> the screening results are returned and Sandra meets the screening requirements and is approved to live in the apartment. ABC Property Management and Sandra agree to a move-in date of June 15<sup>th</sup>.

Sandra's move-in expenses (including a \$500 security deposit) and first three months of rent are being paid by Homelessness No More (a non-profit organization) in the form of a rental subsidy. Prior to agreeing to pay ABC Property Management, Homeless No More requires that the apartment passes a move-in inspection. The inspection is scheduled on June 12<sup>th</sup>.

The apartment fails inspection and requires minor repairs prior to Sandra taking possession of the apartment. The repairs, totaling \$1250, are scheduled for June 18<sup>th</sup> and completed on June 19<sup>th</sup> allowing a follow-up inspection from Homeless No More on June 19<sup>th</sup>. The apartment passes the follow-up inspection and Sandra and her cat move in on June 20<sup>th</sup>.

- In this scenario, ABC Management may submit a claim for the following amounts of reimbursement:
  - \$750 for repair costs (landlords pay the initial \$500)
  - \$143.84 in lost rent - ( $\$875 \times 12 \text{ months}$ ) / 365 days x 5 days
- ABC Property Management will need to provide the following documents:
  - Sandra's Executed Rental Agreement
  - Sandra's Executed Move-In Condition Report
  - Homeless No More's failing inspection report
  - Photos – before and after repairs of the affected area
  - Invoices for repairs made.
  - ABC Property Management's Statewide Vendor ID Number
  - ABC Property Management's completed claim submission application
- ❖ Two years into the tenancy Sandra submits a repair request for a clogged toilet. Snaking the toilet does not clear the clog and ABC PM replaces the toilet for a combined expense of the failed snake attempt and toilet replacement of \$980. The maintenance supervisor breaks the toilet open and discovers several cotton swabs were clogging the toilet.

- In this scenario, ABC may submit a claim for the following amount for reimbursement:
  - \$980 for repair attempt and replacement of the toilet.
  - Reasonable expenses for the time and materials completed by the maintenance supervisor.
- ABC Property Management will need to provide the following documents:
  - Sandra's Executed Rental Agreement

- Sandra's Executed Move-In Condition Report
  - Evidence of subsidy.
  - Photos – before and after repairs of the affected area,
  - Invoices for repairs made.
  - ABC Property Management's Statewide Vendor ID Number
  - ABC Property Management's completed claim submission application.
- ❖ Five years into the tenancy, Sandra ends her tenancy and moves out of the apartment. Below are different possible outcomes and the likely results of each:
- Sandra moves out leaving no damages, only minor cleaning and light paint touch up required but fails to pay her last 20-days of rent.
    - The landlord must use the security deposit to mitigate and costs associate first.
    - In this scenario, we will say that cleaning and touch-up cost \$500.
    - The amount of rent owed is \$575.34, the landlord can submit a claim for this amount and will only need to provide the following for a rent only claim:
      - Sandra's Executed Rental Agreement
      - Sandra's Executed Move-In Condition Report
      - Evidence of subsidy.
      - A copy of the tenant ledger showing the deficiency
      - ABC Property Management's Statewide Vendor ID Number
      - ABC Property Management's completed claim submission application
  - Sandra moves out leaving no balance due for rent but the unit is very dirty and the carpets are heavily stained by her cat. Carpet replacement totaled \$2560 (\$1800 for carpet, \$260 for a new pad, \$200 for materials to seal the subfloors and \$300 for labor).
    - The landlord must use the security deposit to mitigate and costs associate first.
    - In this scenario, we will say that cleaning and touch-up cost \$500.
    - Carpet replacements must be prorated for the life of the carpet. The industry standard for life of carpet is seven years. For this reason, the carpet replacement is broken down as such:
      - Carpet cost divided by seven then multiplied by two years of remaining life (\$514.29)
      - Pad, labor and materials are not pro-rated. (\$760)
      - Total amount of claim is \$1274.29
    - The following will be required for this claim:
      - Sandra's Executed Rental Agreement
      - Sandra's Executed Move-In Condition Report
      - Evidence of subsidy.
      - Photos – before and after repairs of the affected area,
      - Invoices for repairs made.
      - ABC Property Management's Statewide Vendor ID Number
      - ABC Property Management's completed claim submission application