Flex Payment Models for Apartment Firms During COVID-19 Outbreak

March 27, 2020
Webinar Information

- This webinar was pre-recorded on March 31, 2020 and was not intended for a live audience.

- For further information on the topics covered within this webinar, please visit https://www.nmhc.org/covid19. Questions can be emailed to news@nmhc.org.

- This webinar is provided for informational purposes only and is not legal guidance.
Webinar Speakers

Kevin Donnelly
VP, Government Affairs
NMHC

Sarah Yaussi
VP, Business Strategy
NMHC
The mission of NMHC is to create opportunities for the industry’s best and brightest to come together to leverage smart decision making and collaborative action to shape a positive future for their business, the multifamily housing industry and the communities they help build.
Webinar Agenda

- Welcome and Overview
  - Kevin Donnelly, VP, NMHC Government Affairs

- How Did We Get Here?
  - Kevin Donnelly provides legislative and industry background fueling the financial hardships facing your residents.

- What Are My Options?
  - Sarah Yaussi outlines flex payment plan models, best practices and resident-communication dos and don’ts.

- Closing Remarks
  - Sarah Yaussi highlights NMHC COVID-19 resources and Kevin Donnelly provides a brief legislative outlook regarding future coronavirus-related possibilities for the industry.
How Did We Get Here?

The COVID-19 outbreak is forcing many states and localities to mandate shelter in place orders – including the nation’s 40 million renters.

As a result of this outbreak, many Americans have been forced out of work and are left dealing with financial hardships.

Help is on the way, but it may not alleviate hardships in time for the April 1 rent deadline.
What Are My Options?

Communication Is Key
With April 1 rent payments rapidly approaching and little clarity around how many residents will be affected by furloughs or job loss, most apartment firms are bracing for an uptick in late payments and skips for April and likely even bigger jumps for May and possibly June.
## Examples of Flex Payment Models

<table>
<thead>
<tr>
<th>Shorter Payment Schedules</th>
<th>Deferred Payments</th>
<th>Security Deposit Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Align rent payments with pay schedule.</td>
<td>• Breaks up one month’s rent payment over the remaining terms of the lease.</td>
<td>• Allows dependable renters to apply security deposit to the month’s rent.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incentivizing On-Time Payments</th>
<th>Credit Card Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Awards renter for paying rent on time and in full.</td>
<td>• Diversifies payment options for renter.</td>
</tr>
</tbody>
</table>
Flex Payment Best Practices

- Put parameters in place to make sure they are protected from fraudulent behavior.

- Ask residents to provide documentation such as a letter from their employer stating they have been terminated, laid off or hours reduced as a result of the COVID-19 pandemic.

- Require resident to sign a written agreement that outlines clear expectations for both resident and operator.

- Consult with a legal team to ensure your policies adhere to lease terms; comply with applicable laws and regulations; protect your rights if; and comply with all Fair Housing regulations.
NMHC Resources-- www.nmhc.org/covid19