

Criteria Suggestions for Rent Deferral Application/Agreement

Due to the COVID-19 Pandemic you may consider entering into an agreement with current residents that would allow an affected resident to defer payment of their April rent in order to avoid being evicted. Typically, the agreement would provide a deferral of the payment of rent for the month of April 2020. This would be an acknowledgment by the resident that the rent is still owed, but the payment will not be considered late if the agreement is complied with.

The purpose of deferral is to provide temporary assistance to residents whose source of income is directly impacted by the COVID-19 virus and should only apply to the month of April. A reassessment could be made to enter into an additional deferral agreement if necessary.

Areas to develop your criteria for persons applying for deferment of rent.

1. Is there a co-signer or other guarantor? If so, they too must meet the criteria.
2. If there are multiple residents, there should be an evaluation to determine if their combined income is sufficient. If even one of the signed residents would have qualified on their own and still have their income, they probably would not qualify.
3. There must be a showing of how their income is directly affected by the Pandemic. Loss of job due to the pandemic, inability to work because of illness related to the pandemic, etc.
4. Increase in costs due to the pandemic. If kids and now must pay for daycare because school is out. Medical costs.
5. Have they been a good tenant? If you are not going to renew the lease, you may not want to grant a deferment.
6. Are they current on all obligations under the lease?
7. Do they have any current or pending lease violations?
8. Do they have any pending litigation or administrative actions against landlord?

Other potential suggestions:

1. Cap the monthly amount deferred or only defer a portion if Resident is only partially affected. (*I really like still making them make some monthly payment in April.*)
2. The monthly repayment of rent can be as few as months as you feel appropriate.
3. The monthly payments should not extend beyond the end of the current lease. (May require that new lease be signed as part of the agreement)
4. This is a good time to update the application and review your current application to make sure you have correct, and accurate information.
5. GREAT time to update emergency contacts.

An internal community policy should be created to give as much consistency to the process as possible. This internal community policy should give sufficient instructions to the person tasked with review of the application to allow for both consistency and flexibility to meet the goals of the community.

