MEMORANDUM

To: All Multifamily Borrowers
From: Kim Roy, Director of Asset Management and Compliance
Date: April 2, 2020
RE: Impact of COVID-19 – Request for Assistance

As the impacts of COVID-19 are being felt in your communities, we know you are also feeling the impact in the management of your multi-family housing portfolio. VHFA understands that as we move further away from April 1st your organization is likely getting a better sense of your potential concerns around revenues and expenses for each of your properties. VHFA will consider a number of options based upon demonstration of documented financial hardship for individual properties.

In an effort to streamline your requests for assistance we are asking property owners or managers to help us in identifying properties that are quickly running into need for assistance in the next three months due to projected loss of revenue or increase in expenses. This is not a one-time request. VHFA will continue to engage your organization about needs and will remain responsive to emergencies in your portfolio as we move through the next several months. At this time, we are seeking input and updated financial status on your properties of concern for the next three months so that VHFA may review your responses, consider any servicing resources the agency can offer, and work with you to move forward.

We have provided you with a spreadsheet for supplying property specific information:

- Property Name
- Current Actual Reserve and Cash Account Status
- Monthly Budgeted Revenue
- Actual Projected Revenue for April, May, and June
- Monthly Budgeted Expenses
- Actual Projected Expenses for April, May, and June
- Please provide an explanation of how you arrived at projected revenue shortfalls or expense increases (for example: “we estimate a XX% rent payment”)

If you have this information in another format that is easily accessible, please feel free to provide that as an alternative to submitting the attached spreadsheet.
Following a submission of your highest concern properties, VHFA will engage your organization regarding potential relief options.

Loan forbearance is not the only tool available and VHFA may require additional steps prior to approval of a forbearance. **We will seek to understand that properties have looked at utilization of the following resources:**

- Project Operating Accounts (Working Capital, Deficit Escrow, Operating Cash Account)
- Operating Reserve Escrow Account (we recognize you may have other investor or lender restrictions)
- Replacement Reserve Escrow Account (VHFA will waive monthly deposit requirements as needed)
- Surplus Cash

In addition to the factors listed above, VHFA staff may also consider the following in determining whether to waive surplus cash payments or consider a forbearance:

- Deferred developer fee payments
- Investor servicing fees
- Distribution (Owners may be required to waive distribution)
- Management fee where the owner and manager share an identity of interest

**Please submit any formal requests for loan actions at least 10 business days prior to your mortgage payment due date.** This will allow timely processing of your request prior to your payment due date.

Please send submission to Kim Roy at kroy@vhfa.org.